

CENTRAL REGIONAL SCHOOL DISTRICT

Bayville, New Jersey
County of Ocean

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

CENTRAL REGIONAL SCHOOL DISTRICT

BAYVILLE, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Prepared by

Central Regional Board of Education

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INTRODUCTORY SECTION

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Central Regional School District

P.O. Box C
Forest Hills Parkway
Bayville, New Jersey 08721

732-269-1100
www.centralreg.k12.nj.us

TRIANTAFILLOS PARLAPANIDES, Ed.D.
Superintendent of Schools

KEVIN O'SHEA
Business Administrator/Board Secretary

November 28, 2017

Members of the Board of Education
Central Regional School District
Bayville, New Jersey 08721

Dear Board Member:

The Comprehensive Annual Financial Report (CAFR) for the Central Regional School District for the fiscal year ending June 30, 2017 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes the transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis and the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this Single Audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Central Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement 34. All funds and account groups of the District are included in this report. The Central Regional Board of Education and all its schools constitute the District's reporting entity.

2) ECONOMIC CONDITION AND OUTLOOK:

The Central Regional School District is located in the Central Eastern portion of Ocean County and consists, geographically, of five separate municipalities within its boundaries. These municipalities include Berkeley Township, Island Heights, Ocean Gate, Seaside Heights and Seaside Park. The district encompasses 43.95 square miles.

3) MAJOR INITIATIVES:

District

In 2014, the district unveiled its new state of the art, \$2.3 million track and turf project. With an 8-lane track, coupled with a 10-lane straightaway, the district now has the premier track and field facility in the State of New Jersey. The district also installed field turf onto its football field as part of the project. Football, soccer, field hockey and Lacrosse are all able to be played on the turf field, which will provide advantages to student athletes at Central Regional to obtain athletic scholarships for higher education after graduation.

4) INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse or/and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations to those programs. This internal control structure is also subject to periodic evaluation by district management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5) BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions, embodied in the annual appropriated budget approved by the voters, or the representatives of each municipality or the State of New Jersey. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-

appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2017.

6) ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records, to the best of our knowledge, reflect the generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7) DEBT SERVICE

The Debt Service (principal and interest) is related to the renovations and additions to the Middle School and High School and district wide projects. Bonds were issued in 2008 and 2011. They will be retired over a fifteen (15) year and ten (10) year period respectively.

8) CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 1. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9) RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, automotive liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

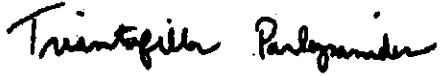
The District has an active Risk Management Committee that is instrumental in reducing exposure to employee injury and researching means to reduce exposure for the district to other types of risk. The district has a District Safety Committee comprised of three (3) Board Members who actively work to insure the safety of students and staff.

10) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants. The accounting firm of Holman, Frenia & Allison, P.C., Certified Public Accounts, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.


11) ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Central Regional Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

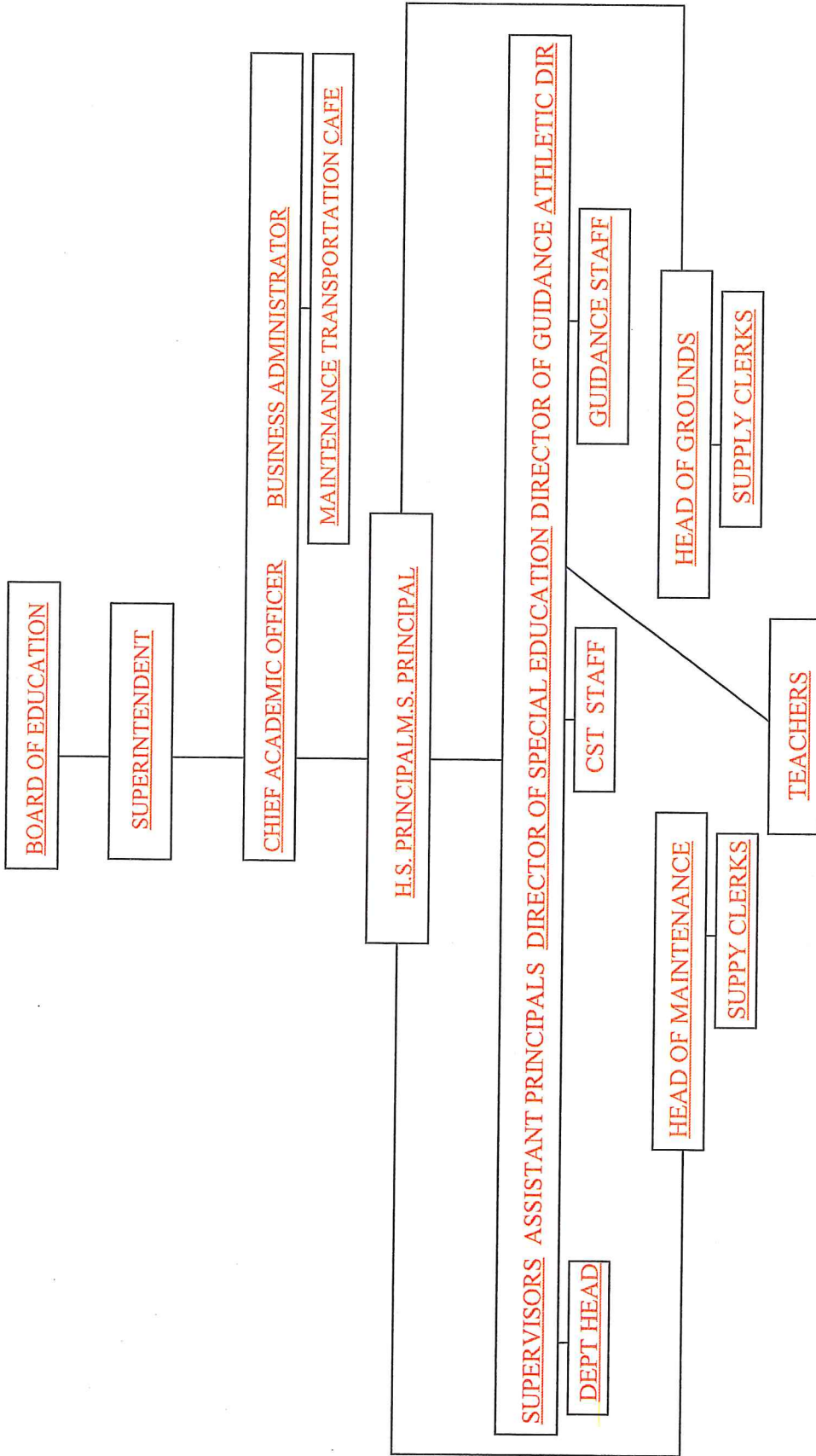


Triantafillos Parlapanides, Ed.D.
Superintendent of Schools



Kevin O'Shea
Business Administrator/Board Secretary

CHAIN OF COMMAND



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CENTRAL REGIONAL SCHOOL DISTRICT
509 Forest Hills Parkway
Bayville, New Jersey 08721

ROSTER OF OFFICIALS

JUNE 30, 2017

MEMBERS OF THE BOARD OF EDUCATION	MUNICIPALITY	TERM EXPIRES
Tracy Mianulli, President	Seaside Park	2017
Michael Passeri, Vice President	Ocean Gate	2017
Susan Cowdrick	Island Heights	2018
George Dohn	Berkeley	2018
Ralph Frulio	Berkeley	2019
Jennifer Gindel	Berkeley	2019
Michael Graichen	Seaside Heights	2017
Louis Tuminaro	Berkeley	2019
Denise Pavone-Wilson	Berkeley	2018

OTHER OFFICIALS

Triantafillos Parlapanides, ED.D., Superintendent

Kevin O'Shea, CPA, Business Administrator

Carmen Memoli, CPA, Treasurer of School Monies

Comegno Law Group, P.C., Board Attorney

CENTRAL REGIONAL SCHOOL DISTRICT
Bayville, New Jersey 08721

CONSULTANTS AND ADVISORS

AUDIT FIRM

Rodney R. Haines
Holman Frenia Allison, P.C.
680 Hooper Ave, Bldg. B, Suite 201
Toms River, New Jersey 08753

ATTORNEY

Mark Toscano, Esq.
Comegno Law Group, P.C.
521 Pleasant Valley Ave
Moorestown, New Jersey 08057

OFFICIAL DEPOSITORY

Ocean First Bank
975 Hooper Ave
Toms River, New Jersey 08753

FINANCIAL SECTION

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HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

680 Hooper Avenue, Bldg B, Suite 201, Toms River, NJ 08753 • Tel: 732.797.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800
6 E. Park Street, P.O. Box 614, Bordentown, NJ 08505 • Tel: 609.298.8639
194 East Bergen Place, Red Bank, NJ 07701 • Tel: 732.747.0010
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
www.hfacpas.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Central Regional School District
County of Ocean
Bayville, New Jersey 08721

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Central Regional School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Central Regional School District, County of Ocean, State of New Jersey, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and the schedules relating to accounting and reporting for pension as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Central Regional School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and the Schedule of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial

statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2017 on our consideration of the Central Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Central Regional School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines
Certified Public Accountant
Public School Accountant, No. 2198

Toms River, New Jersey
November 28, 2017

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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**CENTRAL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

UNAUDITED

The discussion and analysis of Central Regional School District's financial performance provides an overall review of the school district's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School District's financial performance as a whole, readers should also review the notes to the basic financial statements and financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34-Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999.

Financial Highlights

Key financial highlights for the fiscal year ended 6 are as follows:

- Superstorm Sandy hit the State of New Jersey on October 29, 2012. The municipalities of Seaside Heights, Seaside Park, Ocean Gate, and parts of Berkeley Township in particular were severely affected. The Ratable base in which property taxes are levied have been, and will continue to be, affected for years to come. To mitigate the impact, the District qualified for a Loan through FEMA known as the Community Disaster Loan program. The District was approved up to \$5,000,000 to utilize towards stabilizing taxes levied on the 4 affected municipalities in the aftermath of the storm. The District utilized \$1,977,153 from the loan program for the 2013-14 fiscal year and \$2,721,517 for the 2014-15 fiscal year. During the 2016-17 fiscal year, the District applied for cancellation and was approved by FEMA for cancellation of \$3,494,450 plus applicable accrued interest. As of June 30, 2017, the District owed \$1,204,220 in principal plus \$30,679 in accrued interest. The District applied for and received an extension to repay the loan and it is now due no later than July 11, 2023. The District plans on making incremental payments over the next several years for the remaining balance. See notes 20 and 21 to the financial statements for more information.
- The District applied for and was approved to be a Choice School District beginning in the 2011-12 school year. This program, authorized by State statute and administered by the NJ Department of Education, allows students from other towns to enroll at Central Regional. For each student enrolled through the program, the District receives additional state aid. For the 2016-17 school year, the program brought in \$1,337,047 in additional state aid. Over the last several years the District was able to utilize Choice Funds for various capital improvements, purchases of textbooks, equipment, and to finance some innovative programs such as our Humanities Academy and Partnership with Georgian Court (2012-13), as well as the ROTC program (2013-14). These funds should hopefully mitigate, if not eliminate, the need to seek voter approval and issue bonds for capital improvements over the next 2 to 3 years should the revenue continue uninterrupted.
- The District, utilizing primarily the aforementioned Choice aid substantially completed replacement of a number of windows and their lintels in the Middle School, upgraded its wireless network, and completed other smaller maintenance projects during the 2016-17 school year.
- The Board of Education and Administration has worked diligently over the last several years to eliminate structural deficits in its general fund budget and to continue to build up its financial position such that there are healthy amount of reserves established for its long-term facility needs. As of June 30, 2017, the structural deficit in the budget that was approved for the 2017-18 school

year stood at \$425,000, or about 1.14% of the General Fund Budget. The Board of Education and Administration believe that this is a reasonable and manageable amount of fund balance used to balance the budget moving forward and will continue to monitor this as future budgets are developed.

- The District elected not to renew its contract with its outside Food Service Provider for the 2016-17 school year and instead ran its Food Service program in-house. The District was charged a one time “non-solicitation” penalty of \$137,814 during the 2015-16 school year for hiring the Food Service Provider’s Cafeteria Manager. However, the District was able to lower its Food Service costs as a result of this new arrangement by \$110,901 while still maintaining revenues at about the same level as in prior years. A big portion of this savings came from no longer having to pay a management fee of \$80,000 plus some other personnel cost savings that were realized. These savings are expected to continue in the coming years.
- Total spending for all our programs was \$42,650,288 for the school year ending June 30, 2017. Most of the School District’s taxes and state aid program funds were used to support the cost of services for regular instructional programs. State and Federal aid in the amount of \$3,538,964 supported the educational programs for all our students. The School District’s taxes, state aid, grants and contributions and other revenue sources were sufficient to cover all unfunded costs incurred in the 2016-17 school year.
- General revenues accounted for \$38,911,744 in revenue or 74.14 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$7,244,530 or 15.7 percent of total revenues of \$46,156,274.
- Cash and cash equivalents decreased by \$418,329, receivables increased by \$326,689 and net capital assets decreased by \$160,274.
- Among governmental funds, the general fund had \$39,459,120 in revenues and \$38,730,572 in expenditures plus \$553,296 in Other Financing Uses. The District’s general fund balance increased \$175,252 from 2016.
- For the 2016-17 school year total Governmental Fund expenses were less than total revenues. Thus, there was an increase in Fund Balance of \$175,252 or a 9.42% increase from 2016.
- The District remains committed to sound financial management practices in response to the challenges posed by a stagnant economy, Superstorm Sandy, and the state’s budget crisis. Overall state revenues are expected to increase slightly this year and costs continue to increase for salaries, healthcare, and routine expenses. However the district will continue to investigate alternative revenue streams to fund new programs that target student achievement. Our financial goals are clear to present a balanced budget.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Central Regional School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District’s finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the school district’s most significant funds with all other nonmajor funds presented in total in one column. In the case of Central Regional School District, the General Fund is by far the most significant fund.

Reporting the school district as a whole

Statement of Net Position and the Statement of Activities

While these documents contain the large number of funds used by the school district to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the questions, “How did we do financially during 2017?” The Statement Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. These bases of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the School District’s Net Position. This change in Net Position is important because it tells the reader that, for the school district as a whole, the financial position of the school district has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District’s property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- **Governmental Activity** – All of the School District’s programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extra-curricular activities.
- **Business Type Activity** – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and Community School enterprise funds are reported as a business activity.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District’s general government operations and the basic service it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these states are essentially the same.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net Position may serve over time as a useful indicator of a government's financial position. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following summarizes the net position at fiscal years ended June 30, 2017 and 2016.

Net Position				
As of June 30, 2017				
	Governmental Activities		Business-Type Activities	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Assets				
Current and Other Assets	\$ 2,310,516	\$ 2,417,684	\$ 217,972	\$ 286,753
Capital Assets, Net	29,426,763	29,681,092	94,056	90,587
Total Assets	<u>31,737,279</u>	<u>32,098,776</u>	<u>312,028</u>	<u>377,340</u>
Deferred Outflows				
Related to Pensions	5,965,691	2,261,854	-	-
Total Deferred Outflows	<u>5,965,691</u>	<u>2,261,854</u>	<u>-</u>	<u>-</u>
Liabilities				
Long-term Liabilities	23,539,430	23,442,121	-	-
Other Liabilities	948,153	666,691	29,042	234,116
Total Liabilities	<u>24,487,583</u>	<u>24,108,812</u>	<u>29,042</u>	<u>234,116</u>
Deferred Outflows				
Related to Pensions	5,965,691	2,261,854	-	-
Total Deferred Outflows	<u>5,965,691</u>	<u>2,261,854</u>	<u>-</u>	<u>-</u>
Net Position				
Net Investment in capital assets	26,464,786	25,665,046	94,056	90,587
Restricted	1,185,811	689,583	-	-
Unrestricted	(14,435,210)	(16,362,242)	188,930	52,637
Total Net Position	<u>\$ 13,215,387</u>	<u>\$ 9,992,387</u>	<u>\$ 282,986</u>	<u>\$ 143,224</u>

The following summarizes the changes in Net Position for the fiscal years ended June 30, 2017 and 2016.

Changes in Net Position

REVENUES	2017	2016
Charges for Services	\$ 996,061	\$ 1,151,459
Operating Grants & Contribution	6,248,469	9,640,285
Property Taxes	31,309,199	30,945,821
Grants & Entitlements (Federal/State)	3,538,964	3,066,263
Other	4,063,581	225,543
Total Revenue	\$46,156,274	\$45,029,371
Expenses		
Instruction		
Regular	\$ 8,973,753	\$ 8,657,266
Special Education	4,059,048	3,902,188
Other Special Instruction	111,476	97,235
Vocational	89,926	85,932
Other	1,587,210	1,521,000
Support Services		
Tuition	1,740,130	1,266,796
Student & Instr. Related	3,554,041	3,246,074
School Admin. Services	975,453	984,402
Other Admin Services	686,206	842,564
Plant Oper & Maintenance	3,171,714	3,492,492
Central Services & Adm. Info.	744,465	836,460
Transportation	2,340,048	2,373,075
Unallocated Benefits	11,493,294	9,169,832
Special School	80,471	63,674
Interest	148,098	204,651
Unallocated Depreciation & Deletions	2,044,487	1,479,428
Other	92,699	145,114
Food Service	745,556	788,586
Community School	12,213	6,614
Total District Expense	\$ 42,650,288	\$ 38,724,217

Governmental Activities

Property taxes made up 67.83 percent of revenues for governmental activities for the Central Regional School District for the year 2017. The District's total revenues were \$46,156,274 for the year ended June 30, 2017. Federal, state and local grants accounted for another 7.67 percent of revenue.

The total cost of all programs and services was \$41,892,519. Instruction expenses comprised approximately 35.38 percent of District expenses in 2017.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

Business Type Activities

Revenues for the District’s business-type activities (food service and community school programs) were comprised of charges for services and federal and state reimbursements.

- Revenues exceeded enterprise expenditures by \$139,762.
- Charges for services represent 58.84 percent of revenue. This represents amounts paid by patrons for daily food services and community education programs.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast and donated commodities was \$369,238.

The School District’s Funds

All governmental funds (i.e. general fund, special revenue fund capital projects fund and debt service fund presented in the fund-based exhibits) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$41,592,578 plus other Financing Sources of \$52,749 for a total of \$41,645,327; expenditures were \$41,470,075. The net change in fund balance for the year was an increase of \$175,252.

As demonstrated by the various statements and schedules included in the financial section of this report the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the year ended June 30, 2017 and 2016 as well as the amount and percentage of increases and decreases in relation to prior year revenues:

Summary of Governmental Fund Revenues				
	Year Ended June 30, 2017	Year Ended June 30, 2016	Amount of Increase (Decrease)	Percent Increase (Decrease)
REVENUES				
Local sources:				
Local Tax Levy	\$ 31,309,199	\$ 30,945,821	\$ 363,378	1.2%
Tuition	154,516	318,393	(163,877)	-51.5%
Transportation	247,395	242,460	4,935	2.0%
Rents & Royalties	66,069	48,136	17,933	37.3%
Miscellaneous	397,416	225,543	171,873	76.2%
Total - Local Sources	<u>32,174,595</u>	<u>31,780,353</u>	<u>394,242</u>	<u>1.2%</u>
Federal Sources	1,088,253	1,083,677	4,576	0.4%
State Sources	8,329,730	7,325,903	(1,003,827)	-13.7%
Total - Govt Sources	<u>9,417,983</u>	<u>8,409,580</u>	<u>(999,251)</u>	<u>-10.6%</u>
Total Revenues	<u><u>\$ 41,592,578</u></u>	<u><u>\$ 40,189,933</u></u>	<u><u>\$ 1,402,645</u></u>	<u><u>3.5%</u></u>

The following schedule represents a summary of general fund, special revenue fund, capital project fund and debt service fund expenditures for the year ended June 30, 2017 and the percentage of increases and decreases in relation to prior year amounts.

Summary of Governmental Fund Expenditures				
	Year Ended June 30, 2017	Year Ended June 30, 2016	Amount of Increase/ (Decrease)	Percent Increase/ (Decrease)
Current:				
Regular Instruction	\$ 9,228,437	\$ 9,079,493	\$ 148,944	1.64%
Special Education Instruction	4,059,048	3,902,188	156,860	4.02%
Other Instruction	1,788,612	1,691,781	96,831	5.72%
Support Services and Undistributed Costs:				
Tuition	1,740,130	1,245,021	495,109	39.77%
Student & Instruction Related Services	3,554,041	3,285,507	268,534	8.17%
School Administrative Services	975,453	959,898	15,555	1.62%
General Administrative Services	686,206	766,481	(80,275)	-10.47%
Central Services	468,586	468,133	453	0.10%
Administrative Information Technology	275,879	289,214	(13,335)	-4.61%
Plant Operations and Maintenance	3,057,008	2,994,816	62,192	2.08%
Pupil Transportation	2,340,048	2,246,855	93,193	4.15%
Unallocated Benefits	10,174,876	9,748,150	426,726	4.38%
Special Schools	80,471	64,575	15,896	24.62%
Debt Service	953,130	1,404,152	(451,022)	-32.12%
Capital Outlay	<u>2,088,150</u>	<u>2,042,704</u>	<u>45,446</u>	<u>2.22%</u>
Total Expenditures	<u>\$ 41,470,075</u>	<u>\$ 40,188,968</u>	<u>\$ 1,281,107</u>	<u>3.19%</u>

Changes in expenditures were the results of varying factors. Special Education instruction increased due to an increase in special education enrollment. Tuition increased due to the Vocational School 10% increase in tuition, coupled with an increase in out of district tuition students.

General Fund Budgeting Highlights

The School District's budget is prepared and according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

The District's General Fund Revenues were slightly higher than anticipated due mainly to tuition revenues being larger higher due to Students residing in the District that were the responsibility of the State. This tuition revenue from the State was not anticipated at the time of budget development

The District's overall General Fund Expenditures were about 1% less than the total budget established for the Fund. While Tuition and Capital Outlay costs were higher than expected due to unanticipated costs, it was mitigated by areas such as Employee Benefits and transportation costs which were lower than expected.

Capital Assets

At the end of the fiscal year 2017, the School District had invested in land, buildings, furniture and equipment and vehicles. The following shows fiscal 2017 and 2016 balances:

Capital Assets		
Governmental Activities		
	<u>2017</u>	<u>2016</u>
Building & Bldg Improvements	\$ 50,344,283	\$ 50,344,280
Machinery and Equipment	14,776,595	12,803,151
Construction in Progress	-	92,651
Land	<u>1</u>	<u>1</u>
Total Capital Assets	65,120,879	63,240,083
Less: Accumulated Depreciation	<u>(35,694,116)</u>	<u>(30,964,626)</u>
Net Capital Assets	\$ 29,426,763	\$ 32,275,457

Overall capital assets decreased \$2,848,694 from fiscal year 2016 to fiscal year 2017. The decrease is due to depreciation and the disposal of some equipment. For more detailed information, please refer to Note 5 of the Financial Statements.

Debt Administration

At June 30, 2017 and 2016, the School District had outstanding debt.

Bonded Outstanding Debt at June 30,

	<u>2017</u>	<u>2016</u>
2011 Issue	\$2,598,000	\$3,448,000

At June 30, 2017, the School District was within its legal debt margin. For more detailed information, please refer to the Notes to the Financial Statements and Schedule J-13.

For the future

The Central Regional School District is presently in good financial condition. The School District is proud of its community support of the public schools. The School District's system for financial planning, budgeting and internal financial controls are well regarded. The School plans to continue its sound management to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Kevin O'Shea, Business Administrator, at the Central Regional Board of Education, 509 Forest Hills Parkway, Bayville, New Jersey 08721. Please visit our website at <http://www.centralreg.k12.nj.us/>.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District. These Statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These Statements distinguish between the governmental and business-type activities of the District.

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CENTRAL REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
Cash & Cash Equivalents	\$ 474,292	\$ 193,018	\$ 667,310
Receivables, Net (Note 4)	846,769	15,583	862,352
Restricted Assets (Note 3):			
Cash & Cash Equivalents	989,455	-	989,455
Inventory	-	9,371	9,371
Capital Assets, Net (Note 5)			
Non-depreciable	1	-	1
Depreciable	29,426,762	94,056	29,520,818
Total Assets	31,737,279	312,028	32,049,307
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions (Note 8)	5,965,691	-	5,965,691
Total Deferred Outflow of Resources	5,965,691	-	5,965,691
Total Assets and Deferred Outflow of Resources	37,702,970	312,028	38,014,998
LIABILITIES			
Accounts Payable & Accrued Expenses	265,679	8,957	274,636
Accrued Interest Payable	73,924	-	73,924
Unearned Revenue	30,200	-	30,200
Internal Balances	(20,085)	20,085	-
Pensions Payable (Note 8)	598,435	-	598,435
Noncurrent Liabilities (Note 7):			
Due Within One Year	983,595	-	983,595
Due Beyond One Year	22,555,835	-	22,555,835
Total Liabilities	24,487,583	29,042	24,516,625
NET POSITION			
Net Investment in Capital Assets	26,464,786	94,056	26,558,842
Restricted For:			
Capital Projects	447,257	-	447,257
Emergency Reserve	50,350	-	50,350
Maintenance Reserve	491,848	-	491,848
Excess Surplus	196,356	-	196,356
Unrestricted	(14,435,210)	188,930	(14,246,280)
Total Net Position	\$ 13,215,387	\$ 282,986	\$ 13,498,373

The accompanying Notes to Financial Statements are an integral part of this statement.

**CENTRAL REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
Governmental Activities:						
Instruction:						
Regular	\$ 8,973,753	\$ -	\$ 855,976	\$ (8,117,777)	\$ -	\$ (8,117,777)
Special Education	4,059,048	154,516	-	(3,904,532)	-	(3,904,532)
Other Special Instruction	111,476	-	-	(111,476)	-	(111,476)
Vocational	89,926	-	-	(89,926)	-	(89,926)
Other Instruction	1,587,210	-	-	(1,587,210)	-	(1,587,210)
Support Services & Undistributed Costs:						
Tuition	1,740,130	-	-	(1,740,130)	-	(1,740,130)
Student & Instruction Related Services	3,554,041	-	176,803	(3,377,238)	-	(3,377,238)
School Administrative Services	975,453	-	-	(975,453)	-	(975,453)
Other Administrative Services	686,206	-	-	(686,206)	-	(686,206)
Central Services	468,586	-	-	(468,586)	-	(468,586)
Administrative Information Technology	275,879	-	-	(275,879)	-	(275,879)
Plant Operations & Maintenance	3,171,714	66,069	-	(3,105,645)	-	(3,105,645)
Pupil Transportation	2,340,048	247,395	1,078,254	(1,014,399)	-	(1,014,399)
Unallocated Benefits	11,493,294	-	3,767,986	(7,725,308)	-	(7,725,308)
Special Schools	80,471	-	-	(80,471)	-	(80,471)
Interest & Other Charges on Long Term Debt Adjustments and Deletions of Capital Assets	148,098	-	-	(148,098)	-	(148,098)
Unallocated Depreciation	92,699	-	-	(92,699)	-	(92,699)
	2,044,487	-	-	(2,044,487)	-	(2,044,487)
Total Governmental Activities	41,892,519	467,980	5,879,019	(35,545,520)	-	(35,545,520)
Business-Type Activities:						
Food Service	745,556	528,081	369,450	-	151,975	151,975
Community School	12,213	-	-	-	(12,213)	(12,213)
Total Business-Type Activities	757,769	528,081	369,450	-	139,762	139,762
Total Primary Government	\$ 42,650,288	\$ 996,061	\$ 6,248,469	(35,545,520)	139,762	(35,405,758)

**CENTRAL REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	BUSINESS- TYPE ACTIVITIES	TOTALS
	GOVERNMENTAL ACTIVITIES		
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	30,356,069	-	30,356,069
Property Taxes levied for Debt Service	953,130	-	953,130
Federal and State Aid	3,538,964	-	3,538,964
Miscellaneous Income	397,416	-	397,416
Special Items:			
Cancellation of Community Disaster Loan (Note 20)	3,664,031	-	3,664,031
Cancellation of Prior Year Payables	2,134		2,134
Total General Revenues & Special Items	38,911,744	-	38,911,744
Change In Net Position	3,366,224	139,762	3,505,986
Net Position - Beginning	9,849,163	143,224	9,992,387
Net Position - Ending	<u>\$ 13,215,387</u>	<u>\$ 282,986</u>	<u>\$ 13,498,373</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

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B. Fund Financial Statements

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

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Governmental Funds

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**CENTRAL REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2017**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	<u>TOTALS</u>
Cash & Cash Equivalents	\$ 677,091	\$ 1,180	\$ -	\$ -	\$ 678,271
Receivables, Net					
Due from Other Funds	152,525	-	-	-	152,525
Due from Other Governments:					
Federal	8,135	134,158	-	-	142,293
State	338,095	-	203,979	-	542,074
Other	157,402	-	-	-	157,402
Restricted Cash & Cash Equivalents	989,455	-	-	-	989,455
Total Assets	\$ 2,322,703	\$ 135,338	\$ 203,979	\$ -	\$ 2,662,020
LIABILITIES & FUND BALANCES					
Liabilities:					
Cash Deficit	\$ -	\$ -	\$ 203,979	\$ -	\$ 203,979
Accounts Payable	257,779	7,899	-	-	265,678
Interfund Payable	-	127,439	-	-	127,439
Unearned Revenue	30,200	-	-	-	30,200
Total Liabilities	287,979	135,338	203,979	-	627,296
Fund Balances:					
Restricted for:					
Maintenance Reserve	491,848	-	-	-	491,848
Emergency Reserve	50,350	-	-	-	50,350
Capital Reserve Account	447,257	-	-	-	447,257
Excess Surplus	96,604	-	-	-	96,604
Excess Surplus Designated for Subsequent Year's Expenditures	99,752	-	-	-	99,752
Assigned to:					
Other Purposes	5,822	-	-	-	5,822
Designated for Subsequent Year's Expenditures	325,248	-	-	-	325,248
Committed to:					
Other Purposes	39,699	-	-	-	39,699
Unassigned, Reported in:					
General Fund	478,144	-	-	-	478,144
Total Fund Balances	2,034,724	-	-	-	2,034,724
Total Liabilities & Fund Balances	\$ 2,322,703	\$ 135,338	\$ 203,979	\$ -	\$ -

Amounts reported for governmental activities in the statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$65,120,879 and the accumulated depreciation is \$35,694,116.	29,426,763
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	5,965,691
Accrued interest payable is not recorded in the fund financial Statements due to the fact that the payables are not due in the period.	(73,924)
Accrued pension contributions for the June 30, 2017 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position	(598,435)
Long-term liabilities, including net pension liability, bonds payable, compensated absences payable, bond premium, other post employment benefits and capital leases payable are not due and payable in the current period and, therefore, are not reported as a liability in the funds.	<u>(23,539,431)</u>
Net Position of Governmental Activities	<u>\$ 13,215,387</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**CENTRAL REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 30,356,069	\$ -	\$ -	\$ 953,130	\$ 31,309,199
Tuition	154,516	-	-	-	154,516
Transportation Fees from Other LEAs	247,395	-	-	-	247,395
Rents and Royalties	66,069	-	-	-	66,069
Miscellaneous	397,416	-	-	-	397,416
Total Local Sources	31,221,465	-	-	953,130	32,174,595
State Sources	8,182,181	-	147,549	-	8,329,730
Federal Sources	55,474	1,032,779	-	-	1,088,253
Total Revenues	39,459,120	1,032,779	147,549	953,130	41,592,578
Expenditures:					
Current Expense:					
Regular Instruction	8,372,461	855,976	-	-	9,228,437
Special Education Instruction	4,059,048	-	-	-	4,059,048
Other Special Instruction	111,476	-	-	-	111,476
Vocational Education	89,926	-	-	-	89,926
Other Instruction	1,587,210	-	-	-	1,587,210
Support Services:					
Tuition	1,740,130	-	-	-	1,740,130
Student & Instruction Related Services	3,377,238	176,803	-	-	3,554,041
School Administrative Services	975,453	-	-	-	975,453
General Administrative Services	686,206	-	-	-	686,206
Central Services	468,586	-	-	-	468,586
Administrative Information Technology	275,879	-	-	-	275,879
Plant Operations & Maintenance	3,057,008	-	-	-	3,057,008
Pupil Transportation	2,340,048	-	-	-	2,340,048
Employee Benefits	10,174,876	-	-	-	10,174,876
Capital Outlay	1,334,556	-	753,594	-	2,088,150
Special Schools	80,471	-	-	-	80,471
Debt Service:					
Principal	-	-	-	850,000	850,000
Interest & Other Charges	-	-	-	103,130	103,130
Total Expenditures	38,730,572	1,032,779	753,594	953,130	41,470,075
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	728,548	-	(606,045)	-	122,503
Other Financing Sources/(Uses):					
Transfer from/(to) Other Funds	(606,045)	-	606,045	-	-
Capital Leases (Non-Budgeted)	50,615	-	-	-	50,615
Cancellation of Prior Year Payables	2,134	-	-	-	2,134
Total Other Financing Sources/(Uses)	(553,296)	-	606,045	-	52,749
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing (Uses)	175,252	-	-	-	175,252
Fund Balances, July 1	1,859,472	-	-	-	1,859,472
Fund Balances, June 30	\$ 2,034,724	\$ -	\$ -	\$ -	\$ 2,034,724

The accompanying Notes to Financial Statements are an integral part of this statement.

**CENTRAL REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 175,252

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period:

Depreciation Expense	(2,044,487)	
Adjustments and Deletions of Fixed Assets	(92,699)	
Capital Outlays	1,973,444	(163,742)

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

Pension Expense - PERS Contribution - 2017	554,143	
Pension Expense	(1,892,627)	(1,338,484)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 850,000

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 254,684

Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.

Prior Year	28,956	
Current Year	(73,924)	(44,968)

In the statement of activities, certain operating expenses, e.g. compensated expenses (vacations & sick time) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources paid. When the paid amount exceeds the earned amount the difference is an addition to the reconciliation; when the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation.

Prior Year	919,199	
Current Year	(899,133)	20,066

Cancellation of Community Disaster Loan, is a revenue in the statement of activities, the cancellation reduces the amount of long term liabilities in the statement of net position.

Principal	3,494,450	
Interest	169,581	3,664,031

The proceeds from the issuance of capital leases provide current financial resources and are reported in this fund financial statement, but they are presented as liabilities in the statement of net position. (50,615)

Change in Net Position of Governmental Activities \$ 3,366,224

The accompanying Notes to Financial Position are an integral part of this statement.

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Proprietary Funds

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**CENTRAL REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2017**

ASSETS	COMMUNITY SCHOOL	FOOD SERVICE FUND	<u>TOTALS</u>
Current Assets:			
Cash & Cash Equivalents	\$ 16,676	\$ 176,342	\$ 193,018
Accounts Receivable	-	15,583	15,583
Inventory	-	9,371	9,371
	<hr/>		
Total Current Assets	16,676	201,296	217,972
<hr/>			
Capital Assets:			
Equipment	-	435,915	435,915
Accumulated Depreciation	-	(341,859)	(341,859)
	<hr/>		
Total Capital Assets	-	94,056	94,056
	<hr/>		
Total Assets	16,676	295,352	312,028
<hr/>			
LIABILITIES			
Current Liabilities:			
Accounts Payable	5,800	3,157	8,957
Interfund Payable	-	20,085	20,085
	<hr/>		
Total Current Liabilities	5,800	23,242	29,042
<hr/>			
NET POSITION			
Net Investment in Capital Assets	-	94,056	94,056
Unrestricted	10,876	178,054	188,930
	<hr/>		
Total Net Position	\$ 10,876	\$ 272,110	\$ 282,986
	<hr/> <hr/>		

The accompanying Notes to Financial Statements are an integral part of this statement.

**CENTRAL REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	COMMUNITY SCHOOL	FOOD SERVICE FUND	<u>TOTALS</u>
Operating Revenue:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ -	\$ 358,972	\$ 358,972
Total - Daily Sales - Reimbursable Programs:	-	358,972	358,972
Daily Sales - Nonreimbursable Programs:			
Fees	8,230	160,879	169,109
Total Operating Revenue	8,230	519,851	528,081
Operating Expenses:			
Salaries	3,200	254,711	257,911
Employee Benefits	-	61,915	61,915
Purchased Professional / Technical Services	-	5,025	5,025
Purchased Property Services	-	10,261	10,261
Supplies and Materials	3,213	7,217	10,430
Utilities	-	38,034	38,034
Depreciation	-	10,145	10,145
Miscellaneous	5,800	10,856	16,656
Cost of Sales - reimbursable programs	-	215,546	215,546
Cost of Sales - non-reimbursable programs	-	131,846	131,846
Total Operating Expenses	12,213	745,556	757,769
Operating Income/(Loss)	(3,983)	(225,705)	(229,688)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	-	6,556	6,556
Federal Sources:			
School Breakfast Program	-	43,251	43,251
National School Lunch Program	-	265,401	265,401
Food Distribution Program	-	54,030	54,030
Miscellaneous	-	212	212
Total Nonoperating Revenues	-	369,450	369,450
Change in Net Position	(3,983)	143,745	139,762
Total Net Position - Beginning	14,859	128,365	143,224
Total Net Position - Ending	\$ 10,876	\$ 272,110	\$ 282,986

The accompanying Notes to Financial Statements are an integral part of this statement.

**CENTRAL REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	COMMUNITY SCHOOL	FOOD SERVICE FUND	<u>TOTALS</u>
Cash Flows From Operating Activities:			
Receipts from Customers	\$ -	\$ 513,556	\$ 513,556
Payment to Employees, Payments for Employee Benefits and Payment to Suppliers	1,817	(873,787)	(871,970)
Net Cash Used by Operating Activities	<u>1,817</u>	<u>(360,231)</u>	<u>(358,414)</u>
Cash Flows From Capital and Related Financing Activities:			
Purchases of Capital Assets	-	(13,614)	(13,614)
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>(13,614)</u>	<u>(13,614)</u>
Cash Flows From Noncapital Financing Activities:			
State Sources	-	6,556	6,556
Federal Sources	-	308,652	308,652
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>315,208</u>	<u>315,208</u>
Cash Flows From Investing Activities:			
Interest	-	212	212
Net Cash Provided by Investing Activities	<u>-</u>	<u>212</u>	<u>212</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	1,817	(58,425)	(56,608)
Cash and Cash Equivalents, July 1	<u>14,859</u>	<u>234,767</u>	<u>249,626</u>
Cash & Cash Equivalents, June 30	<u>\$ 16,676</u>	<u>\$ 176,342</u>	<u>\$ 193,018</u>

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES

Cash Used by Operating Activities:			
Operating Loss	\$ (3,983)	\$ (225,705)	\$ (229,688)
Adjustments to Reconcile Operating Loss to Cash Used by Operating Activities:			
Depreciation Expense	-	10,145	10,145
Food Distribution Program	-	54,030	54,030
Change in Assets & Liabilities:			
Increase in Accounts Receivable	-	8,530	8,530
Increase in Inventory	-	3,643	3,643
Increase/(Decrease) in Accounts Payable	5,800	(210,874)	(205,074)
Total Adjustments	<u>5,800</u>	<u>(134,526)</u>	<u>(128,726)</u>
Net Cash Used by Operating Activities	<u>\$ 1,817</u>	<u>\$ (360,231)</u>	<u>\$ (358,414)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

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Fiduciary Fund

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**CENTRAL REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017**

ASSETS	PRIVATE PURPOSE			TOTALS
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	AGENCY FUNDS	
Cash & Cash Equivalents	\$ 29,567	\$ 299,994	\$ 609,166	\$ 938,727
Due from Other Funds	-	37,805	-	37,805
Total Assets	29,567	337,799	609,166	976,532
LIABILITIES				
Accounts Payable	-	-	-	-
Payroll Deductions & Withholdings	-	-	308,127	308,127
Interfunds Payable	-	-	42,805	42,805
Due to Student Groups	-	-	258,234	258,234
Total Liabilities	-	-	609,166	609,166
NET POSITION				
Reserved:				
Scholarships	29,567	-	-	29,567
Unemployment Claims	-	337,799	-	337,799
Total Net Position	\$ 29,567	\$ 337,799	\$ -	\$ 367,366

The accompanying Notes to Financial Statements are an integral part of this statement.

**CENTRAL REGIONAL SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>PRIVATE PURPOSE</u>		<u>TOTALS</u>
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	
ADDITIONS:			
Contributions:			
Interest Earned	\$ 46	\$ 389	\$ 435
Donations	10,448	-	10,448
Total Additions	10,494	389	10,883
DEDUCTIONS:			
Unemployment Claims	-	3,288	3,288
Disbursements	11,600	-	11,600
Total Deductions	11,600	3,288	14,888
Change in Net Position	(1,106)	(2,899)	(4,005)
Net Position - July 1	30,673	340,698	371,371
Net Position - June 30	\$ 29,567	\$ 337,799	\$ 367,366

The accompanying Notes to Financial Statements are an integral part of this statement.

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Central Regional School District (hereafter referred to as the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The operations of the District include junior and senior high schools for students of the Boroughs of Island Heights, Ocean Gate, Seaside Heights, Seaside Park and the Township of Berkeley, Ocean County, New Jersey. The School District has an approximate enrollment at June 30, 2017 of 2,059 students.

The primary criterion for including activities within the School District’s reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- ◆ the organization is legally separate (can sue or be sued in their own name);
- ◆ the School District holds the corporate powers of the organization;
- ◆ the School District appoints a voting majority of the organization’s board
- ◆ the School District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the School District
- ◆ there is a fiscal dependency by the organization on the School District.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14. *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34*. The School District had no component units as of for the year ended June 30, 2017.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

A. Government-Wide Financial Statements

The School District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the School District accompanied by a total column. Fiduciary activities of the School District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

B. Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. The School District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The School District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The School District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay sub-fund.

As required by the New Jersey Department of Education the School District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenue from state and federal government, other than major capital projects, debt service or proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are specially authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for the accumulation of financial resources that are restricted, committed, or assigned to an expenditure for the payment of general long-term debt principal, interest and related costs of governmental funds.

C. Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The School District reports the following major proprietary funds:

Food Service Fund – The food service fund accounts for the financial transactions related to the food service operations of the School District.

Community School Program – The community school fund accounts for the financial transactions related to the District’s community education operations to the School District.

D. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The School District’s fiduciary funds include Agency and Private-Purpose Trust Funds. Private Purpose Trust and Agency Funds are used to account for and report assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, and other governments. Private Purpose Trust and Agency Funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

The School District reports the following fiduciary funds:

Private Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The School District currently maintains the following private purpose trust funds:

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the School District. Expenditures consist of unemployment reimbursement claims.

Scholarship Fund – Revenues consist of interest income and donations. Expenditures consist of scholarships provided to students.

Agency Funds - Agency funds (payroll and student activity funds) are assets held by a governmental entity either as trustee or as an agent for other parties and cannot be used to finance the governmental entities own operating programs.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the one or more June state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the general fund budgetary comparison schedules and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year-end.

Cash, Cash Equivalents and Investments

Cash and Cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are considered cash equivalents and stated at cost.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB). New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

For purposes of the statement of cash flows, the School District considers all highly liquid investments (including restricted assets) with a maturity when purchased of twelve months or less and all local government investment pools to be cash equivalents

Tuition Receivable/Payable

Tuition rates were established by the receiving School District based on estimated costs. The charges are subject to adjustment when the actual costs are determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. As previously mentioned, these amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as Internal Balances in the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair market value at the date of donation. All reported capital assets except land and construction in progress are depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The School District does not possess any infrastructure. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

Capital assets of the School District are depreciated or amortized using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	5-12 Years
Vehicles	5-10 Years	4-6 Years

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the School District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position of the Public Employees' Retirement System (PERS) and Teacher's Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-
-

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

- spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District’s policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the School District’s policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

- Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – This component of net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

- Unrestricted – This component of net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2017:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The adoption of this Statement had no impact on the School District's financial statements

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. The adoption of this Statement had no impact on the School District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The adoption of this Statement had no impact on the School District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The adoption of this Statement had no impact on the School District's financial statements.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 83, *Certain Asset Retirement Obligations*. An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Statement No. 83 establishes guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to such obligations. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 84, *Fiduciary Activities*. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 85, *Omnibus 2017*. This Statement provides guidance that addresses several different accounting and financial reporting issues identified during the implementation and application of other GASB pronouncements. The guidance in Statement No. 85 is effective for periods beginning after June 15, 2017. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 86, *Accounting for Certain Debt Extinguishment*. Statement No. 86 provides guidance for transactions in which cash and other monetary assets acquired with only existing resources, that is, resources other than the proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. Statement No. 86 is effective for reporting periods beginning after June 15, 2017. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

beginning after December 15, 2019. Management does not expect this Statement to have a material impact on the School District's financial statements.

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2017, the School District's bank balance of \$3,189,725 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	2,384,132
Uninsured and Uncollateralized		805,593
	\$	3,189,725

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the School District on June 30, 2009 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 3. Reserve Accounts (continued)

Beginning Balance, July 1, 2016	\$	446,320
Increased by:		
Interest Earnings		937
		937
Ending Balance, June 30, 2017	\$	447,257

Maintenance Reserve

The School District established a maintenance reserve account for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District's approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016	\$	291,748
Increased by:		
Interest Earnings		100
Deposits approved by Board		200,000
		200,000
Ending Balance, June 30, 2017	\$	491,848

Emergency Reserve

An emergency reserve account was established for the accumulation of funds for use as emergency expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve account is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 3. Reserve Accounts (continued)

Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent.

The activity of the emergency reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016	\$	50,300
Increased by:		
Interest Earnings		50
Ending Balance, June 30, 2017	\$	50,350

Note 4. Accounts Receivable

Accounts receivable at June 30, 2017 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2017, consisted of the following:

<u>Description</u>	Governmental Funds			Total Governmental <u>Activities</u>	Proprietary Funds		Total Business-Type <u>Activities</u>
	General <u>Fund</u>	Special Revenue <u>Fund</u>	Capital Projects <u>Fund</u>		Food Service <u>Fund</u>	Community School <u>School</u>	
Federal Awards	\$ 8,135	\$ 134,158	\$ -	\$ 142,293	\$ 9,100	\$ -	\$ 9,100
State Awards	338,095	-	203,979	542,074	188	-	188
Tuition	157,402	-	-	157,402	-	-	-
Other	5,000	-	-	5,000	6,295	-	6,295
Total	\$ 508,632	\$ 134,158	\$ 203,979	\$ 846,769	\$ 15,583	\$ -	\$ 15,583

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2017 was as follows:

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 5. Capital Assets (continued)

	Balance July 1, <u>2016</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2017</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1	\$ -	\$ -	\$ 1
Construction in Progress	92,651	-	(92,651)	-
Total Capital Assets not being depreciated	92,652	-	(92,651)	1
Capital Assets being depreciated:				
Buildings and Improvements	50,344,280	-	3	50,344,283
Equipment	12,803,151	1,973,444	-	14,776,595
Total Capital Assets being depreciated	63,147,431	1,973,444	3	65,120,878
Less: Accumulated Depreciation:				
Buildings and Improvements	(25,691,448)	(1,324,761)		(27,016,209)
Equipment	(7,958,130)	(719,777)		(8,677,907)
Total Accumulated Depreciation	(33,649,578)	(2,044,538)	-	(35,694,116)
Total Capital Assets being depreciated, net	29,497,853	(71,094)	3	29,426,762
Total Governmental Activities Capital Assets, net	\$ 29,590,505	\$ (71,094)	\$ (92,648)	\$ 29,426,763
	Balance July 1, <u>2016</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2017</u>
Business-Type Activities:				
Equipment	\$ 422,301	\$ 13,614	\$ -	\$ 435,915
	422,301	13,614	-	435,915
Less: Accumulated Depreciation:				
Equipment	(331,713)	(10,146)		(341,859)
	(331,713)	(10,146)	-	(341,859)
Total Business-Type Activities Capital Assets, net	\$ 90,588	\$ 3,468	\$ -	\$ 94,056

Depreciation expense was not allocated among the various functions/programs of the School District.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2017 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 152,525	
Special Revenue Fund		127,439
Food Service Fund		20,085
Payroll Fund		42,805
Unemployment Fund	<u>37,805</u>	
	<u>\$ 190,330</u>	<u>\$ 190,330</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year

A summary of interfund transfers is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		606,045
Capital Projects Fund	<u>606,045</u>	
	<u>\$ 606,045</u>	<u>\$ 606,045</u>

The purpose of the interfund transfer was used for the Middle School window project and the lintel project.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2017 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance <u>July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2017</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 3,448,000	\$ -	\$ 850,000	\$ 2,598,000	\$ 750,000
Capital Leases	568,046	50,615	254,684	363,977	233,595
Compensated Absences	919,199	-	20,066	899,133	-
Net Pension Liability	13,808,205	4,665,895	-	18,474,100	-
FEMA loan	4,698,670	-	3,494,450	1,204,220	-
	<u>\$ 23,442,120</u>	<u>\$ 4,716,510</u>	<u>\$ 4,619,200</u>	<u>\$ 23,539,430</u>	<u>\$ 983,595</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences, capital leases, unamortized bond premiums, FEMA loan, and net pension liability are liquidated by the general fund.

Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

On March 29, 2011, the School District issued \$4,113,000 of General Obligation Bonds. The General Obligation Bonds were issued at varying interest rates and mature on July 15, 2021.

Principal and interest due on the outstanding bonds is as follows:

Fiscal Year Ending	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30,</u>			
2018	\$ 750,000	\$ 71,255	\$ 821,255
2019	675,000	49,880	724,880
2020	520,000	31,305	551,305
2021	400,000	15,855	415,855
2022	253,000	4,428	257,428
	<u>\$ 2,598,000</u>	<u>\$ 172,723</u>	<u>\$ 2,770,723</u>

Capital Lease Payable

On October 2012, the School District entered into a lease purchase agreement in the amount of \$37,793 for a copier lease. The lease obligation matures on January 28, 2018.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 7. Long-Term Obligations

On August 2013, the School District entered into a lease purchase agreement in the amount of \$20,438 for a copier lease. The lease obligation matures on August 28, 2018.

On May 2015, the School District entered into a lease purchase agreement in the amount of \$23,864 for a copier lease. The lease obligation matures on June 28, 2020.

On November 2014, the School District entered into a lease purchase agreement in the amount of \$768,690 for artificial turf. The lease obligation matures on July 15, 2017.

On March 2016, the School District entered into a lease purchase agreement in the amount of \$157,496 for a copier lease. The lease obligation matures on September, 2020.

On July 2016, the School District entered into a lease purchase agreement in the amount of \$40,546 for a copier lease. The lease obligation matures on September 2021. On February 2017, the School District entered into a lease purchase agreement in the amount of \$10,069 for a copier lease. The lease obligation matures on March 2022. Total amount of leases were \$50,615.

The future minimum lease payments for these leases are as follows:

Fiscal Year Ending		
<u>June 30,</u>		
2018	\$	244,639
2019		45,102
2020		46,609
2021		41,081
2022		<u>4,076</u>
Total Minimum Lease Payments		381,507
Less: Amount Representing Interest		<u>(17,530)</u>
Present Value of Minimum Lease Payments	\$	<u><u>363,977</u></u>

Amortization of the leased equipment under capital assets is included with depreciation expense.

Bonds Authorized but not Issued

As of June 30, 2017, the School District had no bonds authorized but not issued.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2017, the School District reported a liability of \$18,474,100 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The School District's proportion measured as of June 30, 2016, was .06237% which was an increase of .00086% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the School District recognized full accrual pension expense of \$1,892,501 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2016 measurement date. At June 30, 2017 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>PERS</u>	<u>PERS</u>
Differences between Expected and Actual Experience	\$ 343,562	\$ -
Changes of Assumptions	3,826,847	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	704,343	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	492,504	-
School District contributions subsequent to measurement date	598,435	-
	\$ 5,965,691	\$ -

\$598,435 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is due April 1, 2018 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

<u>Year Ending June 30,</u>	<u>PERS</u>
2017	\$ 1,222,232
2018	1,222,232
2019	1,389,435
2020	1,149,919
2021	383,440
	\$ 5,367,258
	\$ 5,367,258

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	-
June 30, 2015	5.00	-
June 30, 2016	5.00	-

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.57, 5.72 and 6.44 years for the 2016, 2015, and 2014 amounts, respectively.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

Actuarial Assumptions – The collective total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
 Investment Rate of Return	 7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary’s modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary’s modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS’s target asset allocation as of June 30, 2016 are summarized in the following table:

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment grade credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate - The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2016, calculated using the discount rate of 3.98% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

	PERS		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
District's Proportionate Share of the Net Pension Liability	\$ 22,637,853	\$ 18,474,100	\$ 15,036,560

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2017 and 2016:

Collective Balances at June 30, 2017 and June 30, 2016

	<u>6/30/2017</u>	<u>6/30/2016</u>
Actuarial valuation date (including roll forward)	June 30, 2016	June 30, 2015
Deferred Outflows of Resources	\$ 5,367,256	\$ 2,261,854
Deferred Inflows of Resources	\$ -	\$ 222,009
Net Pension Liability	\$ 18,474,100	\$ 13,808,205
School District's portion of the Plan's total net pension Liability	0.06238%	0.06151%

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.2% in State fiscal year 2017. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2016 was \$104,081,346. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2016, the State proportionate share of the TPAF net pension liability attributable to the School District was .13237% which was an increase of .00233% from its proportion measured as of June 30, 2015.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

For the fiscal year ended June 30, 2017, the State of New Jersey recognized a pension expense in the amount of \$7,820,265 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2016 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
 Investment Rate of Return	 7.65%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. Inflation-Indexed Bonds	1.50%	1.41%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Equity Market	26.00%	5.14%
Foreign Developed Equity	13.25%	5.91%
Emerging Market Equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

Discount Rate - The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 3.22% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

	TPAF		
	1% Decrease <u>(2.22%)</u>	Current Discount Rate <u>(3.22%)</u>	1% Increase <u>(4.22%)</u>
District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the District	<u>124,296,387.00</u>	<u>104,081,346.00</u>	<u>87,573,156.00</u>
	<u>\$ 124,296,387.00</u>	<u>\$ 104,081,346.00</u>	<u>\$ 87,573,156.00</u>

Pension Plan Fiduciary Net Position - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2017 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

- enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2017, employee contributions totaled \$0, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$0.

Note 9. State Post-Retirement Medical Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2017, the on-behalf payments for normal costs, post-retirement medical costs, and long-term disability were \$1,489,190, \$1,240,834 and \$1,349, respectively.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 11. Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

New Jersey Unemployment Compensation Insurance – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016-2017	\$ -	\$ -	\$ 389	\$ 3,288	\$ 337,799
2015-2016	-	14,144	388	-	340,698
2014-2015	-	13,888	425	65,001	326,166

Property and Liability Insurance – The School District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2017 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Litigation – The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

Economic Dependency – The School District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the School District’s programs and activities.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Ameriprise Financial
AXA Equitable
Lincoln Investment Planning Co., Inc.
MET Life Insurance
Oppenheimer Fund
Paul Revere Life Insurance
Union Central Life Insurance

Note 14. Compensated Absences

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

School District employees are granted varying amount of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with School Districts' agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2017, the liability for compensated absences reported on the government-wide and on the proprietary fund Statement of Net Position was \$899,133 and \$0, respectively.

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 15. Tax Abatements (continued)

resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

Note 16. Commitments

The School District has contractual commitments at June 30, 2017 to various vendors, which are recorded in the general fund as committed to other purposes in the amount of \$39,699.

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 was \$96,604.

Note 18. Fund Balances

General Fund – Of the \$2,034,724 General Fund fund balance at June 30, 2017, \$447,257 has been restricted for the Capital Reserve Account; \$491,848 has been restricted for the Maintenance Reserve Account; \$50,350 has been restricted for the Emergency Reserve Account; \$96,604 has been restricted for current year excess surplus; \$99,752 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$325,248 is assigned to designated for subsequent year's expenditures; \$5,822 has been assigned to other purposes; \$39,699 has been committed to other purposes; and \$478,144 has been unassigned.

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of \$14,435,210 at June 30, 2017. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2017. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

Note 20. FEMA Community Disaster Loan (CDL)

On May 31, 2013, the Central Regional School District submitted a formal request for a FEMA Community Disaster Loan (CDL) in the amount of \$5,000,000 in relation to Super Storm Sandy losses and expenditures. The District was approved for the full request of \$5,000,000. On July 18, 2013, the Board of Education approved a resolution to amend the 2014 Budget by \$1,977,153, the amount of the CDL that was drawn down in 2014. During the year ended June 30, 2015, the District drew down an additional \$2,721,517. As of June 30, 2015, \$4,698,670 has been drawn down on the CDL and \$301,330 is available to be drawn down in future years. As of June 30, 2016, no further drawdowns were made.

On June 19, 2017, the District received a partial cancellation of principal of \$3,494,450 on the CDL leaving an outstanding balance as of June 30, 2017 of \$1,201,220. As part of the cancellation, \$169,581 of accrued interest was cancelled as well.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 20. FEMA Community Disaster Loan (CDL) (continued)

The interest rate on the loan is the U.S. Treasury rate for 5-year maturities on the date the Promissory Note is executed, in this case July, 11, 2013. The term of the loan is usually 5 years, but may be extended. Interest accrues on the funds as they are disbursed. When applicable, the Assistance Administrator of the Disaster Assistance Directorate may cancel repayment of all or part of the loan if the revenues of the applicant in the three fiscal years following the financial year of the disaster are insufficient to meet the operating budget because of disaster related revenue losses and un-reimbursed disaster related operating expenses.

This amount is reported as a long-term liability in the Government-Wide financial statements

Note 21. Subsequent Events

As of June 30, 2017 the District owed \$1,234,899 in principal and interest on the Community Disaster Loan. The Board of Education approved the payment in the amount of \$3,664,031, including principal and interest, at its July 2017 meeting. In addition, an extension was approved of time to repay the loan for five additional years which brings the due date to July 11, 2023. Repayments of the loan will be made through the Debt Service Fund.

Also, the Board of Education was seeking to replace the roof on the Central Regional Middle School during the summer of 2017. The cost of the project was financed in part by a \$725,000 lease purchase agreement. The lessor is TD Bank and bears a nominal annual rate of 2.25%. The lease closed on August 15, 2017. The Board of Education began making annual payments in August 2018 and continuing until the final payment in August 2020.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ACCOUNT NUMBERS	June 30, 2017			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
	BUDGET	ACTUAL	ACTUAL	
Revenues:				
Local Tax Levy	\$30,356,069	\$ -	\$ 30,356,069	\$ -
Tuition from Other LEAs Within the State	200,000	-	200,000	154,516
Transportation from Other LEAs	200,000	-	200,000	247,395
Rents and Royalties	-	-	-	66,069
Interest Earned on Emergency Reserve	50	-	50	-
Interest Earned on Maintenance Reserve	100	-	100	-
Interest on Capital Reserve Funds	100	-	100	837
Unrestricted Miscellaneous Revenues	315,000	-	315,000	396,329
Total Local Sources	31,071,319	-	31,071,319	150,146
State Sources:				
Extraordinary Aid	120,000	-	120,000	255,308
Other State Aids	-	-	-	1,990
Non-Public Transportation Aid	-	-	-	10,031
Choice Aid	1,337,047	-	1,337,047	-
Categorical Special Education Aid	1,100,087	-	1,100,087	-
Categorical Security Aid	295,909	-	295,909	-
Adjustment Aid	197,915	-	197,915	-
Categorical Transportation Aid	1,068,223	-	1,068,223	-
Tuition from Other Sources	-	-	-	92,795
PARCC Readiness Aid	19,050	-	19,050	-
Per Pupil Growth Aid	19,050	-	19,050	-
Professional Learning Community Aid	19,860	-	19,860	-
Nonbudgeted:				
On-Behalf TPAF Post-Retirement Medical Contributions	-	-	-	1,240,834
On-Behalf TPAF Contributions	-	-	-	1,489,190
On-Behalf TPAF Long Term Disability	-	-	-	1,349
Reimbursed TPAF Social Security Contribution	-	-	-	1,036,613
Total State Sources	4,177,141	-	4,177,141	4,008,110
Federal Sources:				
Medicaid Assistance Program (SEMI)	60,882	-	60,882	49,652
ARRA/SEMI Revenue	-	-	-	5,822
Total Federal Sources	60,882	-	60,882	(5,408)
Total Revenues	35,309,342	-	35,309,342	4,152,848

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	June 30, 2017			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Expenditures:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Grades 6 - 8	11-130-100-101	2,392,096	95,200	2,487,296	2,487,244
Grades 9 - 12	11-140-100-101	5,275,516	191,900	5,467,416	5,467,370
Home Instruction:					
Salaries of Teachers	11-150-100-101	45,000	37,300	82,300	82,213
Purchased Professional - Educational Services	11-150-100-320	27,000	(4,196)	22,804	12,552
Other Purchased Services	11-150-100-500	1,000	1,000	2,000	1,935
Regular Programs - Undistributed Instruction:					
Purchased Technical Services	11-190-100-340	13,900	9,708	23,608	23,520
General Supplies	11-190-100-610	214,588	(12,221)	202,367	191,172
Textbooks	11-190-100-640	235,593	(125,444)	110,149	105,856
Other objects	11-190-100-890		800	800	599
Total Regular Programs		8,204,693	194,047	8,398,740	8,372,461
Special Education:					
Cognitive - Mild:					
Salaries of Teachers	11-201-100-101	196,142	-	196,142	193,681
Other Salaries for Instruction	11-201-100-106	77,031	1,200	78,231	78,140
General Supplies	11-201-100-610	650	-	650	446
Textbooks	11-201-100-640	500	-	500	350
Total Cognitive - Mild		274,323	1,200	275,523	272,617
Learning and/or Language Disabilities:					
Salaries of Teachers	11-204-100-101	60,127	1,100	61,227	61,186
Other Salaries for Instruction	11-204-100-106	28,099	16,100	44,199	44,133
General Supplies	11-204-100-610	5,000	(1,000)	4,000	3,507
Textbooks	11-204-100-640	3,000	(1,500)	1,500	1,058
Total Learning and/or Language Disabilities:		96,226	14,700	110,926	109,884
Behavioral Disabilities:					
Salaries of Teachers	11-209-100-101	144,719	-	144,719	144,006
Other Salaries for Instruction	11-209-100-106	162,963	11,600	174,563	174,384
General Supplies	11-209-100-610	5,000	(500)	4,500	3,657
Total Behavioral Disabilities:		312,682	11,100	323,782	322,047

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ACCOUNT NUMBERS	June 30, 2017			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Multiple Disabilities:				
Salaries of Teachers	136,355	-	136,355	608
Other Salaries for Instruction	144,836	(17,800)	127,036	14
General Supplies	2,000	-	2,000	1,044
Total Multiple Disabilities:	283,191	(17,800)	265,391	1,666
Resource Room:				
Salaries of Teachers	1,930,445	(1,700)	1,928,745	24,224
Other Salaries for Instruction	629,018	139,000	768,018	154
General Supplies	26,600	(3,000)	23,600	1,907
Total Resource Room	2,586,063	134,300	2,720,363	26,285
Autism:				
Salaries of Teachers	139,073	1,650	140,723	45
Other Salaries for Instruction	138,555	(53,550)	85,005	32
Autistic Prg Rental Fee	1,000	-	1,000	51
General Supplies	6,300	(2,500)	3,800	542
Total Autism	284,928	(54,400)	230,528	670
Home Instruction:				
Salaries of Teachers	80,000	55,500	135,500	137
Purchased Professional - Educational Services	30,600	-	30,600	2,968
Other Purchased Services	1,000	5,000	6,000	2,156
Total Home Instruction	111,600	60,500	172,100	5,261
Total Special Education	3,949,013	149,600	4,098,613	39,565
Basic Skills/Remedial:				
Salaries of Teachers	60,127	(19,000)	41,127	337
Total Basic Skills/Remedial	60,127	(19,000)	41,127	337

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ACCOUNT NUMBERS	June 30, 2017			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
	BUDGET	ACTUAL	BUDGET	ACTUAL	
Bilingual Education: Salaries of Teachers	70,059	650	70,709	70,686	23
Total Bilingual Education	70,059	650	70,709	70,686	23
Vocational Programs- Local - Instruction: Salaries of Teachers	89,192	-	89,192	88,986	206
Other Purchased Services	800	(800)	-	-	-
General Supplies	700	300	1,000	940	60
Total Vocational Programs - Local Instruction	90,692	(500)	90,192	89,926	266
School Sponsored Cocurricular Activities: Salaries	185,000	(16,600)	168,400	168,351	49
Purchased Services	3,000	-	3,000	2,950	50
Supplies and Materials	41,642	(8,608)	33,034	32,513	521
Other Objects	7,500	200	7,700	7,371	329
Total School Sponsored Cocurricular Activities	237,142	(25,008)	212,134	211,185	949
School Sponsored Athletics - Instruction: Salaries	795,950	40,100	836,050	834,093	1,957
Purchased Services	165,500	(14,400)	151,100	150,035	1,065
Supplies and Materials	106,320	3,433	109,753	109,321	432
Other Objects	80,000	7,000	87,000	86,499	501
Alternative Ed - Salaries	50,000	(50,000)	-	-	-
ROTC Salary	194,274	1,200	195,474	195,415	59
ROTC Supplies	2,000	(1,200)	800	662	138
Total School Sponsored Athletics Instruction	1,394,044	(13,867)	1,380,177	1,376,025	4,152
Total Instruction	14,005,770	285,922	14,291,692	14,220,121	71,571

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ACCOUNT NUMBERS	June 30, 2017			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
11-000-100-561	20,000	54,000	74,000	69,763
11-000-100-562		29,000	29,000	28,154
11-000-100-563	104,500	(22,400)	82,100	81,400
11-000-100-564		21,400	21,400	21,285
11-000-100-565	382,000	(67,018)	314,982	307,670
11-000-100-566	1,097,179	28,325	1,125,504	1,106,923
11-000-100-568	22,199	-	22,199	22,199
11-000-100-569	72,000	31,018	103,018	102,736
	1,697,878	74,325	1,772,203	1,740,130
Total Undistributed Expenditures - Instruction				
11-000-211-100	175,412	3,000	178,412	177,737
11-000-211-600	1,200	-	1,200	445
11-000-211-800	1,400	-	1,400	743
	178,012	3,000	181,012	178,925
Total Attendance & Social Work Services				
11-000-213-100	207,609	5,500	213,109	212,347
11-000-213-300	28,000	7,900	35,900	34,703
11-000-213-600	8,500	2,100	10,600	9,277
	244,109	15,500	259,609	256,327
Total Health Services				

Undistributed Expenditures:

Instruction :

- Tuition to Other LEAs Within the State - Regular
- Tuition to Other LEAs Within the State - Special
- Tuition to County Vocational School District - Regular
- Tuition to County Vocational School District - Special
- Tuition to CSSD & Regional Day School
- Tuition to Private School for the Handicapped - State
- Tuition - State Facilities
- Tuition - Other

Total Undistributed Expenditures - Instruction

Attendance & Social Work Services:

- Salaries
- Supplies and Materials
- Other Objects

Total Attendance & Social Work Services

Health Services:

- Salaries
- Purchased Professional & Technical Services
- Supplies and Materials

Total Health Services

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	June 30, 2017			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	130,467	2,000	132,467	132,325	142
Purchased Professional - Educational Services	11-000-216-320	118,000	21,000	139,000	127,562	11,438
Supplies and Materials	11-000-216-600	650	-	650	632	18
Total Other Support Services - Students - Related Services		249,117	23,000	272,117	260,519	11,598
Other Support Services - Guidance:						
Salaries of Other Professional Staff	11-000-218-104	675,415	14,000	689,415	688,906	509
Salaries of Secretarial & Clerical Assistants	11-000-218-105	205,573	(4,000)	201,573	200,497	1,076
Purchased Professional & Technical Services	11-000-218-390	43,000	2,500	45,500	40,811	4,689
Other Purchased Services	11-000-218-580	2,000	-	2,000	114	1,886
Supplies and Materials	11-000-218-610	14,465	-	14,465	12,980	1,485
Other Objects	11-000-218-890	10,775	(4,500)	6,275	4,155	2,120
Total Other Support Services - Guidance		951,228	8,000	959,228	947,463	11,765
Other Support Services - Child Study Teams:						
Salaries of Other Professional Staff	11-000-219-104	736,365	30,000	766,365	766,146	219
Salaries of Secretarial & Clerical Assistants	11-000-219-105	154,126	3,100	157,226	157,218	8
Miscellaneous Purchased Services	11-000-219-580	1,200	-	1,200	1,200	-
Supplies and Materials	11-000-219-610	25,000	(3,400)	21,600	19,179	2,421
Other Objects	11-000-219-890	8,100	-	8,100	6,912	1,188
Total Other Support Services - Child Study Teams		924,791	29,700	954,491	950,655	3,836

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	June 30, 2017			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Improvement of Instruction Services/Other					
Support Services - Instruction Staff:					
Salaries of Supervisors of Instruction	11-000-221-102	474,721	6,400	481,121	481,101
Salaries of Secretarial & Clerical Assistants	11-000-221-105	37,052	1,300	38,352	38,247
Professional Services	11-000-221-320	4,000	5,400	9,400	9,308
Supplies and Materials	11-000-221-610	2,000	-	2,000	1,922
Other Objects	11-000-221-890	5,000	(1,400)	3,600	2,769
					831
Total Improvement of Instruction Services/Other Support Services Instructional Staff		522,773	11,700	534,473	533,347
					1,126
Educational Media Services/School Library:					
Salaries	11-000-222-100	180,521	500	181,021	180,783
Purchased Prof & Tech Services	11-000-222-300	7,000	3,000	10,000	10,000
Other Purchased Services	11-000-222-500	2,800	-	2,800	2,356
Supplies and Materials	11-000-222-600	60,350	(3,090)	57,260	46,943
					10,317
Total Educational Media Services/School Library		250,671	410	251,081	240,082
					10,999
Support Services Instructional Staff Training Service:					
Purchased Prof - Ed Services	11-000-223-320	1,000	8,000	9,000	8,104
Other Purchased Services	11-000-223-580	1,000	-	1,000	38
Supplies and Materials	11-000-223-610	1,500	(500)	1,000	148
Other Objects	11-000-223-890	500	2,000	2,500	1,630
					870
Total Support Services Instructional Staff Training Services		4,000	9,500	13,500	9,920
					3,580
Support Services General Administration:					
Salaries	11-000-230-100	271,532	8,500	280,032	279,817
Governance Salary	11-000-230-109	3,200	-	3,200	3,000
Legal Services	11-000-230-331	180,000	(60,628)	119,372	105,974
Audit Services	11-000-230-332	30,000	1,700	31,700	31,618
Architect/Engineer Services	11-000-230-334	45,000	39,500	84,500	67,846
Other Purchased Professional Services	11-000-230-339	76,000	15,500	91,500	91,329
Communications/Telephone	11-000-230-530	66,000	9,610	75,610	60,218
BOE Other Purchased Services	11-000-230-585	1,000	(1,000)	-	-
General Supplies	11-000-230-610	17,500	6,000	23,500	22,473
BOE Membership Dues & Fees	11-000-230-895	25,000	300	25,300	23,931
					1,369
Total Support Services General Administration		715,232	19,482	734,714	686,206
					48,508

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ACCOUNT NUMBERS	June 30, 2017			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Support Services School Administration:				
Salaries of Principals & Assistant Principals				
11-000-240-103	558,601	11,000	569,601	1,650
Salaries of Secretarial & Clerical Assistants				
11-000-240-105	306,574	21,000	327,574	2,292
11-000-240-110	14,000	1,200	15,200	2,642
11-000-240-580	500	200	700	55
11-000-240-610	93,250	(14,167)	79,083	15,174
11-000-240-800	5,390	-	5,390	282
Total Support Services School Administration				
	978,315	19,233	997,548	22,095
Central Services:				
Salaries				
11-000-251-100	366,185	(8,100)	358,085	1,920
11-000-251-330	10,590	10,590	21,180	23
11-000-251-340	31,000	5,000	36,000	464
11-000-251-600	90,000	(20,890)	69,110	4,381
11-000-251-890	2,000	-	2,000	411
Total Central Services				
	489,185	(13,400)	475,785	7,199
Administrative Information Technology:				
Salaries				
11-000-252-100	176,460	4,700	181,160	11
11-000-252-340	25,000	23,400	48,400	453
11-000-252-600	55,000	(8,050)	46,950	167
Total Administrative Information Technology				
	256,460	20,050	276,510	631
Required Maintenance for School Facilities:				
Salaries				
11-000-261-100	359,051	39,000	398,051	10,138
11-000-261-420	338,755	34,480	373,235	6,038
11-000-261-421	-	2,520	2,520	-
11-000-261-610	65,500	-	65,500	1,706
11-000-261-800	1,700	-	1,700	29
Total Required Maintenance for School Facilities				
	765,006	76,000	841,006	17,911

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ACCOUNT NUMBERS	June 30, 2017			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Custodial Services:				
Salaries	932,410	31,900	964,310	959,970
Purchased Professional & Technical Services	3,500	-	3,500	2,865
Cleaning, Repair & Maintenance Services	57,670	18,000	75,670	68,351
Other Purchased Property Services	60,000	-	60,000	56,216
Miscellaneous Purchased Services	36,000	-	36,000	32,444
Insurance	195,000	(13,000)	182,000	181,275
General Supplies	49,400	-	49,400	48,358
Energy (Electricity)	460,000	(31,500)	428,500	400,639
Energy (Natural Gas)	150,000	(36,000)	114,000	100,048
Energy (Oil)	500	-	500	-
Total Custodial Services	1,944,480	(30,600)	1,913,880	1,850,166
Care & Upkeep of Grounds				
Salaries	170,340	12,000	182,340	181,274
Purchased Professional & Technical Services	20,000	23,000	43,000	42,320
Cleaning, Repair & Maintenance Services	30,200	6,500	36,700	36,567
General Supplies	37,500	500	38,000	37,558
Total Care & Upkeep of Grounds	258,040	42,000	300,040	297,719
Security				
Purchased Professional & Technical Services	90,000	-	90,000	86,028
Total Security	90,000	-	90,000	86,028

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	June 30, 2017			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Student Transportation Services:					
Salaries for Pupil Transportation:					
Transportation Aides	11-000-270-107	83,641	-	83,641	14
Between Home & School - Regular	11-000-270-160	739,453	28,000	767,453	1,639
Between Home & School - Special	11-000-270-161	100,000	59,500	159,500	2,308
Between Home & School - Nonpublic	11-000-270-163	33,000	1,000	34,000	84
Other Purchased Professional & Technical Services	11-000-270-390	6,000	4,000	10,000	297
Cleaning, Repair & Maintenance Services	11-000-270-420	315,000	10,000	325,000	2,586
Contracted Services (Special Education Students) - Vendors	11-000-270-514	295,000	(66,150)	228,850	2,059
Contracted Services (Special Education Students) - Joint Agreements	11-000-270-515	25,000	4,600	29,600	84
Contracted Services (Special Education Students) - ESCS & CTSA	11-000-270-518	320,000	90,900	410,900	3,408
Aid in Lieu of Payments - Non Public Miscellaneous Purchased	11-000-270-503	60,000	(49,000)	11,000	1,252
Services - Transportation	11-000-270-593	50,000	(13,000)	37,000	270
Supplies and Materials	11-000-270-610	75,000	17,000	92,000	2,374
Transportation Supplies	11-000-270-615	265,000	(112,900)	152,100	5,968
Other Objects	11-000-270-800	20,000	1,500	21,500	153
Total Student Transportation Services		2,387,094	(24,550)	2,362,544	22,496
Unallocated Benefits - Employee Benefits:					
Other Insurance	11-000-291-210		2,500	2,500	622
Social Security	11-000-291-220	535,000	40,000	575,000	14,985
Other Retirement Contributions - PERS	11-000-291-241	560,000	9,100	569,100	36
Other Retirement Contributions - Regular	11-000-291-249	20,000	(8,500)	11,500	5,855
Worker's Compensation	11-000-291-260	260,000	(2,100)	257,900	3,193
Health Benefits	11-000-291-270	5,536,498	(860,820)	4,675,678	29,416
Other Employee Benefits	11-000-291-290	185,000	206,000	391,000	21,681
Total Unallocated Benefits - Employee Benefits		7,096,498	(613,820)	6,482,678	75,788

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ACCOUNT NUMBERS	June 30, 2017			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Nonbudgeted:				
On-Behalf TPAF Post-Retirement Medical Contributions	-	-	-	1,240,834 (1,240,834)
On-Behalf TPAF Contributions	-	-	-	1,489,190 (1,489,190)
On-Behalf TPAF NCGI Premium Contributions	-	-	-	1,349 (1,349)
Reimbursed TPAF Social Security Contribution	-	-	-	1,036,613 (1,036,613)
Total Nonbudgeted	-	-	-	3,767,986 (3,767,986)
Total Undistributed Expenditures	20,002,889	(330,470)	19,672,419	23,095,424 (3,423,005)
Total Expenditures - Current Expense	34,008,659	(44,548)	33,964,111	37,315,545 (3,351,434)
Capital Outlay:				
Equipment:				
Undistributed - Instructional Equipment	181,706	(104,710)	76,996	76,925 71
Undistributed Expense - Admin Info Tech	292,683	83,006	375,689	375,650 39
Custodial Services	64,000	113,300	177,300	176,223 1,077
School Buses - Regular	315,000	(15,850)	299,150	299,144 6
Total Equipment	853,389	75,746	929,135	927,942 1,193
Facilities Acquisition & Construction Services:				
Architect/Engineer	-	53,224	53,224	42,006 11,218
Construction Services	650,000	(642,790)	7,210	6,950 260
Lease purchase agreement	192,338	-	192,338	192,337 1
Assessment for Debt Service on SDA funding	114,706	-	114,706	114,706 -
Total Facilities Acquisition & Construction Services	957,044	(589,566)	367,478	355,999 11,479
Assets Acquired Under Capital Leases (NonBudgeted)	-	-	-	50,615 (50,615)
Total Capital Outlay	1,810,433	(513,820)	1,296,613	1,334,556 (37,943)

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ACCOUNT NUMBERS	June 30, 2017		FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS			
Special Schools:					
Summer School - Instruction:					
Salaries of Teachers	64,000	15,915	79,915	79,912	3
General Supplies	1,000	(400)	600	559	41
Total Special Schools	65,000	15,515	80,515	80,471	44
Total Expenditures	35,884,092	(542,853)	35,341,239	38,730,572	(3,389,333)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(574,750)	542,853	(31,897)	731,618	763,515
Other Financing Sources/(Uses):					
NonBudgeted Capital Leases	-	-	-	50,615	50,615
Transfer to Capital Projects	-	(614,340)	(614,340)	(614,340)	-
Transfer from Capital Projects	-	-	-	8,295	8,295
Interest Earned on Capital Reserve	(100)	-	(100)	-	100
Interest Earned on Maintenance Reserve	(100)	-	(100)	-	100
Interest Earned on Emergency Reserve	(50)	-	(50)	-	50
Cancellation of Prior Year Pavales	-	-	-	2,134	2,134
Total Other Financing Sources/(Uses)	(250)	(614,340)	(614,590)	(553,296)	61,294
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other	(575,000)	(71,487)	(646,487)	178,322	824,809
Other Financing Sources/(Uses)	2,233,957	-	2,233,957	2,233,957	-
Fund Balances, July 1	\$ 1,658,957	\$ (71,487)	\$ 1,587,470	\$ 2,412,279	\$ 824,809
Fund Balances, June 30					

RECAPITULATION OF TRANSFERS:

Rollover Encumbrances from Prior Year	71,487
Total Transfers	<u>\$ 71,487</u>

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:		
Capital Reserve	\$ 447,257	
Emergency Reserve	50,350	
Maintenance Reserve	491,848	
Excess Surplus	96,604	
Excess Surplus - Designated for Subsequent Year's Expenditures	99,752	
Committed Fund Balance:	39,699	
Year-end Encumbrances	5,822	
Assigned Fund Balance:	325,248	
ARRA/SEMI - Unreserved - Designated for Subsequent Year's Expenditures	855,699	
Unreserved - Designated for Subsequent Year's Expenditures		
Unassigned Fund Balance	2,412,279	
Subtotal	<u>(377,555)</u>	
Reconciliation to Governmental Fund Statements (GAAP):		
Last State Aid Payment Not Recognized on GAAP Basis	<u>2,034,724</u>	
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 2,034,724</u>	

**CENTRAL REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	June 30, 2017				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS/ ADJUSTMENTS	FINAL BUDGET	ACTUAL	
Revenues:					
Federal Sources	\$ 820,036	\$ 213,235	\$ 1,033,271	\$ 1,032,779	\$ (492)
Total Revenues	820,036	213,235	1,033,271	1,032,779	(492)
Expenditures:					
Instruction:					
Salaries of Teachers	260,950	97,722	358,672	358,180	492
Other Purchased Services	455,254	38,938	494,192	494,192	-
General Supplies	-	3,604	3,604	3,604	-
Total Instruction	716,204	140,264	856,468	855,976	492
Support Services:					
Salaries of Other Professional Staff	-	3,040	3,040	3,040	-
Personal Services - Employee Benefits	103,832	(20,714)	83,118	83,118	-
Purchase of Professional Education Services	-	37,694	37,694	37,694	-
Other Professional Services	-	52,951	52,951	52,951	-
Total Support Services	103,832	72,971	176,803	176,803	-
Total Expenditures	820,036	213,235	1,033,271	1,032,779	492
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**CENTRAL REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

	GENERAL FUND N-1	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 39,462,190	\$ 1,032,779
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	-
Current Year	-	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	374,485	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(377,555)	-
	<u>374,485</u>	<u>-</u>
Total Revenues as Reported on the Stat Personal Services - Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 39,459,120</u>	<u>\$ 1,032,779</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 38,730,572	\$ 1,032,779
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year	-	-
Current Year	-	-
	<u>-</u>	<u>-</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 38,730,572</u>	<u>\$ 1,032,779</u>

N-1 The general fund budget uses GAAP basis therefore no reconciliation is necessary.

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST FOUR FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.06237%	0.06151%	0.05994%	0.05842%
District's proportionate share of the net pension liability (asset)	\$ 18,474,100	\$ 13,808,205	\$ 11,222,596	\$ 11,165,812
District's covered-employee payroll	\$ 4,330,517	\$ 4,203,016	\$ 4,162,600	\$ 4,113,245
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	426.60%	328.53%	269.61%	271.46%
Plan fiduciary net position as a percentage of the total pension liability	40.14%	47.93%	52.08%	48.72%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST FOUR FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 598,435	\$ 554,143	\$ 528,838	\$ 494,145
Contributions in relation to the contractually required contribution	<u>598,435</u>	<u>554,143</u>	<u>528,838</u>	<u>494,145</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 4,682,407	\$ 4,330,517	\$ 4,203,016	\$ 4,162,600
Contributions as a percentage of covered-employee payroll	12.78%	12.80%	12.58%	11.87%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST FOUR FISCAL YEARS

	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.00000%	0.00000%	0.00000%	0.00000%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 104,081,346	\$ 82,189,449	\$ 69,618,006	\$ 69,340,988
District's covered-employee payroll	\$ 14,217,731	\$ 13,252,685	\$ 13,451,654	\$ 13,243,968
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.76%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST FOUR FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the School District.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 4.13% as of June 30, 2015, to 3.22% as of June 30, 2016.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 4.90 % as of June 30, 2015, to 3.98% as of June 30, 2016.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

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**CENTRAL REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	TITLE I	TITLE II PART A	I.D.E.A.	TOTAL
Revenues:				
Federal Sources	\$ 474,343	\$ 64,244	\$ 494,192	\$ 1,032,779
Total Revenues	<u>\$ 474,343</u>	<u>\$ 64,244</u>	<u>\$ 494,192</u>	<u>\$ 1,032,779</u>
Expenditures:				
Instruction:				
Salaries of Teachers	\$ 334,972	\$ 23,208	\$ -	\$ 358,180
Other Purchased Services	-	-	494,192	494,192
General Supplies	3,604	-	-	3,604
Total Instruction	<u>338,576</u>	<u>23,208</u>	<u>494,192</u>	<u>855,976</u>
Support Services:				
Salaries of Other Professional Staff	-	3,040	-	3,040
Personal Services - Employee Benefits	77,160	5,958	-	83,118
Purchase of Professional Education Services	5,656	32,038	-	37,694
Other Professional Services	52,951	-	-	52,951
Total Support Services	<u>135,767</u>	<u>41,036</u>	<u>-</u>	<u>176,803</u>
Total Expenditures	<u>\$ 474,343</u>	<u>\$ 64,244</u>	<u>\$ 494,192</u>	<u>\$ 1,032,779</u>

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F. Capital Projects Fund

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

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**CENTRAL REGIONAL SCHOOL DISTRICT
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

PROJECT TITLE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES		UNEXPENDED BALANCE 2017
			PRIOR YEAR	CURRENT YEAR	
Middle School Window Project	07/01/16	\$ 348,136	\$ -	\$ 348,136	\$ -
Middle School Lintel Project	07/01/16	405,458	-	405,458	-
High School Window Project	07/01/15	163,990	163,990	-	-
Total		<u>\$ 917,584</u>	<u>\$ 163,990</u>	<u>\$ 753,594</u>	<u>\$ -</u>

**CENTRAL REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
YEAR ENDED JUNE 30, 2017**

Revenues:	
State Sources - SDA Grant	<u>\$ 147,549</u>
Total Revenue	<u>147,549</u>
Expenditures:	
Construction Services	<u>753,594</u>
Total Expenditures	<u>753,594</u>
Other Financing Sources & (Uses):	
Transfer from General Fund	614,340
Transfer to Capital Outlay	<u>(8,295)</u>
Total Other Financing Sources & (Uses)	<u>606,045</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-
Fund Balance - Beginning	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>

**CENTRAL REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
PARTIAL HIGH SCHOOL WINDOW REPLACEMENT
YEAR ENDED JUNE 30, 2017**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues:				
State Sources - SDA Grant	\$ 56,430	\$ 8,295	\$ 64,725	\$ 439,736
Bond Proceeds & Transfers	107,560	-	107,560	647,161
Total Revenues	163,990	8,295	172,285	1,086,897
Expenditures:				
Construction Services	163,990	-	163,990	1,078,602
Total Expenditures	163,990	-	163,990	1,078,602
Other Financing Sources & (Uses):				
Transfer to Capital Outlay	-	(8,295)	(8,295)	(8,295)
Total Other Financing Sources & (Uses)	-	(8,295)	(8,295)	(8,295)
Excess/(Deficiency) of Revenues				
Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	0770-030-14-1002
Grant Date	12/4/2013
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,078,602
Increase of Authorized Cost	\$ 8,295
Revised Authorized Cost	\$ 1,086,897
Percentage Decrease Under Original Authorized Cost	-
Original Target Completion Date	
Percentage Completion	100.00%

**CENTRAL REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
MIDDLE SCHOOL WINDOW PROJECT
YEAR ENDED JUNE 30, 2017**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues:				
State Sources - SDA Grant	\$ -	\$ 139,254	\$ 139,254	\$ 139,254
Bond Proceeds & Transfers	-	208,882	208,882	208,882
Total Revenues	-	348,136	348,136	348,136
Expenditures:				
Construction Services	-	348,136	348,136	348,136
Total Expenditures	-	348,136	348,136	348,136
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ADDITIONAL PROJECT INFORMATION

Project Number	0770-050-14-1003
Grant Date	
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 348,136
Reduction of Authorized Cost	\$ -
Revised Authorized Cost	\$ 348,136
Percentage Decrease Under Original Authorized Cost	-
Original Target Completion Date	
Percentage Completion	100.00%

**CENTRAL REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
MIDDLE SCHOOL LINTEL PROJECT
YEAR ENDED JUNE 30, 2017**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues:				
Bond Proceeds & Transfers	\$ -	\$ 405,458	\$ 405,458	\$ 405,458
Total Revenues	-	405,458	405,458	405,458
Expenditures:				
Construction Services	-	405,458	405,458	405,458
Total Expenditures	-	405,458	405,458	405,458
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	0770-050-14-1003
Grant Date	
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 405,458
Reduction of Authorized Cost	\$ -
Revised Authorized Cost	\$ 405,458
Percentage Decrease Under Original Authorized Cost	-
Original Target Completion Date	
Percentage Completion	100.00%

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G. Proprietary Funds

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private enterprise - where the intent of the District's Board is that the costs of providing goods or services be financed be financed through user charges.

FOOD SERVICE FUND

This Fund provides operation of food services within the School District.

COMMUNITY SCHOOL

This Fund provides educational programs to the Community.

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Enterprise Funds

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**CENTRAL REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2017**

ASSETS	COMMUNITY SCHOOL	FOOD SERVICE FUND	<u>TOTALS</u>
Current Assets:			
Cash & Cash Equivalents	\$ 16,676	\$ 176,342	\$ 193,018
Intergovernmental Accounts Receivable:			
Federal	-	9,100	9,100
State	-	188	188
Other	-	6,295	6,295
Inventory	-	9,371	9,371
	<hr/>	<hr/>	<hr/>
Total Current Assets	16,676	201,296	217,972
Capital Assets:			
Equipment	-	435,915	435,915
Accumulated Depreciation	-	(341,859)	(341,859)
	<hr/>	<hr/>	<hr/>
Total Capital Assets	-	94,056	94,056
	<hr/>	<hr/>	<hr/>
Total Assets	16,676	295,352	312,028
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Current Liabilities:			
Accounts Payable	5,800	3,157	8,957
Interfund Payable	-	20,085	20,085
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	5,800	23,242	29,042
	<hr/>	<hr/>	<hr/>
NET POSITION			
Net Investment in Capital Assets			
Unrestricted	-	94,056	94,056
	<hr/>	<hr/>	<hr/>
Unrestricted	10,876	178,054	188,930
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ 10,876	\$ 272,110	\$ 282,986
	<hr/>	<hr/>	<hr/>

**CENTRAL REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2017**

	COMMUNITY SCHOOL	FOOD SERVICE FUND	<u>TOTALS</u>
Operating Revenue:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ -	\$ 358,972	\$ 358,972
Total - Daily Sales - Reimbursable Programs	<u>-</u>	<u>358,972</u>	<u>358,972</u>
Daily Sales - Nonreimbursable Programs:			
Fees	8,230	160,879	169,109
Total - Daily Sales - Non-Reimbursable Programs	<u>8,230</u>	<u>160,879</u>	<u>169,109</u>
Total Operating Revenue	<u>8,230</u>	<u>519,851</u>	<u>528,081</u>
Operating Expenses:			
Salaries	3,200	254,711	257,911
Employee Benefits	-	61,915	61,915
Purchased Professional / Technical Services	-	5,025	5,025
Purchased Property Services	-	10,261	10,261
Supplies and Materials	3,213	7,217	10,430
Utilities	-	38,034	38,034
Depreciation	-	10,145	10,145
Miscellaneous	5,800	10,856	16,656
Cost of Sales - reimbursable programs	-	215,546	215,546
Cost of Sales - non-reimbursable programs	-	131,846	131,846
Total Operating Expenses	<u>12,213</u>	<u>745,556</u>	<u>757,769</u>
Operating Income/(Loss)	<u>(3,983)</u>	<u>(225,705)</u>	<u>(229,688)</u>
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	-	6,556	6,556
Federal Sources:			
School Breakfast Program	-	43,251	43,251
National School Lunch Program	-	265,401	265,401
Food Distribution Program	-	54,030	54,030
Miscellaneous	-	212	212
Total Nonoperating Revenues/(Expenses)	<u>-</u>	<u>369,450</u>	<u>369,450</u>
Change in Net Position	(3,983)	143,745	139,762
Total Net Position - Beginning	<u>14,859</u>	<u>128,365</u>	<u>143,224</u>
Total Net Position - Ending	<u>\$ 10,876</u>	<u>\$ 272,110</u>	<u>\$ 282,986</u>

**CENTRAL REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2017**

	COMMUNITY SCHOOL	FOOD SERVICE FUND	<u>TOTALS</u>
Cash Flows From Operating Activities:			
Receipts from Customers	\$ -	\$ 513,556	\$ 513,556
Payment to Employees, Payments for Employee Benefits and Payment to Suppliers	1,817	(873,787)	(871,970)
Net Cash Provided/(Used) by Operating Activities	<u>1,817</u>	<u>(360,231)</u>	<u>(358,414)</u>
Cash Flows From Capital Financing Activities:			
Purchases of Capital Assets	-	(13,614)	(13,614)
Net Cash Provided/(Used) by Capital Financing Activities	<u>-</u>	<u>(13,614)</u>	<u>(13,614)</u>
Cash Flows From Noncapital Financing Activities:			
State Sources	-	6,556	6,556
Federal Sources	-	308,652	308,652
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>315,208</u>	<u>315,208</u>
Cash Flows From Investing Activities:			
Interest	-	212	212
Net Cash Provided by Investing Activities	<u>-</u>	<u>212</u>	<u>212</u>
Net Increase in Cash & Cash Equivalents Cash and Cash Equivalents, July 1	1,817 <u>14,859</u>	(58,425) <u>234,767</u>	(56,608) <u>249,626</u>
Cash & Cash Equivalents, June 30	<u>\$ 16,676</u>	<u>\$ 176,342</u>	<u>\$ 193,018</u>

RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:

Operating Loss	(3,983)	\$ (225,705)	\$ (229,688)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	-	10,145	10,145
Food Distribution Program	-	54,030	54,030
Change in Assets & Liabilities:			
Decrease in Accounts Receivable	-	8,530	8,530
Increase in Inventory	-	3,643	3,643
Increase in Accounts Payable	5,800	(210,874)	(205,074)
Total Adjustments	<u>5,800</u>	<u>(134,526)</u>	<u>(128,726)</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ 1,817</u>	<u>\$ (360,231)</u>	<u>\$ (358,414)</u>

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

Fiduciary Funds are used to account for funds received by the School District for a specific purpose.

Agency Funds are used to account for assets held by the School District as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund:	This Agency Fund is used to account for student funds held at the schools.
Payroll Fund:	This Agency Fund is used to account for the payroll transactions of the School District.
Private Purpose Trust Funds:	
Unemployment Fund:	This Fund is used to account for assets to finance the cost of unemployment benefits.
Scholarship Fund:	This Fund is an Expendable Trust Fund and limits expenses according to the Scholarship Agreement.

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**CENTRAL REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
June 30, 2017**

ASSETS	PRIVATE PURPOSE		AGENCY		TOTALS
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	STUDENT ACTIVITY	PAYROLL	
Cash & Cash Equivalents	\$ 29,567	\$ 299,994	\$ 258,234	\$ 350,932	\$ 938,727
Due from Other Funds	-	37,805	-	-	37,805
Total Assets	29,567	337,799	258,234	350,932	976,532
LIABILITIES					
Accounts Payable	-	-	-	-	-
Payroll Deductions & Withholdings	-	-	-	308,127	308,127
Interfunds Payable	-	-	-	42,805	42,805
Due to Student Groups	-	-	258,234	-	258,234
Total Liabilities	-	-	258,234	350,932	609,166
NET POSITION					
Reserved:					
Scholarships	29,567	-	-	-	29,567
Unemployment Benefits	-	337,799	-	-	337,799
Total Net Position	\$ 29,567	\$ 337,799	\$ -	\$ -	\$ 367,366

**CENTRAL REGIONAL SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>PRIVATE PURPOSE</u>		<u>TOTALS</u>
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	
ADDITIONS:			
Interest Earned	\$ 46	\$ 389	\$ 435
Donations	10,448	-	10,448
Total Additions	<u>10,494</u>	<u>389</u>	<u>10,883</u>
DEDUCTIONS:			
Disbursements	<u>11,600</u>	<u>3,288</u>	<u>14,888</u>
Total Deductions	<u>11,600</u>	<u>3,288</u>	<u>14,888</u>
Change in Net Position	(1,106)	(2,899)	(4,005)
Net Position - Beginning of Year	<u>30,673</u>	<u>340,698</u>	<u>371,371</u>
Net Position - End of Year	<u>\$ 29,567</u>	<u>\$ 337,799</u>	<u>\$ 367,366</u>

**CENTRAL REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BALANCE JULY 1, 2016	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2017
High & Middle Schools Athletic Account	\$ 248,813	\$ 545,278	\$ 539,364	\$ 254,727
	3,411	130,018	129,922	3,507
Total	\$ 252,224	\$ 675,296	\$ 669,286	\$ 258,234

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ASSETS	BALANCE JULY 1, 2016	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2017
Cash & Cash Equivalents	\$ 180,157	\$ 24,209,557	\$ 24,038,782	\$ 350,932
Total Assets	\$ 180,157	\$ 24,209,557	\$ 24,038,782	\$ 350,932
LIABILITIES				
Net Payroll Deductions & Withholdings	\$ 134,063	\$ 24,212,846	\$ 24,038,782	\$ 308,127
Interfunds	46,094	-	3,289	42,805
Total Liabilities	\$ 180,157	\$ 24,212,846	\$ 24,042,071	\$ 350,932

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I. Long-Term Debt

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding and obligations under capital leases.

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**CENTRAL REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30, 2017**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITY DATE	ANNUAL MATURITY AMOUNT	INTEREST RATE	BALANCE JUNE 30, 2016	ISSUED	RETIRED	BALANCE JUNE 30, 2017
School Bonds 2011	3/29/2011	\$4,113,000	7-15-17	750,000	3.000%	\$ 3,448,000	\$ -	\$ 850,000	\$ 2,598,000
			7-15-18	675,000	3.000%				
			7-15-19	520,000	3.250%				
			7-15-20	400,000	3.500%				
			7-15-21	253,000	3.500%				
Total						\$ 3,448,000	\$ -	\$ 850,000	\$ 2,598,000

**CENTRAL REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2017**

PURPOSE	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2016	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2017
August 2011 Copiers	5.30%	24,866	\$ 1,441	\$ -	\$ 1,441	\$ -
Copiers - FY 13	Variable	37,793	11,147	-	8,385	2,762
Copiers - FY 14	Variable	20,438	9,633	-	4,300	5,333
Copiers - FY 15	Variable	23,864	19,639	-	4,483	15,156
Artificial Turf	2.54%	768,690	368,690	-	182,973	185,717
Copiers - FY 16	2.75%	157,496	157,496	-	47,248	110,248
Copiers - FY 17	Variable	50,615	-	50,615	5,854	44,761
Total			\$ 568,046	\$ 50,615	\$ 254,684	\$ 363,977

**CENTRAL REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	June 30, 2017			POSITIVE/ NEGATIVE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 953,130	\$ -	\$ 953,130	\$ -
Total Revenues	953,130	-	953,130	-
Expenditures:				
Regular Debt Service:				
Interest on Bonds	93,130	-	93,130	-
Redemption of Principal	850,000	-	850,000	-
CDL Interest	10,000	-	10,000	-
Total Expenditures	953,130	-	953,130	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-
Fund Balance July 1	-	-	-	-
Fund Balance June 30	-	\$ -	\$ -	\$ -

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STATISTICAL SECTION (Unaudited)

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FINANCIAL TRENDS/INFORMATION SCHEDULES

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CENTRAL REGIONAL SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
Unaudited

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities:										
Net Investment in Capital Assets	\$ 14,786,517	\$ 15,817,786	\$ 22,671,570	\$ 18,445,998	\$ 21,618,461	\$ 22,638,937	\$ 23,555,121	\$ 24,923,343	\$ 25,574,459	\$ 26,464,786
Restricted for:										
Debt Service	14,913	30,717	30,780	6,915	(36,096)	(128,030)	(117,534)	(146,455)	(198,537)	-
Capital Projects	861,320	-	-	3,081,772.00	11,485,089	61,376	33,645	-	-	-
General Fund	1,399,784	153,608	602,305	303,164	-	-	-	-	-	-
Maintenance Reserve	21,776	721,776	91,148	91,148	191,348	291,448	291,548	291,648	291,748	491,848
Emergency Reserve	-	-	-	-	50,100.00	50,150	50,200	50,250	50,300	50,350
Capital Reserve	-	-	-	-	553,607.00	519,987	670,607	321,270	446,320	447,257
Excess Surplus	-	-	-	-	-	-	-	70,842	99,752	196,356
Unrestricted	837,001	(546,530)	(756,382)	32,241	(359,935)	(413,734)	(1,918,881)	(15,875,981)	(16,414,879)	(14,435,210)
Total Governmental Activities	\$ 17,921,311	\$ 16,177,357	\$ 22,639,421	\$ 21,961,238	\$ 33,502,574	\$ 23,020,134	\$ 22,564,706	\$ 9,634,917	\$ 9,849,163	\$ 13,215,387

Total Governmental Activities

Net Position	\$ 17,921,311	\$ 16,177,357	\$ 22,639,421	\$ 21,961,238	\$ 33,502,574	\$ 23,020,134	\$ 22,564,706	\$ 9,634,917	\$ 9,849,163	\$ 13,215,387
Business-Type Activities:										
Net Investment in Capital Assets	\$ 15,832	\$ 10,837	\$ 130,569	\$ 100,861	\$ 71,206	\$ 54,764	\$ 40,156	\$ 32,746	\$ 90,587	\$ 94,056
Unrestricted	131,463	92,786	7,169	32,728	71,122	46,796	88,929	150,493	52,637	188,930
Total Business-Type Activities	\$ 147,295	\$ 103,623	\$ 137,738	\$ 133,589	\$ 142,328	\$ 101,560	\$ 129,085	\$ 183,239	\$ 143,224	\$ 282,986

Total Business-Type Activities

Net Position	\$ 147,295	\$ 103,623	\$ 137,738	\$ 133,589	\$ 142,328	\$ 101,560	\$ 129,085	\$ 183,239	\$ 143,224	\$ 282,986
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Government-Wide:

Net Investment in Capital Assets	\$ 14,802,349	\$ 15,828,623	\$ 22,802,139	\$ 18,546,859	\$ 21,689,667	\$ 22,693,701	\$ 23,595,277	\$ 24,956,089	\$ 25,665,046	\$ 26,558,842
Restricted:										
Debt Service	14,913	30,717	30,780	6,915	(36,096)	(128,030)	(117,534)	(146,455)	(198,537)	-
Capital Projects	861,320	-	-	3,081,772	11,485,089	61,376	33,645	-	-	-
General Fund	1,399,784	153,608	602,305	303,164	-	-	-	-	-	-
Maintenance Reserve	21,776	721,776	91,148	91,148	191,348	291,448	291,548	291,648	291,748	491,848
Emergency Reserve	-	-	-	-	50,100	50,150	50,200	50,250	50,300	50,350
Capital Reserve	-	-	-	-	553,607	519,987	670,607	321,270	446,320	447,257
Excess Surplus	-	-	-	-	-	-	-	70,842	99,752	196,356
Unrestricted	976,464	(453,744)	(749,213)	64,969	(288,813)	(366,938)	(1,829,952)	(15,725,488)	(16,362,242)	(14,246,280)
Total District Net Position	\$ 18,076,606	\$ 16,280,980	\$ 22,777,159	\$ 22,094,827	\$ 33,644,902	\$ 23,121,694	\$ 22,693,791	\$ 9,818,156	\$ 9,992,387	\$ 13,498,373

**CENTRAL REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
Unaudited**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 8,479,276	\$ 7,758,943	\$ 8,028,025	\$ 7,662,009	\$ 8,226,793	\$ 8,429,981	\$ 8,245,178	\$ 859,693	\$ 8,657,266	\$ 8,973,753
Special Education	3,009,843	3,624,914	3,990,115	4,251,694	3,284,701	3,387,494	3,539,290	3,524,595	3,902,188	4,059,048
Other Special Instruction	53,247	163,751	137,509	133,406	146,181	150,209	152,971	97,235	63,004	111,476
Vocational	40,354	38,887	97,034	98,785	101,297	102,842	103,436	85,932	88,290	89,926
Other Instruction	938,491	967,506	1,086,908	1,110,216	1,105,690	1,189,549	1,430,723	1,521,000	1,540,487	1,587,210
Support Services:										
Tuition	1,528,967	1,542,680	1,328,267	1,597,999	1,358,355	1,221,328	1,528,103	1,266,796	1,245,021	1,740,130
Student & Instruction Related Services	2,877,217	2,968,898	3,316,852	3,020,552	2,888,541	3,108,366	3,153,657	3,246,074	3,285,507	3,554,041
School Administrative Services	989,902	1,043,776	1,051,177	918,003	945,841	957,572	940,552	984,102	959,898	975,453
Other Administrative Services	887,873	1,731,718	1,660,117	1,495,828	790,993	930,022	788,484	842,564	766,481	686,206
Central Services	580,924	-	-	-	-	458,567	466,520	449,108	468,133	468,586
Administrative Information Technology	-	-	-	769,656	-	312,389	317,390	337,352	289,214	275,879
Plant Operations & Maintenance	3,075,898	3,320,675	3,685,340	2,981,790	2,674,594	2,905,618	2,883,091	3,492,492	3,407,995	3,171,714
Pupil Transportation	1,789,978	2,028,988	2,018,781	2,011,998	2,244,262	2,272,104	2,278,568	2,373,075	2,246,855	2,340,048
Unallocated Benefits	9,266,203	6,903,734	7,386,709	7,860,346	8,272,378	8,979,596	8,539,224	12,266,841	14,316,015	11,493,294
Special Schools	22,125	16,954	10,812	25,084	37,885	42,338	63,951	63,674	64,575	80,471
Debt Service	381,472	1,106,388	1,129,235	256,461	302,193	258,980	210,614	204,651	173,176	148,098
Unallocated Gain on Revaluation of Fixed Assets	-	-	-	-	467,603	-	-	145,114.00	(161,812)	92,699
Unallocated Depreciation	1,190,907	1,589,372	1,432,695	1,415,116	1,372,311	1,438,287	1,555,078	1,479,428	2,684,952	2,044,487
Unallocated Compensated Absences	-	-	-	-	45,341	-	-	-	-	-
Total Governmental Activities Expenses	32,390,958	35,112,677	34,807,184	36,359,576	34,839,287	35,034,615	36,145,041	36,196,830	43,997,245	41,892,519
Business-Type Activities:										
Food Service	793,803	834,344	865,653	729,797	830,407	874,860	800,783	788,586	916,101	745,556
Drivers Education	-	7,476	-	-	-	-	-	-	-	-
Community School	5,902	-	11,500.00	5,458	4,923	2,387	6,135	6,614	4,250	12,213
Total Business-Type Activities Expense	799,705	841,820	877,153	735,255	835,330	877,248	806,918	795,200	920,351	757,769
Total District Expenses	\$ 33,190,663	\$ 35,954,497	\$ 35,684,337	\$ 37,094,831	\$ 35,674,617	\$ 35,911,863	\$ 36,951,959	\$ 36,992,030	\$ 44,917,596	\$ 42,650,288
Program Revenues:										
Governmental Activities:										
Charges for Services	\$ -	\$ -	\$ -	\$ 240,990	\$ 178,156	\$ 437,229	\$ 550,040	\$ 622,528	\$ 608,989	\$ 467,980
Operating Grants & Contributions	4,230,798	6,657,025	3,459,367	3,118,138	899,408	5,003,718	4,367,345	7,838,413	9,383,694	5,879,019
Total Governmental Activities Program Revenues	4,230,798	6,657,025	3,459,367	3,359,128	1,077,564	5,440,947	4,917,385	8,460,941	9,992,683	6,346,999

**CENTRAL REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**
Unaudited

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-Type Activities:										
Charges for Services:										
Food Service	533,823	528,343	461,286	476,354	479,519	500,881	519,315	500,808	534,100	528,081
Community School	6,060	11,380	7,545	6,750	5,250	3,500	7,596	8,900	8,370	-
Operating Grants & Contributions	262,831	2,50,425	295,740	309,762	359,300	327,811	307,532	339,646	337,866	369,450
Total Business Type Activities Program Revenues	802,714	790,148	764,571	792,866	844,069	832,192	834,443	849,354	880,336	897,531
Total District Program Revenues	\$ 5,033,512	\$ 7,447,173	\$ 4,223,938	\$ 4,151,994	\$ 1,921,633	\$ 6,273,139	\$ 5,751,828	\$ 9,310,295	\$ 10,873,019	\$ 7,244,530
Net/(Expense)/Revenue:										
Governmental Activities	\$ (30,881,879)	\$ (28,150,159)	\$ (32,900,209)	\$ (31,480,159)	\$ (33,957,051)	\$ (30,704,094)	\$ (31,279,445)	\$ (32,565,085)	\$ (34,004,562)	\$ (35,545,520)
Business-Type Activities	3,009	(51,672)	(112,582)	57,611	8,739	(45,056)	27,525	54,154	(40,015)	139,762
Total District-Wide Net Expense	\$ (28,458,108)	\$ (30,878,870)	\$ (28,201,831)	\$ (33,012,791)	\$ (31,422,548)	\$ (33,948,312)	\$ (30,749,150)	\$ (31,251,920)	\$ (34,044,577)	\$ (35,405,758)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 23,725,867	\$ 24,524,902	\$ 25,356,033	\$ 26,673,913	\$ 26,673,913	\$ 27,207,391	\$ 26,026,885	\$ 26,152,630	\$ 29,544,727	\$ 30,356,069
Property Taxes Levied for Debt Service	1,128,760	1,121,126	1,122,604	1,102,344	1,311,872	1,321,690	1,426,015	1,417,769	1,401,094	953,130
Unrestricted Grants & Contributions	3,841,787	6,934,441	3,565,448	2,727,947	6,773,184	2,628,126	3,026,949	3,063,850	3,050,655	3,538,964
Tuition	44,437	-	-	-	-	-	-	-	-	-
Refund of Prior Year Expenses	-	-	-	-	-	-	14,362	-	-	-
Special Item - Cancellation of Community Disaster I	-	-	-	-	-	-	-	-	-	3,664,031
Special Item - Cancellation of Prior Year Payables	-	-	-	-	-	-	-	-	-	2,134
Special Item - Loss on Disposal of Assets	-	-	-	-	-	(818,777)	-	-	-	-
Miscellaneous Income	271,341	241,549	505,019	297,773	402,837	224,094	296,161	300,504	222,332	397,416
Total Governmental Activities	29,012,192	32,822,018	30,549,104	30,801,977	35,161,806	30,562,524	30,790,372	30,934,753	34,218,808	38,911,744
Business-Type Activities:										
Investment Earnings	-	-	-	1,099	-	-	-	-	-	-
Total Business-Type Activities	-	-	-	1,099	-	-	-	-	-	-
Total District-Wide	\$ 29,012,192	\$ 32,822,018	\$ 30,549,104	\$ 30,803,076	\$ 35,161,806	\$ 30,562,524	\$ 30,790,372	\$ 30,934,753	\$ 34,218,808	\$ 38,911,744
Change in Net Position:										
Governmental Activities	\$ (1,869,687)	\$ 4,671,859	\$ (2,351,105)	\$ (678,182)	\$ 1,204,755	\$ (141,570)	\$ (489,073)	\$ (1,730,332)	\$ 214,246	\$ 3,366,224
Business-Type Activities	3,009	(51,672)	(112,582)	58,710	8,739	(45,056)	27,525	54,154	(40,015)	139,762
Total District	\$ (1,866,678)	\$ 4,620,187	\$ (2,463,687)	\$ (619,472)	\$ 1,213,494	\$ (186,626)	\$ (461,548)	\$ (1,676,178)	\$ 174,231	\$ 3,505,986

**CENTRAL REGIONAL SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
Unaudited**

	FISCAL YEAR ENDING JUNE 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund:										
Reserved	\$ 1,694,473	\$ 1,846,332	\$ 767,744	\$ 497,865	\$ 1,190,360	\$ 1,232,440	\$ -	\$ -	\$ -	\$ -
Unreserved	2,276,446	723,550	321,190	126,960	102,749	24,008	-	-	-	-
Restricted	-	-	-	-	-	-	1,012,355	734,010	888,120	1,185,811
Assigned	-	-	-	-	-	-	200,000	381,487	575,000	331,070
Committed	-	-	-	-	-	-	472,912	260,388	71,487	39,699
Unassigned	-	-	-	-	-	-	178,622	325,279	324,865	478,144
Total General Fund	\$ 3,970,919	\$ 2,569,882	\$ 1,088,934	\$ 624,825	\$ 1,293,109	\$ 1,256,448	\$ 1,863,889	\$ 1,701,164	\$ 1,859,472	\$ 2,034,724
All Other Governmental Funds										
Restricted, Reported in:										
Capital Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ 68,902	\$ 61,376	\$ 3,645	\$ -	\$ -	\$ -
Assigned, Reported in:										
Capital Projects Fund	-	-	-	-	1,079,606	-	30,000	-	-	-
Debt Service Fund	-	-	-	-	94,368	928	452	3,058	-	-
Unreserved, Reported in:										
Special Revenue Fund	(4,294)	-	-	-	-	-	-	-	-	-
Capital Projects Fund	605,819	-	-	3,842,119	-	-	-	-	-	-
Debt Service Fund	19,953	37,349	30,780	6,915	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 621,478	\$ 37,349	\$ 30,780	\$ 3,849,034	\$ 1,242,876	\$ 62,304	\$ 34,097	\$ 3,058	\$ -	\$ -

CENTRAL REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
Unaudited

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Tax levy	\$ 24,854,627	\$ 25,646,028	\$ 26,478,637	\$ 27,776,257	\$ 27,985,785	\$ 28,529,081	\$ 27,452,900	\$ 27,470,399	\$ 30,945,821	\$ 31,309,199
Tuition charges	44,437	277,416	106,081	240,990	178,156	147,472	257,784	334,873	318,393	154,516
Transportation Fees	-	277,416	-	80,899	225,390	289,757	292,256	241,860	242,460	247,395
Miscellaneous	276,381	241,549	573,408	241,277	177,447	224,094	296,162	300,504	222,332	397,416
State Sources	7,837,839	5,918,561	5,309,017	4,589,953	6,618,793	6,524,978	6,506,753	6,814,452	7,391,570	8,329,730
Federal Sources	837,989	708,464	1,313,034	1,231,728	1,053,799	1,106,866	887,541	1,044,741	1,083,677	1,088,253
Other	871	30,000	-	-	-	-	-	45,795	48,136	66,069
Total revenue	33,852,144	33,099,434	33,780,177	34,161,104	36,239,370	36,822,247	35,693,396	36,252,624	40,252,389	41,592,578
Expenditures										
Instruction:										
Regular Instruction	8,432,627	7,758,943	8,028,025	7,873,336	8,308,565	8,478,025	8,340,129	8,646,273	9,079,493	9,228,437
Special Education Instruction	3,009,843	3,624,914	3,990,115	4,251,694	3,284,701	3,387,494	3,539,290	3,524,595	3,902,188	4,059,048
Other Special Instruction	53,247	163,751	137,509	133,406	146,181	150,209	152,971	97,235	63,004	111,476
Vocational Education	40,354	38,887	97,034	98,785	101,297	102,842	103,436	85,932	88,290	89,926
Other Instruction	938,491	967,506	1,086,908	1,110,216	1,105,690	1,189,549	1,430,723	1,521,000	1,540,487	1,587,210
Support Services:										
Tuition	1,528,967	1,542,680	1,328,267	1,597,999	1,358,355	1,221,328	1,528,103	1,266,796	1,245,021	1,740,130
Student & Inst. Related Services	2,877,217	2,968,899	3,316,852	3,020,552	2,888,541	3,108,366	3,153,657	3,246,074	3,285,507	3,554,041
Other Administrative Services	887,873	1,039,457	1,046,923	846,477	790,993	930,022	788,484	842,564	766,481	686,206
School Administrative Services	989,902	1,043,776	1,051,177	918,003	945,841	957,572	940,552	984,402	959,898	975,453
Central Services										
Admin. Information Technology	580,924	220,404	613,194	649,351	461,782	458,367	466,520	499,108	468,133	468,586
Plant Operations & Maintenance	3,075,898	3,320,675	3,685,340	2,981,790	3,078,874	3,123,389	3,173,390	337,352	289,214	275,879
Pupil transportation	1,937,716	2,028,988	2,018,781	2,011,998	2,729,660	2,842,918	2,894,527	2,924,584	2,994,816	3,057,008
Unallocated benefits	7,865,492	6,903,734	7,386,709	7,860,346	8,272,378	9,091,854	8,491,695	9,038,380	9,813,817	10,174,876
Special Schools	22,124	16,954	10,812	25,084	37,885	42,338	63,951	63,674	64,575	80,471
Capital outlay	643,238	1,589,372	529,020	422,387	4,105,807	2,078,619	1,209,531	3,091,291	2,042,704	2,088,150
Debt Service:										
Principal	760,000	905,000	875,000	915,000	955,000	1,155,000	1,205,000	1,245,000	1,280,000	850,000
Interest & Other Charges	374,007	201,388	254,235	218,061	270,050	260,486	221,586	173,124	124,152	103,130
Total Expenditures	34,017,920	34,335,328	35,455,901	34,934,485	38,314,862	38,039,481	37,126,113	39,960,459	40,254,635	41,470,075

**CENTRAL REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
Unaudited**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(165,776)	(1,235,894)	(1,675,724)	(773,381)	(2,075,492)	(1,217,234)	(1,432,717)	(3,707,835)	(2,246)	122,503
Other Financing Sources/(Uses):										
Community Disaster Loan (FEMA)	-	-	-	-	-	-	1,977,151	2,721,517	-	-
Refund of Prior Year's Expenditures	-	-	-	-	-	-	14,362	-	-	-
Capital Leases (Non-Budgeted)	-	-	-	-	137,620	-	20,438	23,864	157,496	50,615
Capital Lease - Turf Lease	-	-	-	-	-	-	-	768,690	-	-
Cancellation of Prior Year Payables	-	-	-	-	-	-	-	-	-	2,134
Total Other Financing Sources/ (Uses)	-	-	-	-	137,620	-	2,011,951	3,514,071	157,496	52,749
Net Change in Fund Balances	\$ (165,776)	\$ (1,235,894)	\$ (1,675,724)	\$ (773,381)	\$ (1,937,872)	\$ (1,217,234)	\$ 579,234	\$ (193,764)	\$ 155,250	\$ 175,252
Debt Service as a Percentage of Noncapital Expenditures	3.40%	3.38%	3.23%	3.28%	3.58%	3.94%	3.97%	3.85%	3.67%	2.42%

Source: District Records

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
Unaudited**

FISCAL YEAR ENDING JUNE 30,	TUITION	TRANSPORTATION FEES	INTEREST INVESTMENT	RENTS AND ROYALTIES	REFUND PRIOR YEAR		MISCELLANEOUS	TOTAL
					MISCELLANEOUS	EXPENDITURES		
2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2010	114,616	-	26,614	-	-	-	378,697	519,927
2011	240,990	80,900	22,343	-	-	-	218,934	563,167
2012	178,156	225,390	742	-	-	-	156,757	561,045
2013	147,472	289,757	1,830	-	-	-	199,735	638,794
2014	257,784	292,256	770	-	-	-	280,297	831,107
2015	334,873	241,860	150	-	-	-	279,845	856,728
2016	318,393	242,460	200	-	-	-	212,307	773,360
2017	154,516	247,395	1,087	66,069	-	-	396,329	865,396

Source: District records

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REVENUE CAPACITY INFORMATION

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**CENTRAL REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS**
Unaudited

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ACTUAL (COUNTY EQUALIZED) VALUE	
BERKELEY												
2008	50,153,250	2,396,731,790	118,269,500	11,358,700	24,746,400	2,601,259,640	786,616,600	4,837,667	2,606,388,907	0.699	4,453,370,497	
2009	50,968,900	2,421,249,640	116,946,700	11,338,700	24,746,400	2,625,270,340	806,116,550	3,923,144	2,629,485,784	0.650	5,137,683,949	
2010	49,339,700	2,447,836,590	119,958,300	11,321,600	24,756,300	2,653,212,490	809,607,400	3,462,676	2,656,968,666	0.638	5,965,950,879	
2011	142,705,500	4,597,514,300	344,374,200	28,114,500	59,170,800	5,171,879,300	1,269,044,700	8,476,005	5,181,066,605	0.370	6,434,567,397	
2012	132,153,300	4,599,782,500	325,273,300	24,742,200	58,796,400	5,140,748,300	1,270,623,100	6,397,133	5,147,145,433	-	5,867,719,087	
2013	123,862,500	4,586,855,260	318,920,400	24,764,900	58,647,000	5,113,761,960	1,272,461,000	-	6,386,222,960	0.937	5,548,786,849	
2014	149,897,200	4,566,287,760	291,170,700	24,462,500	57,997,000	5,089,815,160	1,274,856,100	-	6,364,671,260	-	5,103,594,866	
2015	143,719,200	4,580,869,960	290,027,400	24,462,500	57,997,000	5,102,034,098	1,278,099,500	-	6,380,133,598	-	5,093,712,990	
2016	139,576,200	4,610,354,810	285,904,700	23,692,500	55,205,700	5,119,435,600	1,281,759,500	-	6,401,195,100	1.022	5,286,358,469	
2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
ISLAND HEIGHTS												
2008	14,113,600	304,746,000	22,721,800	-	489,300	342,070,700	25,339,700	198,353	342,269,053	0.313	339,560,976	
2009	14,163,100	309,770,900	22,721,800	-	489,300	347,145,100	25,339,700	186,540	347,331,640	0.265	392,700,235	
2010	13,762,500	315,343,500	23,101,200	-	489,300	352,696,500	22,460,600	189,570	375,157,100	0.301	444,532,862	
2011	13,983,900	314,685,500	23,043,100	-	489,300	352,201,800	22,460,600	189,570	352,364,449	0.488	418,199,271	
2012	12,913,000	314,965,700	21,616,800	-	489,300	349,984,800	22,674,700	-	372,659,500	0.866	390,346,643	
2013	14,328,500	310,198,700	20,718,300	-	489,300	345,734,800	22,724,700	-	368,459,500	0.860	349,969,430	
2014	15,221,700	309,324,600	20,588,200	-	489,300	345,623,800	22,736,500	-	368,360,300	-	344,899,511	
2015	16,158,700	307,697,700	20,588,200	-	489,300	345,132,255	22,736,500	-	367,868,755	-	342,264,239	
2016	16,740,400	307,677,800	20,523,400	-	489,300	345,631,813	22,736,500	-	368,368,313	0.912	328,307,771	
2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
OCEAN GATE												
2008	3,351,000	251,009,000	4,683,100	-	1,299,000	260,342,100	12,192,000	180,432	260,161,668	0.613	279,974,938	
2009	3,326,200	253,446,800	4,683,100	-	1,299,000	262,755,100	11,606,300	196,272	274,361,400	0.358	287,586,215	
2010	3,488,300	252,790,400	4,683,100	-	1,299,000	262,560,800	12,032,500	153,416	274,593,300	0.358	287,586,215	
2011	3,804,100	253,620,900	4,683,100	-	1,299,000	263,407,100	12,082,500	-	262,414,216	-	281,398,499	
2012	3,668,700	245,470,200	4,387,600	-	1,160,200	254,686,700	12,082,500	-	275,489,600	0.969	261,862,114	
2013	4,510,200	243,127,500	4,277,600	-	1,160,200	253,075,500	12,360,700	-	266,769,200	0.993	241,936,639	
2014	2,933,500	246,659,800	4,527,500	-	1,242,100	253,456,077	12,185,800	-	265,436,200	-	233,593,779	
2015	3,180,800	206,460,400	4,509,000	-	1,106,900	215,347,392	13,757,100	-	267,641,877	-	231,853,005	
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	229,104,492	1.272	226,295,735	
2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
SEASIDE HEIGHTS												
2008	43,217,800	521,942,000	268,433,200	-	40,467,600	874,060,600	77,359,400	357,466	951,777,466	0.265	864,721,607	
2009	50,563,100	521,672,800	287,005,200	-	39,772,600	899,013,700	80,154,400	389,332	949,168,100	0.296	876,461,523	
2010	44,451,600	516,178,700	255,271,300	-	39,320,400	855,222,000	79,620,500	322,996	855,544,996	0.296	876,461,523	
2011	41,262,400	513,122,400	249,842,300	-	38,733,100	842,960,200	79,620,500	-	922,580,700	0.603	759,697,368	
2012	24,298,400	383,807,400	47,238,300	-	8,372,000	1,130,583,800	60,462,400	-	678,266,400	0.595	659,553,753	
2013	34,644,400	389,582,900	172,293,800	-	27,037,200	623,558,300	60,462,400	-	684,020,700	-	661,881,223	
2014	28,267,900	396,077,000	188,074,300	-	28,414,000	640,833,200	62,720,400	-	703,553,600	-	659,157,786	
2015	25,230,100	393,639,500	186,208,200	-	28,345,200	633,423,000	69,658,800	-	703,081,800	0.884	637,374,723	
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
SEASIDE PARK												
2008	14,841,300	622,537,400	38,525,500	-	5,522,000	681,426,200	89,803,800	237,276	681,663,476	-	1,375,662,450	
2009	27,882,300	1,067,289,100	55,438,100	-	9,478,100	1,160,087,600	173,776,600	517,732	1,160,605,332	-	1,347,313,494	
2010	24,129,800	1,072,533,300	55,341,400	-	9,455,200	1,161,459,700	174,260,000	466,208	1,161,925,900	0.348	1,250,938,794	
2011	20,660,100	1,075,276,100	55,341,400	-	9,455,200	1,160,732,800	174,260,000	346,911	1,161,079,711	-	1,287,963,261	
2012	19,623,600	1,078,527,900	54,278,400	-	9,455,200	1,161,885,100	175,362,000	-	1,337,247,100	0.431	1,260,589,237	
2013	14,660,100	1,060,313,400	47,238,300	-	8,372,000	1,130,583,800	176,320,900	-	1,306,904,700	0.411	1,199,813,011	
2014	24,940,100	1,047,597,800	37,875,300	-	8,354,000	1,118,767,200	176,890,500	-	1,295,657,700	-	1,175,422,568	
2015	26,288,600	1,043,320,800	38,067,600	-	8,303,500	1,115,980,500	178,158,000	-	1,294,138,500	-	1,184,315,505	
2016	26,448,900	1,047,592,100	34,462,900	-	8,303,500	1,116,807,400	178,345,300	-	1,295,152,700	0.405	1,182,432,398	
2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

Abstract of Ratables - Ocean County

**CENTRAL REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)
Unaudited**

	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT & OVERLAPPING TAX RATE
	CURRENT TAX RATE	DEBT SERVICE TAX RATE	TOTAL REGIONAL TAX RATE	LOCAL SCHOOL DISTRICT TAX RATE	MUNICIPAL TAX RATE	COUNTY TAX RATE	
Berkeley							
2008	0.668	0.031	0.657	0.957	0.916	0.738	3.268
2009	0.620	0.030	0.667	0.975	0.969	0.736	3.347
2010	0.609	0.029	0.370	0.557	0.505	0.393	1.825
2011	N/A	N/A	0.367	0.550	0.508	0.388	1.813
2012	N/A	N/A	0.384	0.553	0.532	0.393	1.862
2013	N/A	N/A	0.382	0.554	0.567	0.404	1.907
2014	N/A	N/A	0.383	0.555	0.610	0.407	1.955
2015	N/A	N/A	0.425	0.561	0.610	0.416	2.012
2016	0.422	0.014	0.436	0.586	0.628	0.419	2.069
2017	0.425	0.011	0.436	0.587	0.628	0.429	2.080
Island Heights							
2008	0.283	0.013	0.259	0.479	0.475	0.306	1.519
2009	0.299	0.014	0.302	0.479	0.492	0.322	1.595
2010	0.253	0.012	0.301	0.479	0.514	0.340	1.634
2011	0.239	0.020	0.349	0.488	0.508	0.335	1.680
2012	0.282	0.020	0.362	0.504	0.449	0.403	1.718
2013	0.281	0.020	0.333	0.527	0.472	0.396	1.728
2014	0.329	0.020	0.339	0.537	0.493	0.406	1.775
2015	0.342	0.020	0.332	0.556	0.502	0.414	1.804
2016	0.337	0.010	0.347	0.565	0.524	0.422	1.858
2017	0.301	0.008	0.309	N/A	N/A	N/A	N/A
Ocean Gate							
2008	0.329	0.015	0.349	0.613	0.604	0.276	1.842
2009	0.307	0.015	0.358	0.604	0.624	0.339	1.925
2010	0.341	0.015	0.363	N/A	N/A	N/A	0.363
2011	N/A	N/A	0.364	0.604	0.635	0.304	1.907
2012	N/A	N/A	0.360	0.609	0.634	0.362	1.965
2013	N/A	N/A	0.362	0.631	0.654	0.373	2.020
2014	N/A	N/A	0.365	0.647	0.659	N/A	1.671
2015	N/A	N/A	0.361	0.646	0.653	0.378	2.038
2016	0.456	0.014	0.470	0.802	0.787	0.429	2.488
2017	0.430	0.011	0.441	0.813	0.817	0.437	2.508
Seaside Heights							
2008	0.747	0.034	N/A	0.265	0.357	0.248	0.870
2009	0.883	0.042	N/A	0.265	0.440	0.250	0.955
2010	0.245	0.012	N/A	0.302	0.516	0.264	1.082
2011	N/A	N/A	0.289	0.312	0.544	0.271	1.416
2012	N/A	N/A	0.270	0.333	0.571	0.325	1.499
2013	N/A	N/A	0.267	0.328	0.813	0.417	1.825
2014	N/A	N/A	0.264	0.390	0.866	0.435	1.955
2015	N/A	N/A	0.380	0.427	0.901	0.427	2.135
2016	0.436	0.014	0.450	0.434	0.930	0.398	2.212
2017	0.420	0.011	0.431	0.435	N/A	N/A	N/A
Seaside Park							
2008	0.406	0.019	0.543	0.188	0.708	0.623	2.062
2009	0.425	0.020	0.338	0.099	0.430	0.359	1.226
2010	0.508	0.024	0.348	0.066	0.430	0.350	1.194
2011	N/A	N/A	0.382	0.062	0.430	0.377	1.251
2012	N/A	N/A	0.371	0.060	0.429	0.394	1.254
2013	N/A	N/A	0.372	0.717	0.876	0.417	2.382
2014	N/A	N/A	0.376	0.055	0.449	0.428	1.308
2015	N/A	N/A	0.428	0.053	0.449	0.439	1.369
2016	0.342	0.011	0.353	0.052	0.480	0.427	1.312
2017	0.407	0.010	0.417	0.052	0.508	0.434	1.411

Source: Municipal Tax Collector

**CENTRAL REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
Unaudited**

	2017			2008		
	Taxable Assessed Value	% of Total District Net Assessed Value	Rank	Taxable Assessed Value	% of Total District Net Assessed Value	
Berkeley Township						
Hovchild Partnership LLC	\$ 31,876,200	0.50%	1	N/A	N/A	
Plainfield Properties LLC	28,289,800	0.44%	2	N/A	N/A	
Quaker Malls LP	17,721,200	0.28%	3	N/A	N/A	
Baywick Plaza	15,000,000	0.23%	4	N/A	N/A	
Arlington Beach Co	14,919,400	0.23%	5	N/A	N/A	
Berkeley Healthcare Assoc LLC	11,500,000	0.18%	6	N/A	N/A	
Millers Camp Inc C/O Josephine	8,434,900	0.13%	7	N/A	N/A	
Bay Housing Association	8,160,000	0.13%	8	N/A	N/A	
BNJ Realty LLC	8,000,000	0.12%	9	N/A	N/A	
Island Beach Assoc Inc - A Leone	5,834,500	0.09%	10	N/A	N/A	
Total	\$ 117,859,800	1.85%		N/A	N/A	
Island Heights						
FLM Marine LLC	\$4,100,000	0.12%	1	N/A	N/A	
Linda Tavares	\$2,307,800	0.07%	2	N/A	N/A	
George & Harriet Prepis	\$1,936,700	0.06%	3	N/A	N/A	
Peter & Elisa Rapaport	\$1,888,400	0.06%	4	N/A	N/A	
Henry Kelly	\$1,700,000	0.05%	5	N/A	N/A	
Sal & Gina LaForgia	\$1,698,000	0.05%	6	N/A	N/A	
Conza Builders LLC	\$1,687,600	0.05%	7	N/A	N/A	
Linda Bartlett	\$1,616,500	0.05%	8	N/A	N/A	
Gale Wayman	\$1,599,800	0.05%	9	N/A	N/A	
Victor & Judith Hatami	\$1,557,800	0.05%	10	N/A	N/A	
Total	\$20,092,600	5.46%		N/A	N/A	
Ocean Gate						
Ocean Gate Holding LLC	\$1,212,400	0.53%	1	N/A	N/A	
Randall Nunn	\$1,186,800	0.52%	2	N/A	N/A	
Chester & Linda Lakomy	\$956,700	0.42%	3	N/A	N/A	
Frank Schmitt	\$804,400	0.35%	4	N/A	N/A	
Gary & Mary Mease	\$747,300	0.33%	5	N/A	N/A	
Smith Investment Properties LLC	\$725,300	0.32%	6	N/A	N/A	
Richard & Judith Mihalkovitz	\$720,200	0.31%	7	N/A	N/A	
James & Anna Fry	\$709,100	0.31%	8	N/A	N/A	
Leslie & Debra Cauvin	\$701,300	0.31%	9	N/A	N/A	
Sledzik Associates	\$655,800	0.29%	10	N/A	N/A	
Total	\$8,419,300	3.15%		N/A	N/A	
Seaside Heights						
AFMV LLC	\$ 25,869,400	3.68%	1	N/A	N/A	
Belle Freman Properties LLC	7,157,800	1.02%	2	N/A	N/A	
McGrath Partnership	6,322,000	0.90%	3	N/A	N/A	
Seaside Hts Imp & Dev Co inc	5,396,000	0.77%	4	N/A	N/A	
Shree Atlantic Hospitality LLC	5,228,800	0.74%	5	N/A	N/A	
Saddy Family LLC	4,404,400	0.63%	6	N/A	N/A	
Tilles, Samuel Inc	4,280,600	0.61%	7	N/A	N/A	
Nini Feldman & Jill Finlay	3,700,000	0.53%	8	N/A	N/A	
Boulevard LLC	3,419,200	0.49%	9	N/A	N/A	
Coin Castle Amusements	3,400,000	0.48%	10	N/A	N/A	
Total	\$ 69,178,200	9.83%		N/A	N/A	
Seaside Park						
Friedland Family Trust	5,033,300	0.39%	1	N/A	N/A	
Joy-Jam inc C/O Windjammer	3,499,000	0.27%	2	N/A	N/A	
Stephen & Bonnie Holmes	3,287,800	0.25%	3	N/A	N/A	
Robert, Kristi, Mary Ellen Harris	2,606,500	0.20%	4	N/A	N/A	
Seaside Park Bakery/Yacht Club	2,434,800	0.19%	5	N/A	N/A	
John & Bonnie Peterson	2,374,900	0.18%	6	N/A	N/A	
Cheryl Raley & Roy Borton	2,310,100	0.18%	7	N/A	N/A	
John & Penny Welch	2,207,700	0.17%	8	N/A	N/A	
Thomas Brown Trust	2,031,800	0.16%	9	N/A	N/A	
Bruce, Antonia, & Michael Gollob	1,980,500	0.15%	10	N/A	N/A	
Total	\$ 27,766,400	0.67%		N/A	N/A	

Source: Municipal Tax Assessor

**CENTRAL REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES & COLLECTIONS
LAST TEN FISCAL YEARS
Unaudited**

Berkeley Township

FISCAL YEAR ENDED	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2007	83,291,421	81,912,967	98.34%	1,343,373
2008	88,097,099	86,427,505	98.10%	1,602,034
2009	90,845,577	88,725,383	97.66%	1,948,732
2010	94,445,148	91,457,924	96.83%	2,465,165
2011	93,298,408	90,359,508	96.85%	2,434,000
2012	95,340,610	91,663,837	96.14%	3,676,773
2013	97,466,281	94,388,858	96.84%	3,077,423
2014	99,811,146	96,457,125	96.63%	3,354,021
2015	103,129,564	100,540,548	97.49%	3,735,176
2016	105,897,564	100,540,548	94.94%	3,017,182
2017	106,342,753	103,711,548	97.53%	3,035,222

Island Heights

2007	5,059,435	4,960,776	98.05%	-
2008	5,282,432	5,187,348	98.20%	-
2009	5,593,649	5,527,085	98.81%	-
2010	5,743,409	5,596,952	97.45%	-
2011	5,944,428	5,743,306	96.62%	-
2012	6,038,823	5,840,955	96.72%	197,868
2013	5,982,052	5,818,612	97.26%	163,440
2014	6,141,168	6,019,877	98.02%	121,291
2015	6,250,504	6,078,827	97.25%	171,677
2016	6,459,026	6,260,024	96.92%	45,907
2017	N/A	N/A	N/A	N/A

Ocean Gate

2007	1,468,697	1,468,697	100.00%	-
2008	1,607,426	1,607,426	100.00%	-
2009	1,607,559	1,539,720	95.78%	-
2010	1,607,559	1,540,363	95.82%	-
2011	5,165,541	N/A	N/A	N/A
2012	5,211,125	4,932,769	94.66%	N/A
2013	5,158,564	4,886,190	94.72%	N/A
2014	5,213,297	4,940,575	94.77%	N/A
2015	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A

Seaside Heights

2007	9,996,035	9,985,522	99.89%	-
2008	10,797,197	10,791,744	99.94%	-
2009	11,422,745	N/A	N/A	N/A
2010	12,446,585	N/A	N/A	N/A
2011	12,576,819	N/A	N/A	N/A
2012	12,636,056	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A

Seaside Park

2007	13,458,216	13,211,252	98.15%	-
2008	14,147,610	13,816,393	97.66%	331,217
2009	14,257,771	13,792,919	96.73%	409,926
2010	13,907,985	13,455,501	96.74%	377,470
2011	14,554,319	14,231,848	97.78%	296,997
2012	14,572,688	14,572,688	96.22%	N/A
2013	14,213,710	14,213,710	96.06%	N/A
2014	14,680,872	14,680,872	97.78%	N/A
2015	15,161,730	15,161,730	99.16%	N/A
2016	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A

DEBT CAPACITY INFORMATION

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CENTRAL REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
Unaudited

BERKELEY TOWNSHIP

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES				BUSINESS- TYPE	TOTAL DISTRICT	PERCENTAGE OF PER CAPITA INCOME PER CAPITA	
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES	ANTICIPATION NOTES (BANs)	CAPITAL LEASES			
2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	29,394,000	N/A	N/A	13,670,927	N/A	43,064,927	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	16,760,000	N/A	82,705	N/A	N/A	N/A	N/A	N/A
2011	17,915,000	N/A	137,463	N/A	N/A	N/A	N/A	N/A
2010	19,010,000	N/A	188,764	N/A	N/A	19,198,764	0.00%	N/A
2009	20,635,100	N/A	194,771	N/A	N/A	20,829,871	0.00%	N/A
2008	21,630,100	N/A	316,218	N/A	N/A	21,946,318	0.00%	N/A

ISLAND HEIGHTS

2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	1,080,000	N/A	N/A	N/A	N/A	1,080,000	N/A	N/A
2015	1,188,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	1,296,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013	1,404,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	1,513,000	N/A	N/A	N/A	N/A	1,513,000	N/A	N/A
2011	1,623,000	N/A	N/A	N/A	N/A	1,623,000	0.00%	N/A
2010	773,000	N/A	N/A	N/A	N/A	773,000	0.00%	N/A
2009	833,000	N/A	N/A	N/A	N/A	833,000	0.00%	N/A
2008	893,000	N/A	N/A	N/A	N/A	893,000	0.00%	N/A

OCEAN GATE

2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	736,000	N/A	N/A	N/A	N/A	736,000	N/A	N/A
2015	866,000	N/A	N/A	N/A	N/A	866,000	N/A	N/A
2014	1,016,000	N/A	N/A	N/A	N/A	1,016,000	N/A	N/A
2013	1,184,950	N/A	N/A	N/A	N/A	1,184,950	N/A	N/A
2012	1,350,306	N/A	N/A	N/A	N/A	1,350,306	N/A	N/A
2011	1,512,239	N/A	N/A	N/A	N/A	1,512,239	N/A	N/A
2010	1,670,992	N/A	N/A	N/A	N/A	1,670,992	0.00%	N/A
2009	1,826,722	N/A	N/A	N/A	N/A	1,826,722	0.00%	N/A
2008	1,979,643	N/A	N/A	N/A	N/A	1,979,643	0.00%	929

SEASIDE HEIGHTS

2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	260,654	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2011	386,196	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2010	508,823	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2009	628,278	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2008	17,053,822	N/A	N/A	1,900,000	N/A	18,953,822	0.00%	N/A

SEASIDE PARK

2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	7,762,583	N/A	N/A	7,762,583	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2011	3,006,302	N/A	797,710	2,519,200	N/A	6,323,212	N/A	N/A
2010	3,208,868	N/A	869,408	463,424	N/A	4,541,700	N/A	N/A
2009	3,411,434	N/A	951,945	450,200	N/A	4,813,579	0.00%	N/A
2008	3,614,000	N/A	992,602	N/A	N/A	4,606,602	0.00%	2,036

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

CENTRAL REGIONAL SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
Unaudited

BERKELEY TOWNSHIP

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2017	N/A	N/A	N/A	N/A	N/A
2016	29,394,000	N/A	29,394,000	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A
2012	16,760,000	N/A	16,760,000	N/A	N/A
2011	17,915,000	N/A	17,915,000	N/A	N/A
2010	19,010,000	N/A	19,010,000	0.00%	N/A
2009	20,635,100	N/A	20,635,100	0.00%	N/A
2008	21,630,100	N/A	21,630,100	0.00%	N/A

ISLAND HEIGHTS

2017	N/A	N/A	N/A	N/A	N/A
2016	1,080,000	N/A	1,080,000	N/A	N/A
2015	1,188,000	N/A	1,188,000	N/A	N/A
2014	1,296,000	N/A	1,296,000	N/A	N/A
2013	1,404,000	N/A	1,404,000	N/A	N/A
2012	1,513,000	N/A	1,513,000	N/A	N/A
2011	1,623,000	N/A	1,623,000	0.00%	N/A
2010	773,000	N/A	773,000	0.00%	N/A
2009	833,000	N/A	833,000	0.00%	N/A
2008	893,000	N/A	893,000	0.00%	N/A

OCEAN GATE

2017	N/A	N/A	N/A	N/A	N/A
2016	736,000	N/A	736,000	N/A	N/A
2015	866,000	N/A	866,000	N/A	N/A
2014	1,016,000	N/A	1,016,000	N/A	N/A
2013	1,184,950	N/A	1,184,950	N/A	N/A
2012	1,350,306	N/A	1,350,306	N/A	N/A
2011	1,512,239	N/A	1,512,239	N/A	N/A
2010	19,010,000	N/A	19,010,000	0.00%	N/A
2009	20,635,100	N/A	20,635,100	0.00%	N/A
2008	21,630,100	N/A	21,630,100	0.00%	N/A

SEASIDE HEIGHTS

2017	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A
2009	20,295,858	9,208,628	11,087,230	0.00%	N/A
2008	745,959	N/A	745,959	0.00%	N/A

SEASIDE PARK

2017	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A
2015	7,762,583	N/A	7,762,583	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A
2011	3,006,302	N/A	3,006,302	0.24%	N/A
2010	3,208,868	N/A	3,208,868	0.25%	N/A
2009	3,411,434	N/A	3,411,434	0.00%	N/A
2008	3,614,000	N/A	3,614,000	0.01%	N/A

CENTRAL REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2017
Unaudited

GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENTAGE APPLICABLE	OVERLAPPING DEBT
Berkeley			
Debt Repaid With Property Taxes:			
Berkeley Township	\$44,423,744	100.000%	\$ 44,423,744
Berkeley Twp. Sewerage Authority	\$8,322,029	100.000%	8,322,029
Berkeley Township MUA	\$6,513,357	100.000%	6,513,357
Ocean County General Obligation Debt	\$451,253,286	5.455%	24,618,103
Local School Debt	11,665,000	100.000%	<u>11,665,000</u>
Subtotal, Overlapping Debt			95,542,233
Regional School Debt	2,598,000	71.27%	<u>1,851,595</u>
Total Direct & Overlapping Debt			<u>\$ 97,393,828</u>
Island Heights			
Debt Repaid With Property Taxes:			
Island Heights	\$2,364,714	100.000%	\$ 2,364,714
Ocean County General Obligation Debt	\$451,253,286	0.370%	1,670,628
Local School Debt	3,405,000	100.000%	<u>3,405,000</u>
Subtotal, Overlapping Debt			7,440,342
Regional School Debt	2,598,000	3.83%	<u>99,503</u>
Total Direct & Overlapping Debt			<u>\$ 7,539,845</u>
Ocean Gate			
Debt Repaid With Property Taxes:			
Ocean Gate	\$3,755,134	100.000%	\$ 3,755,134
Ocean County General Obligation Debt	\$451,253,286	0.235%	1,058,714
Local School Debt	736,000	100.000%	<u>736,000</u>
Subtotal, Overlapping Debt			5,549,848
Regional School Debt	2,598,000	3.20%	<u>83,136</u>
Total Direct & Overlapping Debt			<u>\$ 5,632,984</u>
Seaside Heights			
Debt Repaid With Property Taxes:			
Seaside Heights	\$26,523,465	100.000%	\$ 26,523,465
Ocean County General Obligation Debt	\$451,253,286	0.669%	3,018,978
Local School Debt		100.000%	<u>-</u>
Subtotal, Overlapping Debt			29,542,443.49
Regional School Debt	2,598,000	9.11%	<u>236,677.80</u>
Total Direct & Overlapping Debt			<u>\$ 29,779,121</u>
Seaside Park			
Debt Repaid With Property Taxes:			
Seaside Park	\$7,762,583	100.000%	\$ 7,762,583
Ocean County General Obligation Debt	\$451,253,286	1.210%	5,461,433
Local School Debt		100.000%	<u>-</u>
Subtotal, Overlapping Debt			13,224,016
Regional School Debt	2,598,000	12.59%	<u>327,088.20</u>
Total Direct & Overlapping Debt			<u>\$ 13,551,104</u>
TOTAL ALL DEBT DIRECT & OVERLAPPING	565,917,312		<u>\$ 153,896,882</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Ocean County Board of Taxation.

Debt outstanding data provided by each governmental unit.

NOTE - Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the above Townships. This process recognizes that, when considering the District's ability to issue and repay Long-Term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a. For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another government unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

**CENTRAL REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
Unaudited**

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt Limit	\$ 267,342,416	\$ 267,342,416	\$ 280,926,611	\$ 280,926,611	\$ 280,926,611	\$ 303,276,070	N/A	N/A	N/A	N/A
Total Net Debt Applicable to Limit	2,598,000	3,448,000	4,728,000	5,973,000	7,178,000	8,333,000	5,175,000	6,090,000	6,305,000	6,600,000
Legal Debt Margin	\$ 264,744,416	\$ 263,894,416	\$ 276,198,611	\$ 274,953,611	\$ 273,748,611	\$ 294,943,070	N/A	N/A	N/A	N/A
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.97%	1.29%	2.97%	2.97%	2.97%	2.75%	N/A	N/A	N/A	N/A

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized Valuation Basis				Total	
	Berkeley	Island Heights	Ocean Gate	Seaside Hgts		Seaside Park
2016	\$ 5,286,358,469	\$ 328,307,771	\$ 226,295,735	\$ 637,374,723	\$ 1,182,432,398	\$ 7,660,769,096
2015	\$ 5,089,942,825	\$ 343,144,624	\$ 229,871,372	\$ 641,584,606	\$ 1,187,492,995	\$ 7,492,036,422
2014	\$ 5,268,660,581	\$ 354,271,485	\$ 250,220,481	\$ 656,075,195	\$ 1,233,030,988	\$ 7,762,258,730
						\$ 22,915,064,248

Average Equalized Valuation of Taxable Personal Services -

Debt Limit (3.5 % of Average Equalization Value)	7,638,354,749
Net Bonded School Debt	267,342,416
Legal Debt Margin	2,598,000
	\$ 264,744,416

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

DEMOGRAPHIC AND ECONOMIC STATISTICS

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**CENTRAL REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
Unaudited**

YEAR		POPULATION (a)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
Berkeley				
2016		41,689	46,109	6.70%
2015		41,699	44,381	7.60%
2014		41,608	N/A	9.00%
2013		41,482	N/A	12.90%
2012		41,264	43,200	15.60%
2011	*	41,320	40,724	14.90%
2010		41,277	40,291	14.20%
2009		42,975	39,331	14.00%
2008		42,783	40,975	7.10%
2007		42,656	39,214	5.30%
Island Heights				
2016		1,647	46,109	4.60%
2015		1,668	44,381	5.40%
2014		1,675	N/A	N/A
2013		1,660	N/A	6.90%
2012		1,659	N/A	10.30%
2011		1,664	43,200	10.60%
2010	*	1,668	40,724	10.04%
2009		1,891	40,291	10.00%
2008		1,877	39,331	9.50%
2007		1,878	40,975	7.10%
Ocean Gate				
2016		2,008	46,109	6.70%
2015		2,010	44,381	6.60%
2014		2,012	N/A	7.80%
2013		2,008	43,200	7.80%
2012		2,013	40,724	10.60%
2011	*	2,019	40,724	10.30%
2010		2,013	40,291	9.90%
2009		2,149	39,331	9.40%
2008		2,140	40,975	5.90%
2007		2,131	39,214	5.00%
Seaside Heights				
2016		2,896	46,109	7.80%
2015		2,892	44,381	7.80%
2014		2,893	N/A	9.40%
2013		2,885	N/A	17.20%
2012		2,877	43,200	14.30%
2011	*	2,884	40,724	14.00%
2010		2,887	40,291	13.50%
2009		3,355	39,331	12.80%
2008		3,343	40,975	8.20%
2007		3,317	39,214	6.10%
Seaside Park				
2016		1,551	46,109	5.90%
2015		1,551	44,381	7.40%
2014		1,565	N/A	7.50%
2013		1,575	43,214	6.80%
2012		1,574	43,200	13.50%
2011	*	1,577	40,724	13.20%
2010		1,579	40,291	12.70%
2009		2,329	39,331	12.10%
2008		2,317	40,975	12.10%
2007		2,307	39,214	5.70%

^c Per Capita

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

* 2010 Census

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OPERATING INFORMATION

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**CENTRAL REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

NOT AVAILABLE

**CENTRAL REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
Unaudited**

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Instruction:										
Regular	111	108	109	109	109	108	108	107	107	126
Special Education	67	78	62	62	62	62	62	54	51	51
Vocational	2	1	1	1	1	1	1	1	1	1
Support Services:										
Student & Instruction Related Services	60	42	35	35	35	35	35	42	42	41
General Administration	3	3	5	5	5	5	5	7	7	5
School Administration Services	12	12	11	11	11	11	11	13	13	13
Central Service	6	6	6	6	6	6	6	6	6	6
Administrative Information Technology	2	2	3	3	3	3	3	1	1	2
Plant Operations & Maintenance	33	34	32	32	32	32	32	35	35	32
Pupil Transportation	28	27	32	32	32	32	32	32	32	32
Other Support Services	3	6	3	3	3	3	3	3	3	7
Total	327	320	299	299	299	298	298	301	298	316

Source: District Personnel Records

**CENTRAL REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**
Unaudited

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO		AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						MIDDLE SCHOOL	HIGH SCHOOL				
2017	2059	\$ 38,348,324	\$ 18,625	0.64%	147	16.5	12.9	2,030.9	1,901	5.61%	93.60%
2016	1989	36,807,779	18,506	1.66%	167	14.4	10.7	1,923.0	1,824	0.00%	94.85%
2015	1966	35,451,044	18,204	-0.93%	161	14.4	10.7	1,923.0	1,824	1.47%	94.85%
2014	1895	34,489,996	18,201	7.11%	162	14.4	10.7	1,895.2	1,789	0.00%	94.38%
2013	2033	34,545,377	16,992	2.05%	161	14.4	10.7	1,895.2	1,789	-2.96%	94.38%
2012	1981	32,984,005	16,650	-0.14%	178	14.4	10.8	1,953.1	1,861	1.86%	95.26%
2011	2002	33,379,039	16,673	5.15%	183	15.2	11.9	1917.5	1,814	-5.77%	94.60%
2010	2049	32,489,353	15,856	15.42%	199	15.7	13.8	2035.0	1,895	-4.91%	93.14%
2009	2154	29,590,504	13,737	7.08%	199	15.7	13.8	2140.0	1,993	0.47%	93.11%
2008	2187	28,057,664	12,829	-10.15%	199	15.7	13.8	2130.0	1,969	0.00%	92.44%
2007	2175	31,055,323	14,278	9.23%	199	15.7	13.8	2130.0	1,969	-3.79%	92.44%

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR
Unaudited**

DISTRICT BUILDINGS	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Middle School: (1981)											
Middle School:											
Square Feet	141,478	141,478	141,478	141,478	141,478	141,478	141,478	141,478	141,478	141,478	141,478
Capacity (Students)	812	812	812	812	812	812	812	812	812	812	812
Enrollment	667	667	667	680	680	693	730	730	730	793	730
High School: (1956)											
High School:											
Square Feet	272,420	272,420	272,420	272,420	272,420	272,420	272,420	272,420	272,420	272,420	272,420
Capacity (Students)	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465
Enrollment	1,256	1,256	1,256	1,266	1,266	1,225	1,482	1,482	1,482	1,428	1,482
Other:											
Superintendent Office: (1972)											
Square Feet	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122
Board Office: (1972)											
Square Feet	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,699

Number of Schools at June 30, 2017:
 Middle School = 1
 Senior High School = 1
 Other = 0

Source: District Business Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October district count.

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
Unaudited**

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

	* SCHOOL FACILITIES PROJECT #(s)	HIGH SCHOOL	MIDDLE SCHOOL	TOTAL
2007		326,452	89,705	416,157
2008		339,837	86,000	425,837
2009		330,565	52,166	382,731
2010		1,131,949	56,883	1,188,832
2011		642,861	138,969	781,830
2012		318,040	123,639	441,679
2013		491,036	169,739	660,775
2014		460,265	175,303	635,568
2015		517,192	176,392	693,584
2016		581,760	210,118	791,878
2017		607,497	215,598	823,095

School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

**CENTRAL REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
June 30, 2017
Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
General Liability	\$ 5,000,000	\$ 2,500
Property & Physical Damage	83,466,245	2,500
General Automobile Liability	5,000,000	10,000
Workers' Compensation	5,000,000	Per State Law
Student Accident Insurance (2)	5,000,000	25,000
Surety Bonds (3)		
Treasurer	250,000	Per State Law
Board Secretary/Business Administrator	50,000	Per State Law

- (1) School Alliance Insurance Fund - Commercial Package Policy
(2) Bob McClosky Insurance
(3) Liberty Mutual

Source: District records

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SINGLE AUDIT SECTION

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EXHIBIT K-1

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable President and Members
of the Board of Education
Central Regional School District
County of Ocean
Bayville, New Jersey 08721

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Central Regional School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Central Regional School District’s basic financial statements, and have issued our report thereon dated November 28, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Central Regional School District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Central Regional School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Central Regional School District’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Central Regional School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines
Certified Public Accountant
Public School Accountant, No. 2198

Toms River, New Jersey
November 28, 2017



EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members
of the Board of Education
Central Regional School District
County of Ocean
Toms River, New Jersey 08721

Report on Compliance for Each Major Federal and State Program

We have audited the Central Regional School District’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District’s major federal and state programs for the fiscal year ended June 30, 2017. The Central Regional School District’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Central Regional School District’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards, the Uniform Guidance and New Jersey OMB’s Circular 15-08 require that we plan and

perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Central Regional School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the Central Regional School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines
Certified Public Accountant
Public School Accountant, No. 2198

Toms River, New Jersey
November 28, 2017

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**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL FAIN NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2016	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB RECIPIENT EXPENDITURES	ACCOUNTS RECEIVABLE	DEFERRED REVENUE	BALANCE, JUNE 30, 2017 DUE TO GRANTOR
U.S. Department of Agriculture													
Passed Through New Jersey Department of Agriculture:													
Child Nutrition Cluster:													
Food Distribution Program - Commodities	10.555	171NJ304N1099	Unavailable	\$ 54,030	7/1/16-6/30/17	\$ -	\$ -	\$ 54,030	\$ (54,030)	\$ -	\$ -	\$ -	\$ -
National School Lunch Program	10.555	1616NJ304N1099	100-010-3350-026	258,438	7/1/15-6/30/16	(9,725)	-	9,725	-	-	-	-	-
National School Lunch Program	10.555	171NJ304N1099	100-010-3350-026	265,400	7/1/16-6/30/17	(9,725)	-	257,704	(265,401)	-	-	(7,697)	-
Subtotal								321,459	(319,431)	-	-	(7,697)	-
School Breakfast Program	10.553	1616NJ304N1099	100-010-3350-028	39,933	7/1/15-6/30/16	(1,681)	-	1,681	-	-	-	-	-
School Breakfast Program	10.553	171NJ304N1099	100-010-3350-028	43,251	7/1/16-6/30/17	(1,681)	-	41,847	(43,251)	-	-	(1,404)	-
Subtotal								43,528	(43,251)	-	-	(1,404)	-
Total Child Nutrition Cluster								364,987	(362,682)	-	-	(9,101)	-
Total U.S. Department of Agriculture								364,987	(362,682)	-	-	(9,101)	-
U.S. Department of Health and Human Services													
Passed Through New Jersey Department of Human Services:													
Medical Assistance Program	93.778	1605NJ5MAP	100-054-7540-211	52,318	7/1/15-6/30/16	(2,570)	-	2,570	-	-	-	-	-
Medical Assistance Program	93.778	1705NJ5MAP	100-054-7540-211	49,652	7/1/16-6/30/17	-	-	49,652	(49,652)	-	-	-	-
Medical Assistance Program (ARRA)	93.778	1605NJ5MAP	100-054-7540-211	5,822	7/1/15-6/30/16	(2,570)	-	5,822	(5,822)	-	-	-	-
Subtotal								58,044	(55,474)	-	-	-	-
Total U.S. Department of Health and Human Services								58,044	(55,474)	-	-	-	-
U.S. Department of Education													
Passed Through New Jersey Department of Education:													
No Child Left Behind (N.C.L.B.):													
Title I - Part A	84.010	S010A150030	100-034-5064-194	402,155	7/1/15-6/30/16	(95,557)	-	108,900	(13,343)	-	-	-	-
Title I - Part A	84.010	S010A160030	100-034-5064-194	461,000	7/1/16-6/30/17	-	-	335,212	(461,000)	-	-	(125,788)	-
Subtotal								444,112	(474,343)	-	-	(125,788)	-
Title II - Part A, Supporting Effective Instruction	84.367	S367A150029	100-034-5063-290	53,382	7/1/15-6/30/16	(31,329)	-	47,811	(16,482)	-	-	-	-
Title II - Part A, Supporting Effective Instruction	84.367	S367A160029	100-034-5063-290	48,254	7/1/16-6/30/17	-	-	39,392	(47,762)	-	-	(8,370)	-
Subtotal								87,203	(64,244)	-	-	(8,370)	-
I.D.E.A. Part B (Special Education Cluster)													
Basic	84.027	H027A160100	100-034-5065-016	494,192	7/1/16-6/30/17	-	-	494,192	(494,192)	-	-	-	-
Total Special Education Cluster								494,192	(494,192)	-	-	-	-
Total U.S. Department of Education								1,025,507	(1,032,779)	-	-	(134,158)	-
Total Expenditures of Federal Awards								\$ 1,448,538	\$ (1,450,935)	\$ -	\$ -	\$ (143,259)	\$ -

The accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

STATE GRANTOR/PROGRAM TITLE OR CLUSTER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2016	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEAR BALANCES	SUB-RECIPIENT EXPENDITURES	ACCOUNTS RECEIVABLE AT JUNE 30, 2017	DEFERRED REVENUE AT JUNE 30, 2017	DUPLICATE TO GRANTOR AT JUNE 30, 2017	MEMO CUMULATIVE TOTAL BUDGETARY RECEIVABLE EXPENDITURES
New Jersey Department of Education:													
General Fund:													
State Aid Public:													
Special Education Aid	495-034-5120-089	\$ 1,100,087	7/1/16-6/30/17	\$ -	\$ -	\$ 1,100,087	\$ (1,100,087)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,100,087
Adjustment Aid	495-034-5120-085	197,915	7/1/16-6/30/17	-	-	197,915	(197,915)	-	-	-	-	-	18,417
Security Aid	495-034-5120-084	295,909	7/1/16-6/30/17	-	-	295,909	(295,909)	-	-	-	-	-	197,915
Choice Aid	495-034-5120-068	1,337,047	7/1/16-6/30/17	-	-	1,337,047	(1,337,047)	-	-	-	-	-	27,538
PARCC Readiness Aid	495-034-5120-098	19,050	7/1/16-6/30/17	-	-	19,050	(19,050)	-	-	-	-	-	1,337,047
Per Pupil Growth Aid	495-034-5120-097	19,050	7/1/16-6/30/17	-	-	19,050	(19,050)	-	-	-	-	-	19,050
Professional Learning Community Aid	495-034-5120-101	19,860	7/1/16-6/30/17	-	-	19,860	(19,860)	-	-	-	-	-	1,774
Total State Aid Public		2,988,918		-	-	2,988,918	(2,988,918)	-	-	-	-	-	19,050
Transportation Aid	495-034-5120-014	1,068,223	7/1/16-6/30/17	-	-	1,068,223	(1,068,223)	-	-	-	-	-	1,850
Additional Nonpublic School Transportation Aid	495-034-5120-014	10,031	7/1/16-6/30/17	(12,036)	-	12,036	(10,031)	-	-	(10,031)	-	-	278,149
Extraordinary Aid	495-034-5120-044	255,308	7/1/16-6/30/17	(61,293)	-	61,293	(255,308)	-	-	(255,308)	-	-	99,406
Lead Testing for Schools Aid	495-034-5120-104	1,990	7/1/16-6/30/17	(65,667)	-	65,667	(1,990)	-	-	(1,990)	-	-	255,308
Reimbursed TPAF Social Security Contributions	100-034-5094-003	980,058	7/1/15-6/30/16	-	-	986,190	(1,036,613)	-	-	(50,423)	-	-	1,990
TPAF - Pension Contributions (Noncash Assistance)	495-034-5094-002	1,489,190	7/1/16-6/30/17	-	-	1,489,190	(1,489,190)	-	-	-	-	-	1,036,613
TPAF - Long-Term Disability Insurance (Noncash Assistance)	495-034-5094-004	1,349	7/1/16-6/30/17	-	-	1,349	(1,349)	-	-	-	-	-	1,489,190
TPAF - Post Retirement Medical (Noncash Assistance)	495-034-5095-001	1,240,834	7/1/16-6/30/17	-	-	1,240,834	(1,240,834)	-	-	-	-	-	1,349
Total General Fund		7,913,700		(138,996)	-	7,913,700	(8,092,456)	-	-	(317,752)	-	-	377,555
Capital Projects Fund:													8,092,456
SCC ROD Grant- Middle School Windows	GS-5677	139,254	12/4/13-6/30/17	-	-	-	(139,254)	-	-	(139,254)	-	-	139,254
SCC ROD Grant- High School Partial Windows	GS-5676	64,275	12/4/13-6/30/16	(56,430)	-	-	(8,295)	-	-	(64,725)	-	-	8,295
Total Capital Projects Fund		203,529		(56,430)	-	-	(147,549)	-	-	(203,979)	-	-	147,549
Total New Jersey Department of Education		8,240,005		(195,426)	-	7,913,700	(8,240,005)	-	-	(521,731)	-	-	377,555
State Department of Agriculture:													
Enterprise Fund:													8,240,005
National School Lunch Program	100-010-3360-067	6,556	7/1/16-6/30/17	-	-	6,368	(6,556)	-	-	(188)	-	-	6,556
National School Lunch Program	100-010-3360-067	6,527	7/1/16-6/30/17	(242)	-	242	-	-	-	-	-	-	-
Total State Department of Agriculture		13,083		(242)	-	6,610	(6,556)	-	-	(188)	-	-	6,556
State Department of Children and Families:													
General Fund:													92,795
Homeless Tuition	495-034-5120-005	92,795	7/1/16-6/30/17	-	-	72,452	(92,795)	-	-	(20,343)	-	-	92,795
Total State Department of Children and Families		92,795		-	-	72,452	(92,795)	-	-	(20,343)	-	-	92,795
Total State Financial Assistance		8,339,356		(195,668)	\$ -	7,992,762	(8,339,356)	\$ -	\$ -	(542,262)	\$ -	\$ -	377,555
State Financial Assistance Programs not subject to Calculation for Major Program Determination:													
TPAF - Pension Contributions (Noncash Assistance)	495-034-5094-002	\$ 1,489,190	7/1/16-6/30/17	-	-	\$ -	-	\$ 1,489,190	-	-	-	-	-
TPAF - Long-Term Disability Insurance (Noncash Assistance)	495-034-5094-004	1,349	7/1/16-6/30/17	-	-	-	-	1,349	-	-	-	-	-
TPAF - Post Retirement Medical (Noncash Assistance)	495-034-5095-001	1,240,834	7/1/16-6/30/17	-	-	-	-	1,240,834	-	-	-	-	-
Total State Financial Assistance subject to Calculation for Major Program Determination		8,339,356		(195,668)	\$ -	7,992,762	(8,339,356)	\$ -	\$ -	(542,262)	\$ -	\$ -	377,555
The accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.													

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Central Regional School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2017. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2017.

Note 3. Relationship to Basic Financial Statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Note 3. Relationship to Basic Financial Statements (continued)

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.* 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$3,070) for the general fund and \$0 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 55,474	\$ 8,182,181	\$ 8,237,655
Special Revenue Fund	1,032,779	-	1,032,779
Capital Projects Fund	-	147,549	147,549
Food Service Fund	362,682	6,556	369,238
	<u> </u>	<u> </u>	<u> </u>
Total Awards & Financial Assistance	<u>\$ 1,450,935</u>	<u>\$ 8,336,286</u>	<u>\$ 9,787,221</u>

The accompanying schedule of expenditures of state financial assistance includes expenditures that occurred in prior fiscal years in the amount of \$8,295.

Note 4. Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Note 5. Federal and State Loans Outstanding

The School District received a FEMA Community Disaster Loan in the amount of \$5,000,000. The District drew down \$0 in the fiscal year and has drawn down a total of \$4,698,670. The District paid \$10,000 of interest in March of 2017. The District received a final determination on the loan cancelling \$3,494,450 of principal along with corresponding interest, leaving a remaining balance, including accrued interest, of \$1,234,899 as of June 30, 2017.

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? yes X no

2) Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

1) Material weakness(es) identified? yes X no

2) Significant deficiency(ies) identified? yes X none reported

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>S010A160030</u>	<u>Title I - Part A</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

Dollar threshold used to determine Type A programs \$750,000

Auditee qualified as low-risk auditee? X yes no

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section I - Summary of Auditor's Results (continued)

State Financial Assistance

Dollar threshold used to determine Type A programs \$750,000

Auditee qualified as low-risk auditee? yes no

Internal control over major programs:

1) Material weakness(es) identified? yes no

2) Significant deficiency(ies) identified? yes no

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported
in accordance with New Jersey OMB's Circular 15-08? yes no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

17-495-034-5120-084

17-495-034-5120-089

17-495-034-5120-068

17-495-034-5120-097

17-495-034-5120-098

17-495-034-5120-101

17-495-034-5120-085

State Aid Public:

Security Aid

Special Education Categorical Aid

School Choice Aid

Per Pupil Growth Aid

PARCC Readiness Aid

Professional Learning Community

Adjustment Aid

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None.

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

**CENTRAL REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.