

**Comprehensive Annual  
Financial Report**

**of the**

**Cumberland Regional Board of Education**

**Seabrook, New Jersey**

**For the Fiscal Year Ended June 30, 2017**



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# **Introductory Section**







# CUMBERLAND REGIONAL SCHOOL DISTRICT

65 Love Lane, Bridgeton, New Jersey 08302

Phone: 856-451-9400 / Fax: 856-455-9750

[www.crhsd.org](http://www.crhsd.org)



**Steven W. Price**  
Superintendent/  
Chief Educational Officer

**Bruce D. Harbinson**  
School Business Administrator/  
Assistant to Superintendent

September 22, 2017

Honorable President and  
Members of the Board of Education  
Cumberland Regional School District  
65 Love Lane  
Bridgeton, New Jersey 08302

Dear Board Members:

The Comprehensive Annual Financial Report of the Cumberland Regional School District for the fiscal year ended 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 District Administration. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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 this transmittal letter, the District's organizational chart and a list of principal officials. The financial section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the basic financial statements and notes, and other schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the US. Office of Management and Budget Circular Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations, and the New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments.

Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this report.

## **1. REPORTING ENTITY AND ITS SERVICES:**

Cumberland Regional School District is an independent reporting entity within the criteria adopted by the GASB Statement No. 14 as established by NCGA Statement No. 3. All funds of the District are included in this report. The Cumberland Regional School District Board of Education and all its schools constitute the District's reporting entity. The Cumberland Regional School District provides a full range of educational services appropriate to grade level 9 through 12. These include regular, vocational and special education programs for handicapped pupils.

## **2. ECONOMIC CONDITION AND OUTLOOK:**

The Cumberland Regional School District, consisting of seven constituent Districts (Deerfield Township, Fairfield Township, Greenwich Township, Hopewell Township, Shiloh Borough, Stow Creek Township, and Upper Deerfield Township) continues to be in a pocket of high unemployment. We anticipate steady enrollment.

### **3. INTERNAL ACCOUNTING CONTROLS:**

District Administration 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 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 District Administration.

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 related to those programs. This internal control structure is also subject to periodic evaluation by the 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.

### **4. 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 voters of the School District. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2017.

### **5. ACCOUNTING SYSTEM AND REPORTS:**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 1.

### **6. FINANCIAL INFORMATION AT YEAR-END:**

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.

### **7. DEBT ADMINISTRATION:**

At June 30, 2017 the District's outstanding bonds are \$7,117,000.00.

### **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,". 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 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, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

### **10. OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott and Associates, L.C.C., CPAs was selected by the Board of Education to perform the audit.

In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the US. Office of Management and Budget Circular Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations, and the New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments. The auditor's report on the basic financial statements 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 Cumberland Regional School District Board of Education for their concern and providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support 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 the district office staff.

Respectfully submitted,

***Steven W. Price***

Steven W. Price  
Superintendent

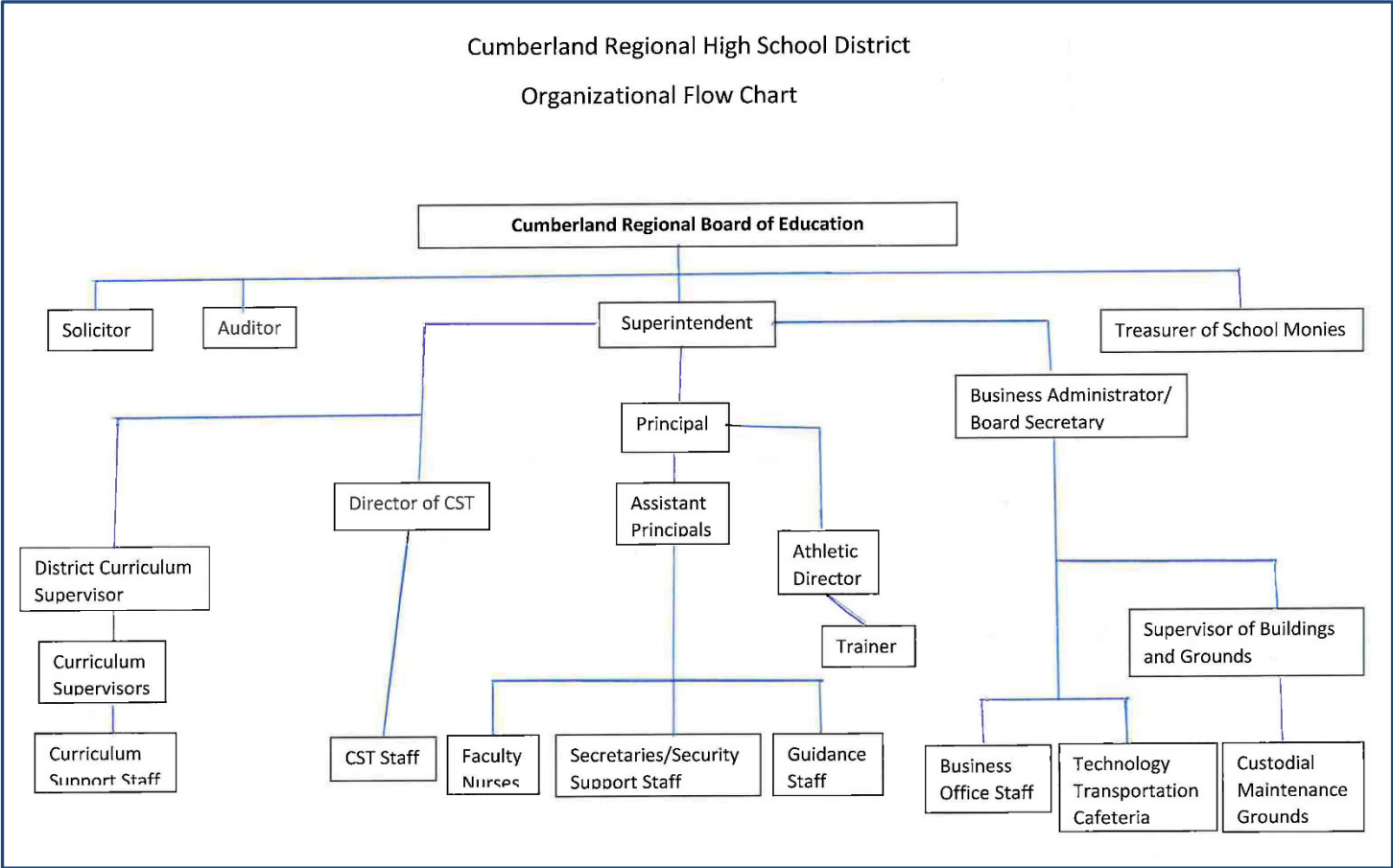
***Bruce D. Harbinson***

Bruce D. Harbinson  
School Business Administrator

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**CUMBERLAND REGIONAL  
BOARD OF EDUCATION**

**ORGANIZATIONAL CHART**



**CUMBERLAND REGIONAL HIGH SCHOOL DISTRICT BOARD OF EDUCATION**  
**COUNTY OF CUMBERLAND, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2017**

<b><u>Members of the Board of Education</u></b>	<b><u>Term</u></b>
Thomas Davis, President	2019
Theresa Christian-Hunsberger, Vice-President	2019
Ronald Campbell Sr.	2019
Kevin Maloney	2018
Andrew Benfer	2018
Ann Marie Johnson	2018
Valerie Gould	2017
Claude Rucker	2017
Valerie Wojcik	2017

**Other Officials**

Steven W. Price, Superintendent/Chief Educational Officer

Bruce D. Harbinson, Business Administrator/Board Secretary

**CUMBERLAND REGIONAL BOARD OF EDUCATION**  
**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

Ford, Scott & Associates, L.L.C.  
Certified Public Accountants  
1535 Haven Avenue  
Ocean City, New Jersey 08226

**ATTORNEY**

John G. Geppert, Jr.  
1100 Valley Brook Avenue  
P.O. Box 790  
Lyndhurst, NJ 07071

**OFFICIAL DEPOSITORY**

Ocean First  
1245 Highway 77  
Upper Deerfield, New Jersey 08302

**ARCHITECT OF RECORD**

Garrison Architects  
713 Creek Road  
Bellmawr, New Jersey 08031

**ENGINEER OF RECORD**

The Da Vinci Group, LLC  
72 East Centre Street  
Woodbury, New Jersey 08096

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## **Financial Section**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

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## **Independent Auditor's Report**

Honorable President and  
Members of the Board of Education  
Cumberland Regional School District  
65 Love Lane  
Bridgeton, New Jersey 08302

### **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 Cumberland Regional School District, in the County of Cumberland, New Jersey, as of and for the 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 *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. 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 entity'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 entity'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 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 Cumberland Regional School District, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal 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 Required Supplementary Information identified 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 Cumberland Regional School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance and the schedule of state financial assistance as required by NJ OMB 15-08 is the responsibility of management and was derived from and relates 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 and 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 combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject 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 it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2017 on our consideration of the Cumberland 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 the Cumberland Regional School District's internal control over financial reporting and compliance.

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Michael S. Garcia*

Michael S. Garcia  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2080

September 22, 2017

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## **Required Supplementary Information – Part I**





## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Cumberland Regional School District ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2017. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

### FINANCIAL HIGHLIGHTS

- The net position of the District decreased compared to the prior year as a result of an excess of expenses, predominantly depreciation, over revenues.
- The State of New Jersey reimbursed the District \$543,195 during the fiscal year ended June 30, 2017 for the employer's share of social security contributions. The State of New Jersey also paid \$1,581,892 in pension contributions and retiree health coverage for TPAF members as calculated on their base salaries on behalf of the District. This amount, which is not budgeted, is included as both a revenue and appropriation in the financial statements.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to 2% of the total general fund expenditures or \$250,000, whichever is greater. Any excess is required to be designated as Reserved Fund Balance – Excess Surplus and included in the next year's budget as budgeted fund balance. As of June 30, 2017 the District had excess surplus of \$917,490, of which \$344,433 was required to be budgeted as a revenue for the year ending June 30, 2018 and \$573,057 is designated for subsequent year budgets.
- During the fiscal year ended June 30, 2017, the District's revenues were approximately \$786,000 more than total expenditures in the fund financial statements.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the basic *financial statements, required supplementary information*, and an optional section that presents *combining statements for special revenue, proprietary, and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District's government, reporting on the District's operations in *more detail* than the government-wide statements.
  - The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.

- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the District operates like businesses, such as the milk program.
- *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the District’s financial statements, including the portion of the District’s government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

**Figure A-1**  
**Major Features of Cumberland Regional School District Board of Education’s**  
**Government-wide and Fund Financial Statements**

	Government wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as food service and student activities	Activities the District operates similar to private businesses; food service	Instances in which the District is the trustee or agent for someone else’s resources, such as payroll agency and student activities.
Required financial statements	Statement of net position  Statement of activities	Balance sheet  Statement of revenues, expenditures, and changes in fund balances	Statement of net position  Statement of revenues, expenses, and changes in net position  Statement of cash flows	Statement of fiduciary net position  Statement of changes in fiduciary net position

Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses, regardless of when cash is received or paid.	All revenues and expenses during year, regardless of when cash is received or paid.

### Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health, or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the Township's property tax base and the condition of the District's facilities.

The government-wide financial statements of the District are divided into two categories:

- *Governmental activities* – most of the District's basic services are included here, such as instruction, transportation, administration, and plant operations. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* – the District charges fees to customers to help it cover the costs of certain services it provides.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant *funds* – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for other assets that - because of a trust arrangement – can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net position.** The District's governmental activities net position decreased between fiscal years 2017 and 2016 as a result of an excess of expenses over revenues. The business-type activities net position also decreased due to an excess of expenses over costs.

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 4,097,270	3,486,948	67,881	149,157	4,165,151	3,636,105
Capital assets	34,387,479	36,310,162	84,536	98,242	34,472,015	36,408,404
<b>Total assets</b>	<u>38,484,750</u>	<u>39,797,110</u>	<u>152,417</u>	<u>247,399</u>	<u>38,637,167</u>	<u>40,044,509</u>
Deferred outflows of resources	2,340,383	1,645,226	-	-	2,340,383	1,645,226
Long-term liabilities	15,056,165	14,011,070	-	-	15,056,165	14,011,070
Other liabilities	91,903	560,080	-	100,442	91,903	660,522
<b>Total liabilities</b>	<u>15,148,068</u>	<u>14,571,150</u>	<u>-</u>	<u>100,442</u>	<u>15,148,068</u>	<u>14,671,592</u>
Deferred inflows of resources	54,288	94,008	-	-	54,288	94,008
Net position						
Invested in capital assets	27,270,479	28,453,162	84,536	98,242	27,355,015	28,551,404
Restricted	4,140,855	3,540,697	-	-	4,140,855	3,540,697
Unrestricted	(5,788,558)	(5,216,681)	38,295	48,715	(5,750,262)	(5,167,966)
<b>Total net position</b>	<u>\$ 25,622,777</u>	<u>26,777,178</u>	<u>122,831</u>	<u>146,957</u>	<u>25,745,608</u>	<u>26,924,135</u>

Net position of the District decreased slightly due to an excess of expenses over revenues. Also, included in long-term liabilities are amounts due to be paid on compensated absences.

As required by New Jersey Statutes, the unrestricted fund balance of the District is not permitted to exceed 2% of total general fund expenditures, after reductions for On-behalf TPAF pension and social security. Any excess must be appropriated as budgeted fund balance in the subsequent years' budget. As of June 30, 2017, the District had fund balance in the amount of \$4,090,025 of which \$344,433 is excess surplus that has been included in the 2017-2018 budget. \$690,543 is restricted for the Maintenance Reserve. \$1,452,601 is restricted for the Capital Reserve. \$194,725 is assigned to encumbrances. \$573,057 is current year excess surplus that will be included in the 2018-2019 budget. The unrestricted fund balance is \$398,293.

Approximately 57% of the District’s governmental funds revenue comes from the State of New Jersey in the form of non-restricted federal and state aid. This aid is based on the District’s enrollment as well as other factors related to the District’s formula aid which is a relationship of the adequacy budget and the Township’s property values and income of the residents. The District expenses are primarily related to instruction, administration, and plant operations.

	2017		2016	
	Amount	Percentage	Amount	Percentage
Property taxes	\$ 8,945,817	36.52%	8,764,729	35.98%
Unrestricted Federal and State aid	15,321,295	62.54%	14,999,616	61.58%
Transportation Fees	137,771	0.56%	136,757	0.56%
Interest Earned	11,146	0.05%	9,224	0.04%
Other	80,461	0.33%	447,825	1.84%
Totals	\$ 24,496,491	100.00%	24,358,151	100.00%

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## Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2017 and 2016 fiscal years:

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
Program revenue						
Charges for services	\$ 137,771	136,757	231,890	303,880	369,662	440,637
Grants and entitlements	17,470,258	4,998,774	274,189	340,617	17,744,446	5,339,391
General revenues						
Property taxes	8,945,817	8,764,729	-	-	8,945,817	8,764,729
State aid entitlements	12,336,302	12,297,390	-	-	12,336,302	12,297,390
Other	142,822	457,049	147	-	142,969	457,049
<b>Total revenues</b>	<b>39,032,971</b>	<b>26,654,699</b>	<b>506,225</b>	<b>644,497</b>	<b>39,539,196</b>	<b>27,299,196</b>
<b>Expenses</b>						
Instruction:						
Regular	22,724,094	7,205,982			22,724,094	7,205,982
Special Education	2,689,363	1,399,232			2,689,363	1,399,232
Other Instruction	2,256,520	887,522			2,256,520	887,522
Support services:						
Tuition	1,495,818	1,461,668			1,495,818	1,461,668
Student & instruction related	2,939,777	1,823,597			2,939,777	1,823,597
School administration services	1,176,572	1,084,335			1,176,572	1,084,335
General & business admin	725,073	823,510			725,073	823,510
Central Services	503,897	315,872			503,897	315,872
Admin info tech	209,419	136,593			209,419	136,593
Plant operations & maintenance	3,165,228	2,371,064			3,165,228	2,371,064
Pupil transportation	1,832,604	1,795,943			1,832,604	1,795,943
Employee Benefits	-	7,390,394			-	7,390,394
NJ Debt Service Assessment	224,824	224,824			224,824	224,824
Interest on long-term debt	244,184	263,064			244,184	263,064
Internal service fund	-	758			-	758
Business-type activities			530,351	657,166	530,351	657,166
<b>Total expenses</b>	<b>40,187,372</b>	<b>27,184,358</b>	<b>530,351</b>	<b>657,166</b>	<b>40,717,723</b>	<b>27,841,524</b>
Transfer	-	-	-	-	-	-
<b>Increase/(Decrease) in net assets</b>	<b>(1,154,401)</b>	<b>(529,659)</b>	<b>(24,126)</b>	<b>(12,669)</b>	<b>(1,178,527)</b>	<b>(542,328)</b>

## Business-type Activities

Operating and non-operating revenues of the District's business-type activities decreased \$138,545 from the previous year and expenses decreased by \$126,815.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$4,011,429 which is approximately \$786,000 higher than the beginning of the year.

### General Fund Budgetary Highlights

As further explained in the Notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and, as a Type II School District, are approved by the voters annually if the District exceeds the statutory CAP limitations. Effective with the 2012-2013 school year, if the District stays within the statutory limitations, there is no vote on the budget by the District voters and Board Members are elected at the time of the general election in November. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30<sup>th</sup> carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

## CAPITAL ASSET

### Capital Assets

At the end of 2017, the District had invested \$34,472,015 in a broad range of capital assets, including land, buildings, vehicles and machinery.

	Governmental Activities		Business-type Activities		Totals	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 263,190	\$ 263,190			263,190	263,190
Construction in Progress	-	-			-	-
Buildings and Bldg improvements	33,592,562	35,606,963			33,592,562	35,606,963
Machinery & equipment	531,727	440,009	84,536	98,242	616,263	538,251
<b>Total</b>	<u>\$ 34,387,479</u>	<u>36,310,162</u>	<u>84,536</u>	<u>98,242</u>	<u>34,472,015</u>	<u>36,408,404</u>



## Long-term Debt

	Balance June 30, 2016	Issued	Retired/ Adjusted	Balance June 30, 2017
<b>Governmental Activities</b>				
Compensated Absences Payable	\$ 307,076	16,423	-	323,499
Bonds Payable	\$ 7,857,000		740,000	7,117,000
Accrued Interest on Bonds	70,094	-	4,752	65,342
Total Governmental Activities	<u>\$ 8,234,170</u>	<u>16,423</u>	<u>744,752</u>	<u>7,505,841</u>

More detailed information about the District's long-term debt is presented in the Notes to the Financial Statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Cumberland Regional School District is in good financial condition presently. The District is proud of its community support of the public schools. A major concern is the continued tuition increases, the elimination of the Municipal Surplus Contribution and flat state aid, which increases the reliance on local property taxes.

In conclusion, the District has committed itself to financial excellence for many years. The District's system for financial planning, budgeting, and internal financial controls are well regarded. The District plans to continue its sound financial management to meet the challenges of the present and future.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to present users (residents, receiving districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at 65 Love Lane, Bridgeton, NJ 08302 or the District's website at [www.edlinesites.net/pages/Cumberland\\_Reg\\_HS](http://www.edlinesites.net/pages/Cumberland_Reg_HS).

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# **Basic Financial Statements**



## DISTRICT – WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of changes in net position 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.



**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2017**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,684,897.91	\$ 20,815.98	\$ 3,705,713.89
Investment in SREC's	59,280.00		59,280.00
Receivables, Net	347,640.24	38,206.88	385,847.12
Internal Accounts	5,452.00		5,452.00
Inventory		8,858.25	8,858.25
Capital Assets, Net	34,387,479.36	84,536.00	34,472,015.36
Total Assets	<u>38,484,749.51</u>	<u>152,417.11</u>	<u>38,637,166.62</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Outflow of Resources			
Deferred Outflows Related to Pensions	2,340,383.00		2,340,383.00
Total Deferred Outflow of Resources	<u>2,340,383.00</u>	<u>-</u>	<u>2,340,383.00</u>
<b>LIABILITIES</b>			
Accounts Payable - Pension	-		-
Unearned Revenue	26,560.53		26,560.53
Accrued Interest	65,342.00		65,342.00
Noncurrent Liabilities			
Due Within One Year	775,000.00		775,000.00
Due Beyond One Year	6,665,499.08		6,665,499.08
Net Pension Liability	7,615,666.00		7,615,666.00
Total Liabilities	<u>15,148,067.61</u>	<u>29,585.85</u>	<u>15,177,653.46</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflow of Resources			
Deferred Inflows Related to Pensions	54,288.00	-	54,288.00
Total Deferred Inflow of Resources	<u>54,288.00</u>	<u>0.00</u>	<u>54,288.00</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	27,270,479.36	84,536.00	27,355,015.36
Restricted for:			
Capital Projects	2,532,822.00		2,532,822.00
Other Purposes	1,608,033.15		1,608,033.15
Unrestricted (Deficit)	(5,788,557.61)	38,295.26	(5,750,262.35)
Total Net Position	<u>\$ 25,622,776.90</u>	<u>\$ 122,831.26</u>	<u>\$ 25,745,608.16</u>

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

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Statement of Changes in Net Position**  
**For the Year Ended June 30, 2017**

Function/Programs	Direct Expenses	Indirect Cost Allocation	Charges for Services	Program Revenue		Net (Expense) Revenue and Changes in Net Position		
				Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>								
<b>Instruction:</b>								
Regular	\$ 18,482,425.67	4,241,668.06		14,201,172.08		(8,522,921.65)		(8,522,921.65)
Special Education	2,187,367.61	501,995.12		1,613,646.92		(1,075,715.81)		(1,075,715.81)
Other Instruction	1,835,318.73	421,200.82		1,353,936.30		(902,583.25)		(902,583.25)
<b>Support Services:</b>								
Tuition	1,495,818.12					(1,495,818.12)		(1,495,818.12)
Student & Instruction Related Services	2,206,243.61	733,533.77		115,334.52		(2,824,442.86)		(2,824,442.86)
School Administrative Services	882,993.50	293,578.43				(1,176,571.93)		(1,176,571.93)
General and Administrative Serv.	544,152.45	180,920.28				(725,072.73)		(725,072.73)
Central Services	378,164.20	125,732.36				(503,896.56)		(503,896.56)
Admin Info Tech	157,164.44	52,254.16				(209,418.60)		(209,418.60)
Plant Operation and Maintenance	2,375,439.95	789,788.31				(3,165,228.26)		(3,165,228.26)
Pupil Transportation	1,820,663.72	11,940.18	137,771.35			(1,694,832.55)		(1,694,832.55)
Employee Benefits	5,220,321.78	(5,220,321.78)				-		-
Depreciation	2,132,289.71	(2,132,289.71)				-		-
NJ Debt Service Assessment	224,824.00			186,168.00		(224,824.00)		(224,824.00)
Interest on Long-Term Debt	244,184.26					(58,016.26)		(58,016.26)
<b>Total Governmental Activities</b>	<b>40,187,371.75</b>	<b>-</b>	<b>137,771.35</b>	<b>17,470,257.82</b>	<b>-</b>	<b>(22,579,342.58)</b>	<b>-</b>	<b>(22,579,342.58)</b>
<b>Business-Type Activities:</b>								
Food Service	530,351.21		231,890.40	274,188.54		(24,272.27)	(24,272.27)	(24,272.27)
<b>Total Business-Type Activities</b>	<b>530,351.21</b>	<b>-</b>	<b>231,890.40</b>	<b>274,188.54</b>	<b>-</b>	<b>(24,272.27)</b>	<b>(24,272.27)</b>	<b>(24,272.27)</b>
<b>Total Primary Government</b>	<b>\$ 40,717,722.96</b>	<b>-</b>	<b>369,661.75</b>	<b>17,744,446.36</b>	<b>-</b>	<b>(22,579,342.58)</b>	<b>(24,272.27)</b>	<b>(22,603,614.85)</b>
<b>General Revenues:</b>								
Taxes:								
Property Taxes, Levied for General Purposes, Net						8,522,661.00		8,522,661.00
Taxes Levied for Debt Service						423,156.00		423,156.00
Federal and State Aid not Restricted						12,336,302.18		12,336,302.18
Investment Earnings						11,146.29	146.53	11,292.82
Miscellaneous Income						131,676.01		131,676.01
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>						<b>21,424,941.48</b>	<b>146.53</b>	<b>21,425,088.01</b>
Change in Net Position						<b>(1,154,401.10)</b>	<b>(24,125.74)</b>	<b>(1,178,526.84)</b>
Net Position - Beginning						<b>26,777,178.00</b>	<b>146,957.00</b>	<b>26,924,135.00</b>
Net Position - Ending						<b>25,622,776.90</b>	<b>122,831.26</b>	<b>25,745,608.16</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.



**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2017**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 2,774,660.51	(175,059.97)	1,074,752.45	10,544.92	3,684,897.91
Due from Other Funds	5,451.43	0.16		2,189.26	7,640.85
Receivables from Other Governments	96,234.00	201,620.34	7,657.40		305,511.74
Other Receivables	42,128.50				42,128.50
	-				-
<b>Total Assets</b>	<u>2,918,474.44</u>	<u>26,560.53</u>	<u>1,082,409.85</u>	<u>12,734.18</u>	<u>4,040,179.00</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Interfund Payable		-	2,188.85		2,188.85
Unearned Revenue		26,560.53			26,560.53
<b>Total Liabilities</b>	<u>-</u>	<u>26,560.53</u>	<u>2,188.85</u>	<u>-</u>	<u>28,749.38</u>
Fund Balances:					
Restricted for:					
Excess Surplus - Current Year	573,057.15				573,057.15
Excess Surplus - designated for subsequent year's expenditures	344,433.00				344,433.00
Maintenance Reserve	690,543.00				690,543.00
Capital Reserve	1,452,601.00				1,452,601.00
Committed to:					
Other Purposes	194,724.61				194,724.61
Assigned to:					
Debt Service				2,189.18	2,189.18
Designated by BOE for subsequent year's expenditures	436,374.00			10,545.00	446,919.00
Capital Projects			1,080,221.00		1,080,221.00
Unassigned:					
General Fund	(773,258.32)				(773,258.32)
<b>Total Fund Balances</b>	<u>2,918,474.44</u>	<u>-</u>	<u>1,080,221.00</u>	<u>12,734.18</u>	<u>4,011,429.62</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,918,474.44</u>	<u>26,560.53</u>	<u>1,082,409.85</u>	<u>12,734.18</u>	

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 \$61,643,947.07 and the accumulated depreciation is \$27,256,467.71.	34,387,479.36
Value of Investment in SREC's	59,280.00
Long - term liabilities, including bonds and capital leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(7,505,841.08)
Pension Liabilities Net of Deferred Outflows & Inflows	(5,329,571.00)
Net Position of governmental activities	<u>\$ 25,622,776.90</u>

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2017**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 8,522,661.00			423,156.00	8,945,817.00
Transportation Fees	137,771.35				137,771.35
Interest Earned	8,957.03		2,189.26	-	11,146.29
Miscellaneous	72,396.01	8,065.11		-	80,461.12
Total Local Sources	8,741,785.39	8,065.11	2,189.26	423,156.00	9,175,195.76
State Sources	14,439,447.90	108,213.60		186,168.00	14,733,829.50
Federal Sources	21,941.18	565,524.21			587,465.39
Total Revenues	<u>23,203,174.47</u>	<u>681,802.92</u>	<u>2,189.26</u>	<u>609,324.00</u>	<u>24,496,490.65</u>
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	6,018,660.32	566,468.40			6,585,128.72
Special Education Instruction	779,340.20				779,340.20
Other Instruction	653,908.22				653,908.22
Support Services:					
Tuition	1,495,818.12				1,495,818.12
Student & Instruction Related Serv.	1,819,593.65	115,334.52			1,934,928.17
School Administrative Services	774,406.32				774,406.32
General Administrative Services	477,234.66				477,234.66
Central Services	331,659.01				331,659.01
Administration Information Tech	137,836.95				137,836.95
Plant Operation and Maintenance	2,083,317.39				2,083,317.39
Pupil Transportation	1,813,193.16				1,813,193.16
Employee Benefits	5,220,321.78				5,220,321.78
Debt Service:					
Principal				740,000.00	740,000.00
Interest and Other Charges				248,936.26	248,936.26
Capital Outlay	434,431.07	-	-		434,431.07
Total Expenditures	<u>22,039,720.85</u>	<u>681,802.92</u>	<u>-</u>	<u>988,936.26</u>	<u>23,710,460.03</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,163,453.62</u>	<u>-</u>	<u>2,189.26</u>	<u>(379,612.26)</u>	<u>786,030.62</u>
<b>OTHER FINANCING SOURCES/(USES)</b>					
Transfer In	0.82			367,188.44	367,189.26
Transfer Out	-		(367,189.26)		(367,189.26)
Total Other Financing Sources	<u>0.82</u>	<u>-</u>	<u>(367,189.26)</u>	<u>367,188.44</u>	<u>-</u>
Net Changes in Fund Balance	1,163,454.44	-	(365,000.00)	(12,423.82)	786,030.62
Fund Balance - July 1	1,755,020.00	-	1,445,221.00	25,158.00	3,225,399.00
Fund Balance - June 30	<u>\$ 2,918,474.44</u>	<u>\$ -</u>	<u>\$ 1,080,221.00</u>	<u>\$ 12,734.18</u>	<u>\$ 4,011,429.62</u>

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

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2017**

Total Net Change in Fund Balance - Governmental Funds (from B-2)		\$ 786,030.62
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, on 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 current fiscal year.</p>		
Depreciation expense	\$ (2,132,289.71)	
Capital Outlay	<u>209,607.07</u>	(1,922,682.64)
<p>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.</p>		
Total bond principal payments	<u>740,000.00</u>	740,000.00
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick pay) 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 used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
		(16,423.08)
Decrease in accrued interest expense		4,752.00
Increase in Value of Investment in SREC's		59,280.00
Adjustment to pension expense		(805,358.00)
Change in Net Position of Governmental Activities		<u><u>\$ (1,154,401.10)</u></u>

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2017**

	<u>Business-Type            Activities -            Enterprise Fund</u> <u>Food            Service</u>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 20,815.98
Accounts Receivable:	
State	203.87
Federal	13,003.01
Due from FSMC	25,000.00
Inventories	8,858.25
Total Current Assets	<u>67,881.11</u>
Noncurrent Assets:	
Furniture, Machinery & Equipment	
Buildings	251,237.00
Less: Accumulated Depreciation	<u>(166,701.00)</u>
Total Noncurrent Assets	<u>84,536.00</u>
Total Assets	<u><u>\$ 152,417.11</u></u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	\$ 29,585.85
Total Current Liabilities	<u>29,585.85</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	84,536.00
Unrestricted	38,295.26
Total Net Position	<u><u>\$ 122,831.26</u></u>

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

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Year Ended June 30, 2017**

	<u>Business-Type Activities - Enterprise Fund</u> <u>Food Service</u>
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 84,036.51
Daily Sales - Non-reimbursable Programs	109,609.12
Vending	5,321.03
Special Functions	7,923.74
Refund of FSMC Prior Year Fee	25,000.00
Total Operating Revenue	<u>231,890.40</u>
Operating Expenses:	
Cost of Sales - Reimbursable	129,356.37
Cost of Sales - Nonreimbursable	43,737.00
Salaries	208,114.20
Employee Benefits	51,267.61
Controllable Expenses	25,518.16
Non - Controllable Expenses	11,757.64
Administrative & Supervision Fee	30,000.00
Management Fees	-
Repair & Maintenance	15,794.36
General Supplies	1,099.87
Depreciation	13,706.00
Total Operating Expenses	<u>530,351.21</u>
Operating Income (Loss)	<u>(298,460.81)</u>
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	4,349.97
Federal Sources:	
National School Lunch Program	193,592.72
National School Breakfast Program	66,136.35
Food Distribution Program	10,109.50
Interest and Investment Revenue	146.53
Total Nonoperating Revenues (Expenses)	<u>274,335.07</u>
Changes in Net Position	<u>(24,125.74)</u>
Total Net Position - Beginning	146,957.00
Total Net Position - Ending	<u>\$ 122,831.26</u>

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

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2017**

	<u>Business-Type            Activities -            Enterprise Fund</u> <u>Food            Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers	\$ 206,890.40
Miscellaneous Income/ (Expense)	25,000.00
Payments to Suppliers	(599,398.11)
Net Cash Provided by (Used for) Operating Activities	(367,507.71)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State Sources	4,444.10
Federal Sources	263,773.06
Financing Activities	268,217.16
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Interest on Investments	146.53
Net Cash Provided (Used) by Capital and Related Financing Activities	146.53
Net Increase (Decrease) in Cash and Cash Equivalents	(99,144.02)
Balance - Beginning of Year	119,960.00
Balance - End of Year	\$ 20,815.98
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>	
Operating Income (Loss)	\$ (298,460.81)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:	
Depreciation and Net Amortization	13,706.00
Donated Commodities Received During the Year	10,109.50
(Increase) Decrease in Due from FSMC	(25,000.00)
(Increase) Decrease in Inventories	2,993.75
Increase (Decrease) in Accounts Payable	(70,856.15)
Total Adjustments	(69,046.90)
Net Cash Provided by (Used for) Operating Activities	\$ (367,507.71)

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



**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**  
**For the Year Ended June 30, 2017**

	<u>Student Activity</u>	<u>Payroll/ Agency</u>	<u>Private Purpose Scholarship Fund</u>	<u>Employee Reimbursement Fund</u>	<u>Unemployment Compensation Trust</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 352,455.46	5,452.00	10,728.59	1,364.49	112,127.98
Total Cash and Cash Equivalents	<u>352,455.46</u>	<u>5,452.00</u>	<u>10,728.59</u>	<u>1,364.49</u>	<u>112,127.98</u>
<b>LIABILITIES</b>					
Payable to Student Groups	352,455.46	-	-	-	-
Interfund Payable	-	5,452.00	-	-	-
Payroll Deductions & Withholdings	-	-	-	-	-
Total Liabilities	<u>352,455.46</u>	<u>5,452.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>					
Held in trust for unemployment claims					<u>\$ 112,127.98</u>
Held in trust for employee reimbursement				<u>\$ 1,364.49</u>	
Reserve for scholarships			<u>\$ 10,728.59</u>		

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2017**

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Employee Reimbursement Fund
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ADDITIONS</b>			
Contributions:			
Plan Member	\$ 16,150.53	\$ -	\$ -
Other	-	7,099.59	6,860.00
Board Contribution	-	-	-
Total Contributions	<u>16,150.53</u>	<u>7,099.59</u>	<u>6,860.00</u>
Investment Earnings:			
Interest	219.95	-	1.49
Net Investment Earnings	<u>219.95</u>	<u>-</u>	<u>1.49</u>
Total Additions	<u>16,370.48</u>	<u>7,099.59</u>	<u>6,861.49</u>
<b>DEDUCTIONS</b>			
Scholarships Awarded	-	-	-
Other	-	5,900.00	6,000.00
Unemployment Claims	19,739.50	-	-
Total Deductions	<u>19,739.50</u>	<u>5,900.00</u>	<u>6,000.00</u>
Changes in Net Position	(3,369.02)	1,199.59	861.49
Net Position - Beginning of the Year	115,497.00	9,529.00	503.00
Prior Year Audit Adjustment			
Net Position - End of the Year	<u>\$ 112,127.98</u>	<u>\$ 10,728.59</u>	<u>\$ 1,364.49</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**



**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Cumberland Regional Board of Education 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 chief school administrator is appointed by the Board and is responsible for the administrative control of the District.

The financial statements of the Board of Education (Board) of the Cumberland Regional Board of Education (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

**A. REPORTING ENTITY**

The Cumberland Regional Board of Education is a Type II district located in the County of Cumberland, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades 9-12. The Cumberland Regional Board of Education had an enrollment at June 30, 2017 of 1,203 students.

The primary criterion for including activities within the 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 District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

**B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities. The District's food service program is classified as business-type activities.

In the governmental-wide Statement of Net Position, both the governmental and business-type activities column (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts—invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (food service). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, interest income, etc.).

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

**C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB standards set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a single column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

The following fund types are used by the District:

**1. Governmental Funds:**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

- a. **General fund** is the general operating fund of the District. It 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 non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the 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.

**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and unappropriated 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. These resources can be transferred from and to Current Expense by board resolution.

- b. Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.
- c. Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.
- d. Debt service** funds are used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs. The District currently has no outstanding bonds and therefore, has not included a Debt Service Fund.

**Fund Balances – Governmental Funds**

In the fund financial statements, governmental funds report the following classifications of fund balance:

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

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**2. Proprietary Funds:**

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District operates a food service fund to provide a child nutrition program for the students of the district.

**3. Fiduciary Funds:**

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position, and are reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.), and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

All fund internal activity is eliminated when carried to the Government-wide statements.

**D. BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**1. Accrual:**

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**2. Modified Accrual:**

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.



**CUMBERLAND REGIONAL BOARD OF EDUCATION  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2017**

**E. FINANCIAL STATEMENT AMOUNTS**

**1. Cash and Cash Equivalents:**

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 stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that 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.

NJSA 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 Act. 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.

**2. Investments:**

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund or debt service fund.

**3. Inventories:**

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first-out method. As of June 30, 2017, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food & Supplies	\$	6,559.92
USDA		<u>2,298.33</u>
	\$	<u>8,858.25</u>

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements. The value of commodities included in the food inventory on June 30, 2017 is \$2,298.33.

**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**4. Capital Assets:**

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years
Infrastructure Assets	50-65 years

Infrastructure assets include roads, parking lots, underground pipe, etc. The District includes all infrastructure assets as depreciable assets in the financial statements.

**5. Revenues:**

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient. Program revenues, including tuition revenue are reported as reductions to expenses in the statement of activities.

**6. Expenditures:**

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

**7. 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 rendered, and that are not contingent on a specific event that is outside the control of the 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 District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as both an expenditure and a fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

**CUMBERLAND REGIONAL BOARD OF EDUCATION  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2017**

**8. Interfund Activity:**

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**9. 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 for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. 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. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools.

Significant transfers approved by the Board of Education during the fiscal year were as follows:

Regular Programs - Undistributed Instruction	
General Supplies	343,290
Undistributed Expenditures - Instruction	
Tuition to Private Schools for the Disabled - Within State	(111,065)
Undistributed Expenditures - Required Maint.	
Cleaning, Repair and Maintenance Service	259,484
Unallocated Benefits	
Health Benefits	(171,640)
Capital Outlay	
Equipment:	
Regular Programs	
Grades 9 - 12 Instruction	
Instructional	106,957

**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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 last state aid payments 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.

**10. Tuition Receivable:**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. The final cost is based on an agreement with various Boards of Education with a negotiated amount up to the final cost as determined by State of New Jersey. The District received tuition revenue for one student for the fiscal year ended June 30, 2017.

**11. Tuition Payable:**

Tuition charges for the fiscal years 2016/17 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**12. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those results.

**13. Allocation of Costs:**

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the budgetary expenditures by program.

**14. 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 fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and Public Employee Retirement System (PERS) and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the TPAF and PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investment are reported at fair value.

**F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE**

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". This statement is effective for fiscal periods beginning after June 30, 2016, establishes new accounting and financial reporting requirements for OPEB plans. It is anticipated that this statement will not have any effect on the District's financial reporting.

**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement is effective for fiscal periods beginning after June 30, 2017. Although not determinable, the impact of this statement on the net position of the entity is anticipated to be significant.

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80, "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14". This statement is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81, "Irrevocable Split-Interest Agreements". This statement is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82, "Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73". This statement is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the District's financial reporting, however will affect the disclosure of pension related items.

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, "Certain Asset Retirement Obligations". This statement is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the District's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities". This statement is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District's financial reporting.

In March 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 85, "Omnibus 2017". This statement is effective for fiscal periods beginning after June 15, 2017, will have an effect on the District's financial reporting and will affect the disclosure of pension related items.

In May 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 86, "Certain Debt Extinguishment Issues". This statement is effective for fiscal periods beginning after June 15, 2017, will have an effect on the District's financial reporting and will affect the disclosure of pension related items. Although not determinable, the impact of this statement on the net position of the entity is not anticipated to be significant.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 86, "Leases". This statement is effective for fiscal periods beginning after December 15, 2019, will have an effect on the District's financial reporting and will affect the disclosure of pension related items. Although not determinable, the impact of this statement on the net position of the entity is not anticipated to be significant.

**NOTE 2 – CASH**

**Custodial Credit Risk—Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The district's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2017, \$747,568 of the District's bank balance of \$5,777,650 was exposed to custodial credit risk.

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**NOTE 3 – INVESTMENTS**

As of June 30, 2017, the District had the following investments:

**Investment in Solar Renewable Energy Certificates (SRECS).** In accordance with the requirement of GASB No. 72 the District has reported its investment in Solar Renewable Energy Certificates (SRECS) which were converted to cash within 60 days of year-end as an asset on the Statement of Net Position (Exhibit A-1). The resulting differences between the Government Wide and Governmental Fund statements are reported on the (Exhibit B-3) Reconciliation. The SRECS are valued at their estimated fair market value as of June 30, 2017.

**NOTE 4 – RECEIVABLES**

Receivables at June 30, 2017, consisted of accounts (extraordinary services), interfund, intergovernmental, and other revenues. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government Wide Financial Statements
State Aid	\$ 305,512	385,847
Federal Aid		
Due from Other Funds	7,641	
Other	42,129	
Gross Receivables	<u>355,281</u>	<u>385,847</u>
Less: Allowance for Uncollectibles		
Total Receivables, Net	<u>\$ 355,281</u>	<u>385,847</u>

**NOTE 5 – INTERFUND TRANSFERS AND BALANCES**

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund; (2) repay expenses paid by another fund; and (3) make a Board contribution to the Unemployment Compensation Trust Fund; and (4) transfer federal and state food subsidies received in the General Fund to the Food Service Fund.

The following interfund balances remained on the fund financial statements at June 30, 2017:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 5,451	
Capital Projects Fund		2,189
Debt Service Fund	2,189	-
Trust Fund		5,452
	<u>\$ 7,641</u>	<u>7,641</u>

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**NOTE 6 – CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 263,190			263,190
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	<u>263,190</u>	<u>-</u>	<u>-</u>	<u>263,190</u>
Capital assets being depreciated:				
Land Improvements	931,995	1,680		933,675
Buildings and building improvements	54,575,918	-		54,575,918
Machinery and Equipment	5,663,237	207,927	-	5,871,164
Total capital assets being depreciated at historical cost	<u>61,171,150</u>	<u>209,607</u>	<u>-</u>	<u>61,380,757</u>
Less accumulated depreciation for:				
Land Improvements	(817,498)	(12,694)		(830,192)
Buildings and improvements	(19,083,452)	(2,003,387)		(21,086,839)
Equipment	(5,223,228)	(116,209)		(5,339,437)
Total capital assets being depreciated, net of accumulated depreciation	<u>(25,124,178)</u>	<u>(2,132,290)</u>	<u>-</u>	<u>(27,256,468)</u>
Governmental activity capital assets, net	<u>36,310,162</u>	<u>(1,922,683)</u>	<u>-</u>	<u>34,387,479</u>
<b>Business-type activities:</b>				
Capital assets being depreciated:				
Equipment	251,237	-	-	251,237
Less accumulated depreciation	(152,995)	(13,706)	-	(166,701)
Enterprise Fund capital assets, net	<u>98,242</u>	<u>(13,706)</u>	<u>-</u>	<u>84,536</u>
Grand Total	<u>\$ 36,408,404</u>	<u>(1,936,389)</u>	<u>-</u>	<u>34,472,015</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 1,020,617
Special Education	120,789
Other Instruction	101,348
Student & Instruction Related Services	299,891
General Administration	73,966
School Administrative Services	120,024
Plant Operations and Maintenance	322,890
Central Services	51,403
Info Tech	21,363
:	<u>\$ 2,132,290</u>

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**NOTE 7 – LONG-TERM OBLIGATIONS**

Changes in long-term obligations for the year ended June 30, 2017 are as follows:

	Balance July 1, 2016	Issues or Additions	Payments or Expenditures	Balance June 30, 2017	Amounts Due Within One Year
Compensated Absences	\$ 307,076	16,423		323,499	-
Bonds Payable	7,857,000		740,000	7,117,000	775,000
Accrued Interest on Bonds	70,094	-	4,752	65,342	65,342
	<u>\$ 8,234,170</u>	<u>16,423</u>	<u>744,752</u>	<u>7,505,841</u>	<u>840,342</u>

Compensated absences will be liquidated in the General Fund.

Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

At June 30, 2017 bonds payable consisted of the following issues:

\$6,477,000 School Bonds dated September 1, 2010, 2012, due in annual installments through March 1, 2026, bearing interest at rates ranging from 2.50% to 3.375%. The balance remaining as of June 30, 2017 is \$4,547,000.

\$3,785,000 School Refunding Bonds dated August 16, 2012, due in annual installments through April 15, 2024, bearing interest at rates ranging from 3.00% to 4.00%. The balance remaining as of June 30, 2017 is \$2,570,000.

Debt service requirements on serial bonds payable at June 30, 2017 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2018	775,000	228,563	1,003,563
2019	795,000	207,312	1,002,312
2020	820,000	181,886	1,001,886
2021	845,000	153,586	998,586
2022	865,000	124,536	989,536
2023-2026	3,017,000	222,220	3,239,220
	<u>\$ 7,117,000</u>	<u>1,118,103</u>	<u>8,235,103</u>



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**NOTE 8 – OPERATING LEASES**

The District had operating leases for postage, copying equipment, and a school bus during the year ended June 30, 2017. The total operating lease payments made during the year ended June 30, 2017 were \$92,241. The leases expire on various dates. Future minimum payments due on the leases are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>
2018	55,781
2019	14,661
2020	14,661
Total future minimum lease payments	\$ <u><u>85,103</u></u>

**NOTE 9 – UNEARNED REVENUE**

The District has unearned revenue reflected on the Statement of Net Position in the District-Wide Financial Statements of \$26,561. This consists of unearned revenue of in the special revenue fund which is made up of encumbrances payable at year end.

**NOTE 10 – PENSION PLANS**

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at [http://www.state.nj.us/treasury/pensions/annrpts\\_achive.htm](http://www.state.nj.us/treasury/pensions/annrpts_achive.htm).

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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Public Employees' Retirement System (PERS)

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District has no employees enrolled in the Defined Contribution Retirement Program (DCRP) during the fiscal year ended June 30, 2016.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 7.20% and the PERS rate is 7.20% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2017, 2016 and 2015 were \$1,581,892, \$1,393,712 and \$1,063,072 respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2017, 2016 and 2015 were \$230,111, \$227,048 and \$210,144 respectively, equal to the required contributions for each year.

Three Year Trend Information for PERS				
Year Funding		Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2017	\$	230,111.00	100%	-
6/30/2016		227,048.00	100%	-
6/30/2015		210,144.00	100%	-

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Three Year Trend Information for TPAF (Paid on behalf of the District)

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/17	\$ 1,581,892.00	100%	\$ -
06/30/16	1,393,712.00	100%	-
06/30/15	1,063,072.00	100%	-

The Board's total payroll for the year ended June 30, 2017 was \$10,316,416.69. The TPAF covered payroll was \$7,304,305.00 and the PERS covered payroll was \$1,584,938.00. Information for prior years was not available.

During the fiscal year ended June 30, 2017, the State of New Jersey contributed \$1,581,892.00 to the TPAF for benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$543,194.90 during the year ended June 30, 2017 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the District-wide financial statements and the fund- based statements as revenues and expenditures in accordance with GASB Statement No. 24.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. 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.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates

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increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60<sup>th</sup> from 1/55<sup>th</sup>, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7<sup>th</sup> of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**NOTE 11 – PUBLIC EMPLOYEES RETIREMENT SYSTEM**

At June 30, 2017, the District reported a liability of \$7,615,666 for its proportionate share of the net pension liability. 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 that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the District's proportion was 0.02571371820% which was a decrease of 1.28% from its proportion measured as of June 30, 2015.

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For the year ended June 30, 2017, the District recognized pension expense of \$809,862. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expensed and actual experience	\$ 141,628	
Changes of assumptions	1,577,559	
Net difference between projected and actual earnings on pension plan investments	290,392	
Changes in proportion and differences between District contributions and proportionate share of contributions	330,804	54,288.00
District contributions subsequent to the measurement date	<u>228,437</u>	
Total	<u>\$ 2,568,820</u>	<u>\$ 54,288.00</u>

\$228,437 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2018	\$ 517,358
2019	517,358
2020	591,446
2021	494,942
2022	164,991
Total	<u>\$ 2,286,095</u>

**Actuarial Assumptions**

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

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 2014 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-

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retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on 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 scale. 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 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 inflations. Best estimates of arithmetic real 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:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 US 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 (Except US)	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. This single blended discount rate was based on the 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 municipal 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 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 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 District's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the collective net pension liability of the participated employers as of June 30, 2016, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
District's proportionate share of the net pension liability	\$ 9,126,643	7,615,666	6,369,563.15

*Pension plan fiduciary net position.*

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

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**NOTE 12 – TEACHERS PENSION AND ANNUITY FUND (TPAF)**

At June 30, 2017, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ -
State's proportionate share of the net position liability associated with the District	<u>62,508,375.00</u>
Total	<u>\$ 62,508,375.00</u>

The net pension liability was measured as of June 30, 2016 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2016, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$4,696,635 and revenue of \$4,696,635 for support provided by the State. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 220,280	\$ 106,900
Changes of assumptions	12,477,422	
Net difference between projected and actual earnings on pension plan investments	1,140,037	
Changes in proportion and differences between District contributions and proportionate share of contributions	132,145	
District contributions subsequent to the measurement date	<u>\$ 632,819</u>	
Total	<u>\$ 14,602,703</u>	<u>\$ 106,900</u>

\$632,819 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:



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Year ended June 30,		
2018	\$	2,036,536
2019		2,036,536
2020		2,385,762
2021		2,231,215
2022		1,884,760
Thereafter		3,288,175
Total	\$	<u>13,862,984</u>

*Actuarial assumptions.* The total pension liability in the June 30, 2016 actuarial valuation 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, applied to all period included 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 disable mortality rates were based on the experience of TPAF members reflecting mortality improvement on a 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, 20012 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:

**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US 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 - Multi Strategy	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. This single blended discount rate was based on the 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 municipal 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 average of the last five years of employers' 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 District's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.22% as well as what the 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 (2.22%) or 1-percentage point higher (4.22%) than the current rate:

	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
District's proportionate share of the net pension liability	\$ -	-	-

*Pension plan fiduciary net position.*

**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

**NOTE 13 – POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and 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. 2008, C. 103 amended the law to eliminate the funding and payment of post-retirement medical benefits for retired state employees through 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 eligible for 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 premiums 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 free health benefits for members PERS and the Alternative Benefit Program 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.

GASB statement #45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District does not provide post-employment benefits other than pension. Healthcare provided to eligible TPAF and PERS board of education retirees through the NJ State Health Benefits Program are paid by the State of New Jersey and as such, no district OPEB liability exists. 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 Division of Pension and Benefits issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**NOTE 14 – COMPENSATED ABSENCES**

The liability for vested compensated absences for the governmental activities is recorded as long-term debt in the district-wide statements. The current portion of the compensated absences balance is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2017, no liability existed for compensated absences in the Food Service Enterprise Fund.

**NOTE 15 – DEFERRED COMPENSATION**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permit 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:

GWN Marketing

**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 16 – CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by New Jersey school districts for the accumulation of funds for 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 district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Post-April, 2005 transfers must be in compliance with P.L.2005, C73(S1701). Pursuant to N.J.A.C. 6:23A-2.13(g) 7, 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 account for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning balance, July 1, 2016		\$	525,001
Deposits			
Interest earned	\$	2,600	
Board Resolution - June		925,000	
			<u>927,600</u>
Withdrawals:			
None			<u>          </u>
Ending balance, June 30, 2017		\$	<u>1,452,601</u>

**NOTE 17 – MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (*N.J.S.A. 18A:7G-9*) as amended by P.L. 2004, c. 73 (S1701). Districts may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (*N.J.A.C. 6A:23-2.14*) or by transfer by board resolution at year end of any anticipated revenue or unexpended line item appropriations, or both.

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	\$ 687,108
Deposits – Interest on Investments	3,435
Ending balance, June 30, 2017	<u><u>\$690,543</u></u>

**NOTE 18 – RISK MANAGEMENT**

The 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.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability and surety bonds.

**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the 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 District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior year:

Fiscal Year	District Contributions	Employee Contributions	Interest on Investments	Amount Reimbursed	Prior Year Adjustment	Ending Balance
2016-2017		16,151	220	19,740	-	112,128
2015-2016	-	16,768	240	27,320	6,751	115,497
2014-2015	50,000	16,730	454	40,984	-	119,058

**NOTE 19 – CONTINGENT LIABILITIES**

Federal and State Grants

The District participates in a number of federal grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance would result in the disallowance of program expenditures.

**NOTE 20 – FUND BALANCE APPROPRIATED**

General Fund – Of the \$2,918,474 General Fund fund balance, at June 30, 2017, \$194,724 is reserved for encumbrances; \$917,490 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$344,433 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2018), \$1,452,601 has been reserved in the Capital Reserve Account; \$690,543 has been reserved in a Maintenance Reserve Account; \$436,374 is classified as assigned and has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2018, and a deficit of \$(773,258) is classified as Unassigned.

**NOTE 21 – CALCULATION OF EXCESS SURPLUS**

In accordance with NJSA 18A:7F-7, as amended by P.L. 2004, c.73, the designation for Reserved Fund Balance – Excess Surplus is a required calculation. 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 is \$917,490 of which \$344,433 has been included in the 2018 fiscal year budget.

**NOTE 22 – LITIGATION**

As of the date of this report, the Board of Education is currently involved in various matters of litigation. In all cases if it is believed that the outcome, or exposure to the Board of Education, from such litigation is either unknown or potential losses, if any would not be material to the financial statements.

**NOTE 23 – ECONOMIC DEPENDENCY**

The District receives support from the federal and state governments. A significant reduction in the level of support, if this were to occur, would have an effect on the District's programs and activities.

**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 24 – SUBSEQUENT EVENT**

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2017 through September 22, 2017, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

## **Required Supplementary Information – Part II**





# **Budgetary Comparison Schedules**



**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 8,522,661.00		8,522,661.00	8,522,661.00	-
Transportation	135,000.00		135,000.00	137,771.35	2,771.35
Interest Earned	10,000.00		10,000.00	8,957.03	(1,042.97)
Miscellaneous	65,000.00		65,000.00	235,341.01	170,341.01
<b>Total Local Sources</b>	<b>8,732,661.00</b>	<b>-</b>	<b>8,732,661.00</b>	<b>8,904,730.39</b>	<b>172,069.39</b>
State Sources:					
Equalization Aid	10,130,093.00		10,130,093.00	10,130,093.00	-
School Choice Aid	856,660.00		856,660.00	856,660.00	-
Categorical Transportation Aid	144,916.00		144,916.00	144,916.00	-
Special Education Aid	708,459.00		708,459.00	708,459.00	-
Security Aid	184,232.00		184,232.00	184,232.00	-
Adjustment Aid	181,409.00		181,409.00	181,409.00	-
Additional Adjustment Aid			-	-	-
PARCC Readiness Aid		12,940.00	12,940.00	12,940.00	-
Per Pupil Growth Aid		12,940.00	12,940.00	12,940.00	-
Professional Learning Community Aid		12,800.00	12,800.00	12,800.00	-
TPAF (On-Behalf - Non-Budgeted)					
Post Retirement Medical Contributions			-	717,985.00	717,985.00
Pension Costs			-	861,691.00	861,691.00
Long Term Disability			-	2,216.00	2,216.00
TPAF Social Security (Reimbursed - Non-Budgeted)				543,194.90	543,194.90
Extraordinary Aid	110,000.00		110,000.00	89,274.00	(20,726.00)
Other State Aid	38,680.00	(38,680.00)	-	-	-
Non-public Transportation Aid		6,960.00	6,960.00	6,960.00	-
<b>Total State Sources</b>	<b>12,354,449.00</b>	<b>6,960.00</b>	<b>12,361,409.00</b>	<b>14,465,769.90</b>	<b>2,104,360.90</b>
Federal Sources:					
Medicaid Reimbursement	41,355.00		41,355.00	20,421.19	(20,933.81)
Semi Revenue - ARRA	-		-	1,519.99	1,519.99
<b>Total Federal Sources</b>	<b>41,355.00</b>	<b>-</b>	<b>41,355.00</b>	<b>21,941.18</b>	<b>(19,413.82)</b>
<b>Total Revenues</b>	<b>21,128,465.00</b>	<b>6,960.00</b>	<b>21,135,425.00</b>	<b>23,392,441.47</b>	<b>2,257,016.47</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
<b>REGULAR PROGRAMS - INSTRUCTION</b>					
Grades 9 - 12 Salaries of Teachers	4,960,000.00	(85,945.62)	4,874,054.38	4,819,830.61	54,223.77
Regular Programs - Home Instruction					
Salaries of Teachers	40,000.00		40,000.00	27,252.00	12,748.00
Purchased Professional - Educational Services	50,000.00		50,000.00	41,121.20	8,878.80
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	109,118.00		109,118.00	104,931.95	4,186.05
Other Salaries	750.00	3,900.00	4,650.00	1,089.48	3,560.52
Purchased Professional/Educational Services	150,000.00		150,000.00	146,325.85	3,674.15
Contracted services	65,000.00	(1,017.62)	63,982.38	61,549.38	2,433.00
Rentals	68,500.00	(3,557.94)	64,942.06	61,247.16	3,694.90
Communications-telephone	45,000.00	(33,681.72)	11,318.28	11,318.28	-
Travel	9,500.00	4,971.61	14,471.61	14,471.61	-
General Supplies	295,000.00	343,289.96	638,289.96	626,304.25	11,985.71
Textbooks	100,000.00	(33,919.81)	66,080.19	66,080.19	-
Other Objects	30,000.00	10,942.36	40,942.36	37,138.36	3,804.00
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>5,922,868.00</b>	<b>204,981.22</b>	<b>6,127,849.22</b>	<b>6,018,660.32</b>	<b>109,188.90</b>
Behavioral Disabilities					
Salaries of Teachers	158,500.00	(84,682.94)	73,817.06	72,837.06	980.00
Purchased Technical Services	4,000.00	(3,800.01)	199.99	199.99	(0.00)
General Supplies	7,000.00	(3,264.99)	3,735.01	3,735.01	-
<b>Total Behavioral Disabilities</b>	<b>169,500.00</b>	<b>(91,747.94)</b>	<b>77,752.06</b>	<b>76,772.06</b>	<b>980.00</b>
Multiple Disabilities					
Salaries of Teachers	132,500.00	497.04	132,997.04	132,997.04	-
Other Salaries for Instruction	119,240.00	48,971.37	168,211.37	166,821.77	1,389.60
Purchased Technical Services	1,000.00		1,000.00	39.57	960.43
General Supplies	4,200.00	(290.56)	3,909.44	3,909.44	-
<b>Total Multiple Disabilities</b>	<b>256,940.00</b>	<b>49,177.85</b>	<b>306,117.85</b>	<b>303,767.82</b>	<b>2,350.03</b>

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Resource Room/Resource Center					
Salaries of Teachers	287,500.00	(6,849.59)	280,650.41	280,650.41	-
Purchased Technical Services	1,000.00	(1,000.00)	-	-	-
General Supplies	1,500.00	(1,017.46)	482.54	416.36	66.18
Total Resource Room/Resource Center	290,000.00	(8,867.05)	281,132.95	281,066.77	66.18
Autism					
Salaries of Teachers	152,142.00	(27,966.32)	124,175.68	117,733.55	6,442.13
General Supplies	500.00	(500.00)	-	-	-
	152,642.00	(28,466.32)	124,175.68	117,733.55	6,442.13
TOTAL SPECIAL EDUCATION - INSTRUCTION	869,082.00	(79,903.46)	789,178.54	779,340.20	9,838.34
Basic Skills/Remedial - Instruction					
Salaries for Teachers	4,000.00		4,000.00	-	4,000.00
Other Objects	7,250.00	(7,250.00)	-	-	-
Total Basic Skills/Remedial - Instruction	11,250.00	(7,250.00)	4,000.00	-	4,000.00
School-Spon. Cocurricular Activities - Instruction					
Salaries	110,540.00	1,022.50	111,562.50	106,800.00	4,762.50
Purchased Services (300 - 500 series)	4,500.00	10,300.00	14,800.00	14,800.00	-
Supplies and Materials	1,500.00	(1,500.00)	-	-	-
Other Objects	40,000.00	1,750.00	41,750.00	41,750.00	-
Total School-Spon. Cocurricular Activities - Inst.	156,540.00	11,572.50	168,112.50	163,350.00	4,762.50
School-Spon. Cocurricular Athletics - Instruction					
Salaries	321,477.00		321,477.00	320,507.54	969.46
Purchased Services (300 - 500 series)	81,000.00	(4,329.74)	76,670.26	76,367.40	302.86
Supplies and Materials	47,500.00	6,519.52	54,019.52	53,371.52	648.00
Other Objects	10,000.00	(1,760.00)	8,240.00	5,840.00	2,400.00
Total School-Spon. Cocurricular Athletics - Inst.	459,977.00	429.78	460,406.78	456,086.46	4,320.32
Alternative Education Program - Instruction					
Salaries of Teachers	13,000.00		13,000.00	1,429.50	11,570.50
Purchased Technical Services	13,000.00	30,000.00	43,000.00	32,832.49	10,167.51
General Supplies	-	209.77	209.77	209.77	-
Total Alternative Education Program - Inst.	26,000.00	30,209.77	56,209.77	34,471.76	21,738.01
Alternative Education Program - Support Services					
Salaries	-	-	-	-	-
Total Alternative Education Program - Support Services	-	-	-	-	-
TOTAL INSTRUCTION	7,445,717.00	160,039.81	7,605,756.81	7,451,908.74	153,848.07
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State-Regular	26,050.00		26,050.00	9,619.27	16,430.73
Tuition to other LEAs Within the State-Special Ed.	31,300.00		31,300.00		31,300.00
Tuition to County Voc. School Dist. - Regular	419,687.00	21,065.00	440,752.00	411,306.80	29,445.20
Tuition to County Voc. School Dist. - Special Ed.	153,500.00	(10,568.56)	142,931.44	75,159.26	67,772.18
Tuition to CSSD & Regional Day Schools	654,606.00	(16,000.00)	638,606.00	462,974.91	175,631.09
Tuition to Private Schools for the Disabled - Within State	661,947.00	(111,065.00)	550,882.00	491,284.88	59,597.12
Tuition to Private Schools for the Disabled & Other LEA - Spl. O/S St.	35,000.00		35,000.00		35,000.00
Tuition - State Facilities	4,500.00		4,500.00	4,500.00	-
Tuition - Other	40,973.00		40,973.00	40,973.00	-
Total Undistributed Expenditures - Instruction	2,027,563.00	(116,568.56)	1,910,994.44	1,495,818.12	415,176.32
Undistributed Expend. - Attend. & Social Worker					
Salaries	48,107.00	-	48,107.00	47,520.00	587.00
Total Undist. Expend. - Attend. & Social Worker	48,107.00	-	48,107.00	47,520.00	587.00
Undistributed Expend. - Health Services					
Salaries	145,541.00	0.08	145,541.08	145,541.08	-
Purchased Professional and Technical Services	128,000.00	(117.41)	127,882.59	18,290.00	109,592.59
Supplies & Materials	2,500.00	107.58	2,607.58	2,607.58	-
Other Objects	-	-	-	-	-
Total Undistributed Expend. - Health Services	276,041.00	(9.75)	276,031.25	166,438.66	109,592.59

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Speech, OT, PT, and Related Services					
Salaries			-		-
Purchased Professional Education Services	61,000.00		61,000.00	49,461.01	11,538.99
Total Undistributed Expend. - Speech, OT, PT and Related Services	<u>61,000.00</u>	<u>-</u>	<u>61,000.00</u>	<u>49,461.01</u>	<u>11,538.99</u>
Undist. Expend. - Other Support Serv. - Extraordinary Services					
Purchased Professional - Educational Services	176,000.00	13,000.00	189,000.00	177,007.78	11,992.22
Student - Related Services	176,000.00	13,000.00	189,000.00	177,007.78	11,992.22
Undistributed Expenditures- Guidance					
Salaries of Other Professional Staff	514,675.00		514,675.00	495,062.78	19,612.22
Salaries of Secretarial and Clerical Assistants	99,330.00	690.50	100,020.50	95,730.50	4,290.00
Purchased Prof. and Tech. Services	35,000.00	5,640.00	40,640.00	40,640.00	-
Other Purchased Services (400-500 series)	500.00	(171.89)	328.11	328.11	-
Supplies & Materials	6,000.00	(243.67)	5,756.33	5,696.33	60.00
Other Objects	6,500.00	(61.50)	6,438.50	6,438.50	-
Total Undist. Expend. - Guidance	<u>662,005.00</u>	<u>5,853.44</u>	<u>667,858.44</u>	<u>643,896.22</u>	<u>23,962.22</u>
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	161,135.00	4,779.29	165,914.29	156,528.79	9,385.50
Salaries of Secretarial and Clerical Assistants	49,130.00		49,130.00	48,946.00	184.00
Salaries Other	22,000.00		22,000.00	20,000.00	2,000.00
Purchased Professional/Educational Services	27,000.00	(7,298.97)	19,701.03	19,701.03	-
Supplies & Materials	1,500.00	(1,500.00)	-	-	-
Total Undist. Expend. - Child Study Team	<u>260,765.00</u>	<u>(4,019.68)</u>	<u>256,745.32</u>	<u>225,474.79</u>	<u>31,270.53</u>
Undist. Expend. - Improvement of Inst. Services					
Salaries of Supervisor of Instruction	275,000.00	84,118.00	359,118.00	339,308.11	19,809.89
Salaries of Secretarial and Clerical Assistants	49,000.00		49,000.00	45,663.22	3,336.78
Salaries Other	45,000.00		45,000.00	1,550.00	43,450.00
Purchased Professional/Educational Services	31,000.00		31,000.00	12,869.68	18,130.32
Other Purchased Services (400-500 series)	15,500.00		15,500.00	1,500.00	14,000.00
Total Undist. Expend. - Improvement of Inst. Serv.	<u>415,500.00</u>	<u>84,118.00</u>	<u>499,618.00</u>	<u>400,891.01</u>	<u>98,726.99</u>
Undist. Expend. - Edu. Media Serv.					
Salaries of Technology Coordinators	78,000.00	5,829.10	83,829.10	78,873.70	4,955.40
Other Purchased Services (400-500 series)			-		-
Supplies & Materials	30,250.00	(1,037.01)	29,212.99	29,138.55	74.44
Miscellaneous Expenditures	1,000.00	1,499.93	2,499.93	891.93	1,608.00
Total Undistributed Expenditures - Educational Media Services	<u>109,250.00</u>	<u>6,292.02</u>	<u>115,542.02</u>	<u>108,904.18</u>	<u>6,637.84</u>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	189,000.00		189,000.00	188,635.06	364.94
Legal Services	146,000.00	30,000.00	176,000.00	112,531.90	63,468.10
Audit Fees	28,500.00		28,500.00	27,500.00	1,000.00
Architectural/Engineering Services	40,000.00	(8,381.01)	31,618.99		31,618.99
Communications/Telephone	50,000.00	13,751.75	63,751.75	63,751.75	-
Travel	5,000.00		5,000.00	3,212.70	1,787.30
Miscellaneous Purchases Services	51,256.00	5,000.00	56,256.00	50,436.48	5,819.52
General Supplies and Materials	18,000.00		18,000.00	17,045.14	954.86
Miscellaneous Expenditures	20,500.00	5,000.00	25,500.00	14,121.63	11,378.37
BOE Membership Dues and Fees	2,500.00	10,000.00	12,500.00		12,500.00
Total Undistributed Expenditures - Support Services - General Administration	<u>550,756.00</u>	<u>55,370.74</u>	<u>606,126.74</u>	<u>477,234.66</u>	<u>128,892.08</u>
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals	400,206.00	(60,835.31)	339,370.69	324,052.31	15,318.38
Salaries of Other Professional Staff	241,556.00	4,717.31	246,273.31	242,091.31	4,182.00
Salaries of Secretarial and Clerical Assistants	196,753.00		196,753.00	196,753.00	-
Supplies & Materials	2,500.00	8,699.96	11,199.96	5,323.25	5,876.71
Other Exp - Principals	-	6,186.45	6,186.45	6,186.45	-
Total Undistributed Expenditures - Support Services - School Administration	<u>841,015.00</u>	<u>(41,231.59)</u>	<u>799,783.41</u>	<u>774,406.32</u>	<u>25,377.09</u>

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Central Services					
Salaries	298,300.00		298,300.00	295,468.92	2,831.08
Purchased Technical Services	10,500.00	26,900.00	37,400.00	18,673.68	18,726.32
Miscellaneous Purchased (400-500 series)	1,650.00		1,650.00	1,271.34	378.66
Supplies & Materials	10,400.00	13,986.52	24,386.52	11,585.97	12,800.55
Miscellaneous Expenditures	3,200.00	1,500.00	4,700.00	4,659.10	40.90
<b>Total Undistributed Expenditures - Central Services</b>	<b>324,050.00</b>	<b>42,386.52</b>	<b>366,436.52</b>	<b>331,659.01</b>	<b>34,777.51</b>
Undist. Expend. - Admin. Info. Technology					
Salaries	148,531.00	7,000.00	155,531.00	137,836.95	17,694.05
<b>Total Undistributed Expenditures - Admin Info. Technology</b>	<b>148,531.00</b>	<b>7,000.00</b>	<b>155,531.00</b>	<b>137,836.95</b>	<b>17,694.05</b>
Total Undistributed Expenditures - Required Maint. for School Facilities					
Cleaning, Repair and Maintenance Service	195,000.00	259,483.50	454,483.50	304,803.45	149,680.05
General Supplies	98,000.00	(62,015.49)	35,984.51	24,202.27	11,782.24
<b>Total Undistributed Expenditures - Allowable Maintenance for School Facilities</b>	<b>293,000.00</b>	<b>197,468.01</b>	<b>490,468.01</b>	<b>329,005.72</b>	<b>161,462.29</b>
Undist. Expend. - Custodial Services					
Salaries	714,022.00	(59,916.07)	654,105.93	641,057.43	13,048.50
Cleaning, Repair and Maintenance Service	103,285.00	21,183.99	124,468.99	99,943.52	24,525.47
Other Purchased Property Services	60,000.00		60,000.00	54,664.80	5,335.20
Insurance	123,000.00		123,000.00	112,388.00	10,612.00
General Supplies	87,000.00	11,773.60	98,773.60	86,462.05	12,311.55
Energy (Natural Gas)	110,000.00	(15,000.00)	95,000.00	74,086.60	20,913.40
Energy (Electricity)	475,000.00	(60,000.00)	415,000.00	399,170.93	15,829.07
Energy (Oil)	13,000.00		13,000.00	11,833.70	1,166.30
Energy (Gasoline)	35,000.00	(18,937.57)	16,062.43	10,999.69	5,062.74
Miscellaneous	1,400.00		1,400.00	435.00	965.00
<b>Total Undistributed Expenditures - Custodial Services</b>	<b>1,721,707.00</b>	<b>(120,896.05)</b>	<b>1,600,810.95</b>	<b>1,491,041.72</b>	<b>109,769.23</b>
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	91,240.00	10,000.00	101,240.00	74,159.77	27,080.23
<b>Total Care and Upkeep of Grounds</b>	<b>91,240.00</b>	<b>10,000.00</b>	<b>101,240.00</b>	<b>74,159.77</b>	<b>27,080.23</b>
Undist. Expend. - Security					
Salaries	128,107.00	47,937.57	176,044.57	170,788.93	5,255.64
Contracted Services	14,000.00		14,000.00	12,122.00	1,878.00
General Supplies	6,200.00	(0.04)	6,199.96	6,199.25	0.71
<b>Total Security</b>	<b>148,307.00</b>	<b>47,937.53</b>	<b>196,244.53</b>	<b>189,110.18</b>	<b>7,134.35</b>
<b>Total Undistributed Expenditures Operations and Maintenance of Plant Services</b>	<b>2,254,254.00</b>	<b>134,509.49</b>	<b>2,388,763.49</b>	<b>2,083,317.39</b>	<b>305,446.10</b>
Undist. Expend. - Student Transportation Serv.					
Sal.- Pup. Trans. (Bet. Home & School) - Spc.	62,950.00	-	62,950.00	53,277.45	9,672.55
Management Fee - ESC & CTSA Trans. Programs	60,000.00		60,000.00	51,846.00	8,154.00
Cleaning, Repair, Maintenance Service	4,500.00		4,500.00	1,716.00	2,784.00
Bus Lease Payment	25,000.00	5,000.00	30,000.00	29,370.00	630.00
Contr. Serv. - Aid in Lieu - NP Students	50,000.00		50,000.00	35,600.59	14,399.41
Contr. Serv. - Aid in Lieu - Choice	25,000.00		25,000.00	15,735.14	9,264.86
Contracted Services Home	6,500.00		6,500.00	2,944.37	3,555.63
Contracted Services Other	320,000.00		320,000.00	283,486.06	36,513.94
Transportation Jointure	840,000.00	(9,000.00)	831,000.00	767,581.00	63,419.00
Contracted Transportation Special Ed.	25,000.00		25,000.00		25,000.00
Transportation Jointure Special Ed.	670,000.00	(20,000.00)	650,000.00	571,636.55	78,363.45
General Supplies and Materials	250.00		250.00		250.00
<b>Total Undistributed Expenditures - Student Transportation Services</b>	<b>2,089,200.00</b>	<b>(24,000.00)</b>	<b>2,065,200.00</b>	<b>1,813,193.16</b>	<b>252,006.84</b>
Unallocated Benefits					
Social Security Contribution	285,000.00	10,000.00	295,000.00	206,304.79	88,695.21
Other Retirement Contributions - Regular	285,000.00		285,000.00	240,556.56	44,443.44
Unemployment Compensation	37,000.00		37,000.00	415.50	36,584.50
Workmen's Compensation	165,000.00		165,000.00	129,908.66	35,091.34
Health Benefits	2,485,000.00	(171,639.59)	2,313,360.41	2,313,360.41	-
Tuition Reimbursement	52,100.00		52,100.00	27,307.83	24,792.17
Other Employee Benefits	195,000.00		195,000.00	177,381.13	17,618.87
<b>Total Unallocated Benefits</b>	<b>3,504,100.00</b>	<b>(161,639.59)</b>	<b>3,342,460.41</b>	<b>3,095,234.88</b>	<b>247,225.53</b>

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
On-Behalf Contributions					
On-Behalf TPAF Pension Contribution (non-bud)	-	-	-	1,581,892.00	(1,581,892.00)
Reimbursed TPAF Social Security Cont.(non-bud)	-	-	-	543,194.90	(543,194.90)
Total On-Behalf Contributions	-	-	-	2,125,086.90	(2,125,086.90)
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>13,748,137.00</b>	<b>1,061.04</b>	<b>13,749,198.04</b>	<b>14,153,381.04</b>	<b>(404,183.00)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>21,193,854.00</b>	<b>161,100.85</b>	<b>21,354,954.85</b>	<b>21,605,289.78</b>	<b>(250,334.93)</b>
<b>CAPITAL OUTLAY</b>					
Equipment:					
Regular Programs					
Grades 9 - 12 Instruction					
Instructional	63,485.00	106,956.55	170,441.55	112,208.90	58,232.65
Non-Instructional			-		-
Instructional			-		-
Undistributed Expenditures					
Required Maintenance for School Facilities	110,000.00	(14,281.83)	95,718.17	95,718.17	-
Total Equipment	173,485.00	92,674.72	266,159.72	207,927.07	58,232.65
Facilities Acquisition and Construction Services					
Engineer Fees		1,680.00	1,680.00	1,680.00	-
Assessment for Debt Service on SDA Funding	224,824.00	8,320.00	233,144.00	224,824.00	8,320.00
Total Facilities Acquisition and Construction Services	224,824.00	10,000.00	234,824.00	226,504.00	8,320.00
<b>TOTAL CAPITAL OUTLAY</b>	<b>398,309.00</b>	<b>102,674.72</b>	<b>500,983.72</b>	<b>434,431.07</b>	<b>66,552.65</b>
Transfer of Funds to Charter Schools			-		-
<b>TOTAL EXPENDITURES</b>	<b>21,592,163.00</b>	<b>263,775.57</b>	<b>21,855,938.57</b>	<b>22,039,720.85</b>	<b>(183,782.28)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(463,698.00)</b>	<b>(256,815.57)</b>	<b>(720,513.57)</b>	<b>1,352,720.62</b>	<b>2,073,234.19</b>
Other Financing Sources:					
Operating Transfers In:					
Transfer of Interest from Capital Projects Fund			-	0.82	0.82
Total Other Financing Sources (Uses):	-	-	-	0.82	0.82
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(463,698.00)	(256,815.57)	(720,513.57)	1,352,721.44	2,073,235.01
Fund Balance July 1	999,605.00	(46,690.00)	952,915.00	2,737,304.00	1,784,389.00
Fund Balance June 30	<u>\$ 535,907.00</u>	<u>(303,505.57)</u>	<u>232,401.43</u>	<u>4,090,025.44</u>	<u>3,857,624.01</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				1,452,601.00	
Maintenance Reserve				690,543.00	
Excess Surplus - Designated for Subsequent Year's Expenditures				344,433.00	
Excess Surplus - Current Year				573,057.15	
Committed Fund Balance:					
Year-End Encumbrances				194,724.61	
Assigned Fund Balance:					
Unreserved - Designated for Subsequent Year's Expenditures				436,374.00	
Unassigned Fund Balance				398,292.68	
				<u>4,090,025.44</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Payments Not Recognized on GAAP Basis				(1,171,551.00)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,918,474.44</u>	

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources		8,065.11	8,065.11	8,065.11	-
State Sources	483,239.00	201,382.00	201,382.00	134,774.13	(66,607.87)
Federal Sources		88,591.84	571,830.84	561,009.21	(10,821.63)
<b>Total Revenues</b>	<b>483,239.00</b>	<b>298,038.95</b>	<b>781,277.95</b>	<b>703,848.45</b>	<b>(77,429.50)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	113,000.00	33,699.99	146,699.99	139,819.99	6,880.00
Other Salaries for Instruction	20,000.00	8,269.84	28,269.84	28,269.84	-
Purchased Professional Technical Services		2,746.00	2,746.00	2,746.00	-
Purchased Professional & Educational Services		1,716.53	1,716.53	1,716.53	-
Tuition	237,176.00	9,664.44	246,840.44	246,840.44	-
General Supplies	66,456.00	103,411.58	169,867.58	157,424.13	12,443.45
Other Objects		8,447.00	8,447.00	8,447.00	-
<b>Total Instruction</b>	<b>436,632.00</b>	<b>167,955.38</b>	<b>604,587.38</b>	<b>585,263.93</b>	<b>19,323.45</b>
Support Services:					
Salaries of Other Professional Staff		11,790.50	11,790.50	6,597.50	5,193.00
Personal Services - Employee Benefits	46,607.00	(1,155.78)	45,451.22	44,529.22	922.00
Purchased Professional Technical Services		4,000.00	4,000.00	4,000.00	-
Other Purchased Services (400-500 series)		56,385.04	56,385.04	54,283.64	2,101.40
Supplies & Materials		13,246.05	13,246.05	2,424.42	10,821.63
Other Objects		8,549.74	8,549.74	6,749.74	1,800.00
<b>Total Support Services</b>	<b>46,607.00</b>	<b>92,815.55</b>	<b>139,422.55</b>	<b>118,584.52</b>	<b>20,838.03</b>
Facilities Acquisition and Construction Services					
Instructional Equipment	-	37,268.02	37,268.02	-	37,268.02
<b>Total Outflows</b>	<b>483,239.00</b>	<b>298,038.95</b>	<b>781,277.95</b>	<b>703,848.45</b>	<b>77,429.50</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-



## **Notes to the Required Supplementary Information**



**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budget-to-GAAP Reconciliation**  
**Note to RSI**  
**For the Year Ended June 30, 2017**

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

		General Fund		Special Revenue Fund
<b>Sources / inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 23,392,441.47	[C-2]	\$ 703,848.45
<b>Difference - budget to GAAP:</b>				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized				
Current Year				(26,560.53)
Prior Year				4,515.00
Decrease in Value of SREC Investment		(162,945.00)		
Final State Aid payment delayed until July 2016 is recorded as budgetary revenue but is not recognized under GAAP		1,145,229.00		
Final State Aid payment delayed until July 2017 is recorded as budgetary revenue but is not recognized under GAAP		(1,171,551.00)		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	\$ 23,203,174.47	[B-2]	\$ 681,802.92
<b>Uses / outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 22,039,720.85	[C-2]	\$ 703,848.45
<b>Difference - budget to GAAP:</b>				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year supplies are received for GAAP financial reporting purposes.				
				(22,045.53)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	\$ 22,039,720.85	[B-2]	\$ 681,802.92

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## **Required Supplementary Information – Part III**



**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employee Retirement System**  
**Last Three Fiscal Years**

	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.0257137182%	0.02604684%	0.02549098%	0.02293227%
District's proportionate of the net pension liability (asset)	\$ 7,615,666.00	\$ 5,846,994.00	\$ 4,772,609.00	\$ 4,382,813.00
District's covered payroll	1,584,938.00	\$ 1,625,603.00	\$ 1,778,614.00	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	480.50%	359.68%	268.33%	N/A
Plan fiduciary net position as a percentage of the total pension liability	40.14%	47.93%	52.08%	48.72%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period.  
However, information is only currently available for three years.  
Additional years will be presented as they become available.

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**Last Three Fiscal Years**

	<u>PERS</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 227,048.00	\$ 210,144.00	\$ 172,790.00	\$ 172,790.00
Contributions in relation to the contractually required contribution	<u>227,048.00</u>	<u>210,144.00</u>	<u>172,790.00</u>	<u>172,790.00</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered-employee payroll	\$ 1,584,938.00	\$ 1,778,614.00	\$ 1,778,614.00	N/A
Contributions as a percentage of covered-employee payroll	14.33%	11.82%	9.71%	\$ -
	<u>TPAF</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A
District's covered-employee payroll	\$ 7,304,305.00	\$ 7,178,045.00	\$ 7,663,677.00	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period.  
However, information is only currently available for three years.  
Additional years will be presented as they become available.



**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund**  
**Last Three Fiscal Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>62,508,375</u>	<u>48,031,175</u>	<u>43,053,836.00</u>	<u>40,693,510.00</u>
Total	<u>62,508,375</u>	<u>48,031,175</u>	<u>\$ 43,053,836.00</u>	<u>\$ 40,693,510.00</u>
District's covered payroll	\$ 7,615,666.00	\$ 7,178,045.00	\$ 7,663,677.00	\$ 7,663,677.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.64%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for three years. Additional years will be presented as they become available.

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## **Other Supplementary Information**



## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

Special revenue funds are 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.



**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2017**

	Title I Part A	Title II Part A	I.D.E.A. Part B	Current Year Perkins Vocational	Prior Year Perkins Vocational	NJ Dept. NJ Dept. Agriculture
<b>REVENUES:</b>						
Local Sources						
State Sources	173,139.00	25,305.37	283,729.00	70,320.84	8,515.00	10,000.00
Federal Sources						
<b>Total Revenues</b>	<b>173,139.00</b>	<b>25,305.37</b>	<b>283,729.00</b>	<b>70,320.84</b>	<b>8,515.00</b>	<b>10,000.00</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers	129,972.79	9,847.20				
Other Salaries for Instruction	1,207.50		18,884.00		3,400.00	
Purchased Professional Technical Services			1,527.38	2,746.00		
Purchased Professional & Educational Services	189.15		246,840.44			
Tuition			12,417.21			
General Supplies	1,278.56			45,026.03	4,855.00	8,150.00
Other Objects				8,282.00		
<b>Total Instruction</b>	<b>132,648.00</b>	<b>9,847.20</b>	<b>279,669.03</b>	<b>56,054.03</b>	<b>8,255.00</b>	<b>8,150.00</b>
Support Services:						
Salaries of Other Professional Staff	980.00	4,952.50				
Personal Services - Employee Benefits	39,361.22	3,094.00	1,445.00		260.00	
Purchased Professional Technical Services				4,000.00		
Other Purchased Services (400-500 series)		6,168.00	1,584.00	10,266.81		1,850.00
Supplies & Materials	149.78	1,243.67	1,030.97			
Other Objects						
<b>Total Support Services</b>	<b>40,491.00</b>	<b>15,458.17</b>	<b>4,059.97</b>	<b>14,266.81</b>	<b>260.00</b>	<b>1,850.00</b>
Facilities Acquisition and Construction Services						
Instructional Equipment						
Total Facilities Acquisition and Const. Services	-	-	-	-	-	-
<b>Total Outflows</b>	<b>173,139.00</b>	<b>25,305.37</b>	<b>283,729.00</b>	<b>70,320.84</b>	<b>8,515.00</b>	<b>10,000.00</b>
Excess (Deficiency) of Revenues Over (Under)	\$ -	-	-	-	-	-
Expenditures and Other Financing Sources (Uses)						

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2017**

	Year 1 Career Pathways	Year 2 Career Pathways	Local Grants	Totals 2017
<b>REVENUES:</b>				
Local Sources			8,065.11	8,065.11
State Sources	91,354.88	33,419.25		134,774.13
Federal Sources				561,009.21
<b>Total Revenues</b>	<b>91,354.88</b>	<b>33,419.25</b>	<b>8,065.11</b>	<b>703,848.45</b>
<b>EXPENDITURES:</b>				
Instruction:				
Salaries of Teachers				139,819.99
Other Salaries for Instruction	4,778.34			28,269.84
Purchased Professional Technical Services				2,746.00
Purchased Professional & Educational Services				1,716.53
Tuition				246,840.44
General Supplies	61,695.56	23,310.53	691.24	157,424.13
Other Objects			165.00	8,447.00
<b>Total Instruction</b>	<b>66,473.90</b>	<b>23,310.53</b>	<b>856.24</b>	<b>585,263.93</b>
Support Services:				
Salaries of Other Professional Staff	665.00			6,597.50
Personal Services - Employee Benefits	369.00			44,529.22
Purchased Professional Technical Services				4,000.00
Other Purchased Services (400-500 series)	19,097.24	8,108.72	7,208.87	54,283.64
Supplies & Materials	4,749.74	2,000.00	-	2,424.42
Other Objects				6,749.74
<b>Total Support Services</b>	<b>24,880.98</b>	<b>10,108.72</b>	<b>7,208.87</b>	<b>118,584.52</b>
Facilities Acquisition and Construction Services				
Instructional Equipment				-
<b>Total Facilities Acquisition and Const. Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Outflows</b>	<b>91,354.88</b>	<b>33,419.25</b>	<b>8,065.11</b>	<b>703,848.45</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## **CAPITAL PROJECTS FUND DETAIL STATEMENTS**

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.



**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Capital Projects Funds**  
**Summary Schedule of Project Expenditures**  
**For the Year Ended June 30, 2017**

Description	Revised Appropriations	Prior Year	Expenditures to Date Current Year	Adjustment	Unexpended Balance June 30, 2017
0997-030-09-1000 Solar Project	4,418,533.00	2,973,312.00	365,000.00		1,080,221.00
Total	<u>\$ 4,418,533.00</u>	<u>\$ 2,973,312.00</u>	<u>\$ 365,000.00</u>	<u>\$ -</u>	<u>\$ 1,080,221.00</u>

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Capital Projects Funds**  
**Summary Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budgetary Basis**  
**For the Year Ended June 30, 2017**

**Revenues and Other Financing Sources**

Interest	\$ 2,189.26
Total Revenues	2,189.26

**Expenditures and Other Financing Uses**

Construction services	-
Total Expenditures	-

Excess (deficiency) of revenues over (under) expenditures	2,189.26
---	----------

**Other Financing Sources (Uses):**

Net Transfers (to)/from Debt Service Fund	(365,000.00)
Transfer of Interest to Debt Service Fund	(2,189.26)
Total Other Financing Sources (Uses)	(367,189.26)

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(365,000.00)
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Fund balance - beginning	1,445,221.00
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Fund balance - ending	\$ 1,080,221.00
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**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Capital Projects Funds**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Solar Project**  
**For the Year Ended June 30, 2017**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 4,418,382.00	\$ -	\$ 4,418,382.00	\$ 4,418,382.00
Transfer From General Fund	151.00	-	151.00	151.00
Total revenues	<u>4,418,533.00</u>	<u>-</u>	<u>4,418,533.00</u>	<u>4,418,533.00</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	290,437.00		290,437.00	290,437.00
Construction Services	1,234,196.00		1,234,196.00	1,234,196.00
Other Objects	582,403.00		582,403.00	582,403.00
Transfer out	866,276.00	365,000.00	1,231,276.00	2,311,497.00
Total Expenditures	<u>2,973,312.00</u>	<u>365,000.00</u>	<u>3,338,312.00</u>	<u>4,418,533.00</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 1,445,221.00</u>	<u>\$ (365,000.00)</u>	<u>\$ 1,080,221.00</u>	<u>\$ -</u>
<b>Additional project information:</b>				
Project Number	0997-030-09-1000			
Original Authorized Cost	\$ 4,418,533.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 4,418,533.00			
Percentage Increase over Original Authorized Cost	0.0%			
Percentage Completion	100.00%			
Original Target completion date	9/15/2016			
Revised target completion date	Complete			

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## **PROPRIETARY FUND DETAIL STATEMENTS**

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

**Food Service Fund** - This fund provides for the operation of food services in all schools within the school district.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS  
B-4, B-5 AND B-6.**





## **FIDUCIARY FUNDS DETAIL STATEMENTS**

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

**Unemployment Compensation Fund** - This Trust Fund is an expendable trust fund and limits expenses set aside for this purpose in current and prior budgets and contributions from employee withholding in prior years.

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.



**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Fiduciary Net Position**  
**June 30, 2017**

	Student Activity	Payroll/ Agency	Private Purpose Scholarship Fund	Employee Reimbursement Fund	Unemployment Compensation Trust	Totals
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 352,455.46	5,452.00	10,728.59	1,364.49	112,127.98	\$ 482,128.52
Total Assets	<u>352,455.46</u>	<u>5,452.00</u>	<u>10,728.59</u>	<u>1,364.49</u>	<u>112,127.98</u>	<u>482,128.52</u>
<b>LIABILITIES</b>						
Payable to Student Groups	352,455.46					352,455.46
Interfund Payable		5,452.00				5,452.00
Payroll Deductions & Withholdings		-				-
Total Liabilities	<u>352,455.46</u>	<u>5,452.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>357,907.46</u>
Net Position	<u>-</u>	<u>-</u>	<u>10,728.59</u>	<u>1,364.49</u>	<u>112,127.98</u>	<u>124,221.06</u>
Total Net Position						<u>124,221.06</u>

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2017**

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Employee Reimbursement Fund	Totals
<b>ADDITIONS</b>				
Contributions:				
Plan Member	\$ 16,150.53			16,150.53
Other		7,099.59	6,860.00	7,099.59
Board Contribution				-
Total Contributions	<u>16,150.53</u>	<u>7,099.59</u>	<u>6,860.00</u>	<u>23,250.12</u>
Investments Earnings:				
Interest	219.95		1.49	219.95
Net Investment Earnings	<u>219.95</u>	<u>-</u>	<u>1.49</u>	<u>219.95</u>
Total Additions	<u>16,370.48</u>	<u>7,099.59</u>	<u>6,861.49</u>	<u>23,470.07</u>
<b>Deductions</b>				
Scholarships Awarded				-
Other		5,900.00	6,000.00	5,900.00
Unemployment Claims	19,739.50			19,739.50
Total Deductions	<u>19,739.50</u>	<u>5,900.00</u>	<u>6,000.00</u>	<u>25,639.50</u>
Change in net position	(3,369.02)	1,199.59	861.49	(2,169.43)
Net Position - Beginning of the Year	115,497.00	9,529.00	503.00	125,026.00
Prior Year Audit Adjustment				
Net Position - End of the Year	<u>\$ 112,127.98</u>	<u>10,728.59</u>	<u>1,364.49</u>	<u>122,856.57</u>

**CUMBERLAND REGIONAL SCHOOL DISTRICT  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 As of June 30, 2017**

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
Cumberland Regional High School \$	262,736.00	432,597.49	342,878.03	352,455.46
Total Assets \$	<u>262,736.00</u>	<u>432,597.49</u>	<u>342,878.03</u>	<u>352,455.46</u>

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**As of June 30, 2017**

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 14,491.00	\$ 11,244,774.39	\$ 11,253,813.39	\$ 5,452.00
Total Assets	<u>\$ 14,491.00</u>	<u>\$ 11,244,774.39</u>	<u>\$ 11,253,813.39</u>	<u>\$ 5,452.00</u>
<b>LIABILITIES:</b>				
Net Payroll	\$	\$ 6,022,395.17	\$ 6,022,395.17	\$ -
Payroll Deductions & Withholding	9,039.00	5,065,668.72	5,074,707.72	-
Summer Savings		156,710.50	156,710.50	-
Interfund Payable	5,452.00			5,452.00
Total Liabilities	<u>\$ 14,491.00</u>	<u>\$ 11,244,774.39</u>	<u>\$ 11,253,813.39</u>	<u>\$ 5,452.00</u>

### **LONG-TERM DEBT SCHEDULES**

The long-term debt schedules are used to reflect the outstanding principal balance of the general long-term liabilities of the school district. This includes serial bonds outstanding, the outstanding principal balance on capital leases.





**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Schedule of General Serial Bonds**  
**As of June 30, 2017**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2017	Interest Rate	Balance June 30, 2016	Changes			Balance June 30, 2016
						Increased	Decreased	Refunded	
Roof replacement and solar energy project	09/01/10	6,477,000	400,000.00	2.500%	4,912,000.00		365,000.00		4,547,000.00
			425,000.00	2.500%					
			450,000.00	3.000%					
			475,000.00	3.000%					
			500,000.00	3.000%					
			550,000.00	3.000%					
			550,000.00	3.125%					
			600,000.00	3.250%					
School refunding bond Series 2012			597,000.00	3.375%					
	8/16/2012	3,785,000	375,000.00	3.000%	2,945,000.00		375,000.00		2,570,000.00
				370,000.00	4.000%				
				370,000.00	4.000%				
				370,000.00	4.000%				
				365,000.00	4.000%				
				365,000.00	3.000%				
				355,000.00	3.000%				
					\$ 7,857,000.00		740,000.00		7,117,000.00

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 423,156.00	\$	\$ 423,156.00	\$ 423,156.00	\$ -
Total - Local Sources	423,156.00	-	423,156.00	423,156.00	-
State Sources:					
Debt Service Aid Type II	186,168.00	-	186,168.00	186,168.00	-
Total - State Sources	186,168.00	-	186,168.00	186,168.00	-
Total Revenues	609,324.00	-	609,324.00	609,324.00	-
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	248,937.00	-	248,937.00	248,936.26	0.74
Redemption of Principal	740,000.00	-	740,000.00	740,000.00	-
Total Regular Debt Service	988,937.00	-	988,937.00	988,936.26	0.74
Total Expenditures	988,937.00	-	988,937.00	988,936.26	0.74
Excess (Deficiency) of Revenues Over (Under) Expenditures	(379,613.00)	-	(379,613.00)	(379,612.26)	(0.74)
Other Financing Sources(Uses):					
Operating Transfers In:					
Capital Projects Fund Interest			-	2,188.44	2,188.44
Capital Projects Fund Balances	365,000.00	-	365,000.00	365,000.00	-
	365,000.00	-	365,000.00	367,188.44	2,188.44
Excess (Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures	(14,613.00)	-	(14,613.00)	(12,423.82)	2,187.70
Fund Balance, July 1	25,158.00	-	25,158.00	25,158.00	-
Fund Balance, June 30	10,545.00	-	10,545.00	12,734.18	2,187.70
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ (14,613.00)	-	(14,613.00)	(12,423.82)	2,187.70

## **Statistical Section**



**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 26,912,369.00	\$ 31,768,032.00	\$ 35,222,943.00	\$ 31,129,007.00	\$ 32,000,537.00	\$ 32,246,776.00	\$ 30,923,250.00	\$ 29,722,722.00	\$ 28,453,162.00	\$ 27,270,479.36
Restricted	972,136.00	1,738,805.00	578,217.00	6,808,606.00	5,819,179.00	3,962,564.00	3,094,711.00	2,706,221.00	3,540,697.00	4,140,855.15
Unrestricted	(266,411.00)	(1,118,269.00)	39,079.00	(1,088,440.00)	(529,502.00)	(817,854.00)	(799,784.00)	(5,122,106.00)	(5,216,681.00)	(5,788,557.61)
<b>Total governmental activities net position</b>	<b>\$ 27,616,094.00</b>	<b>\$ 32,388,568.00</b>	<b>\$ 35,840,239.00</b>	<b>\$ 36,849,173.00</b>	<b>\$ 37,290,214.00</b>	<b>\$ 35,391,486.00</b>	<b>\$ 33,218,177.00</b>	<b>\$ 27,306,837.00</b>	<b>\$ 26,777,178.00</b>	<b>\$ 25,622,776.90</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	83,138.00	77,004.00	86,554.00	94,674.00	104,298.00	94,791.00	87,371.00	89,940.00	98,242.00	84,536.00
Unrestricted	127,313.00	185,753.00	216,392.00	166,947.00	118,396.00	103,576.00	118,117.00	68,669.00	48,715.00	38,295.26
<b>Total business-type activities net position</b>	<b>\$ 210,451.00</b>	<b>\$ 262,757.00</b>	<b>\$ 302,946.00</b>	<b>\$ 261,621.00</b>	<b>\$ 222,694.00</b>	<b>\$ 198,367.00</b>	<b>\$ 205,488.00</b>	<b>\$ 158,609.00</b>	<b>\$ 146,957.00</b>	<b>\$ 122,831.26</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	26,995,507.00	31,845,036.00	35,309,497.00	31,223,681.00	32,104,835.00	32,341,567.00	31,010,621.00	29,812,662.00	28,551,404.00	27,355,015.36
Restricted	972,136.00	1,738,805.00	578,217.00	6,808,606.00	5,819,179.00	3,962,564.00	3,094,711.00	2,706,221.00	3,540,697.00	4,140,855.15
Unrestricted	(139,098.00)	(932,516.00)	255,471.00	(921,493.00)	(411,106.00)	(714,278.00)	(681,667.00)	(5,053,437.00)	(5,167,966.00)	(5,750,262.35)
<b>Total district net position</b>	<b>\$ 27,828,545.00</b>	<b>\$ 32,651,325.00</b>	<b>\$ 36,143,185.00</b>	<b>\$ 37,110,794.00</b>	<b>\$ 37,512,908.00</b>	<b>\$ 35,589,853.00</b>	<b>\$ 33,423,665.00</b>	<b>\$ 27,465,446.00</b>	<b>\$ 26,924,135.00</b>	<b>\$ 25,745,608.16</b>

\* - Restated Unrestricted in 2014 for the effects of GASB 68

Source: CAFR Schedule A-1

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Changes in Net Assets**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

**Exhibit J-2**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	6,574,338.00	6,866,395.00	7,076,450.00	7,230,958.00	6,718,516.00	7,060,822.00	6,916,603.00	6,921,279.00	7,205,982.00	22,724,093.73
Special education	1,029,619.00	1,080,884.00	1,060,733.00	966,272.00	1,524,815.00	1,297,464.00	1,539,977.00	1,464,861.00	1,399,232.00	2,689,362.73
Other special education	110,087.00	140,855.00	141,838.00	120,132.00	117,980.00	264,763.00	64,446.00	4,474.00	-	-
Other instruction	601,667.00	614,723.00	857,358.00	970,277.00	754,075.00	762,684.00	964,740.00	954,359.00	887,522.00	2,256,519.55
Support Services:										
Tuition	1,680,257.00	1,861,021.00	1,820,801.00	1,852,404.00	1,936,348.00	2,141,625.00	1,732,778.00	1,733,692.00	1,461,668.00	1,496,818.12
Student & instruction related services	1,218,117.00	1,513,717.00	1,809,532.00	1,645,759.00	1,775,396.00	2,189,920.00	2,055,065.00	1,950,111.00	1,823,597.00	2,939,777.38
School Administrative services	1,018,786.00	1,041,338.00	1,050,667.00	1,061,442.00	1,090,146.00	1,106,844.00	1,149,352.00	1,140,627.00	1,084,335.00	1,176,571.93
General & business administration services	764,760.00	755,022.00	878,492.00	894,290.00	1,043,852.00	1,045,246.00	1,215,857.00	1,222,450.00	1,275,975.00	1,438,387.89
Plant operations and maintenance	1,649,149.00	1,883,236.00	2,106,751.00	2,154,245.00	2,133,769.00	2,210,077.00	2,228,385.00	2,342,472.00	2,371,064.00	3,165,228.26
Pupil transportation	1,658,630.00	1,839,592.00	1,800,206.00	1,746,441.00	1,693,695.00	1,896,747.00	1,827,981.00	1,980,995.00	1,795,943.00	1,832,603.90
Unallocated Employee Benefits	4,220,554.00	3,858,617.00	3,928,212.00	4,190,953.00	4,367,967.00	4,610,423.00	4,469,447.00	6,625,271.00	7,390,394.00	-
Debt Service Assessment	-	-	-	251,888.00	148,479.00	224,824.00	224,824.00	224,824.00	224,824.00	224,824.00
Claim Cost	131,575.00	-	-	-	-	-	-	-	-	-
Internal Service Fund	18,938.00	16,060.00	-	493.00	5,049.00	-	-	21,952.00	758.00	-
Interest on long-term debt	305,850.00	291,554.00	245,632.00	380,703.00	382,352.00	271,061.00	306,595.00	277,755.00	283,064.00	244,184.26
Amortization of debt issuance cost	3,944.00	3,994.00	3,994.00	5,941.00	7,938.00	15,271.00	-	-	-	-
Total governmental activities expenses	20,986,271.00	21,767,008.00	22,780,666.00	23,572,198.00	23,700,377.00	25,097,770.00	24,695,050.00	26,865,122.00	27,184,358.00	40,187,371.75
Business-type activities:										
Food service	564,083.00	549,049.00	561,555.00	666,456.00	684,314.00	679,488.00	667,120.00	693,325.00	657,166.00	530,351.21
Total business-type activities expense	564,083.00	549,049.00	561,555.00	666,456.00	684,314.00	679,488.00	667,120.00	693,325.00	657,166.00	530,351.21
Total district expenses	21,550,354.00	22,316,057.00	23,342,221.00	24,238,654.00	24,384,691.00	25,777,258.00	25,363,170.00	27,558,447.00	27,841,524.00	40,717,722.96
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Pupil Transportation	157,740	154,268.00	133,808.00	136,814.00	109,822.00	88,645.00	206,606.00	217,712.00	136,757.00	137,771.35
Central and other support services	22,645	-	1,800.00	1,950.00	2,550.00	-	-	21,952.00	-	-
Operating grants and contributions	1,594,561	1,121,507.00	1,149,409.00	1,138,101.00	1,405,498.00	1,709,674.00	1,499,961.00	3,539,459.00	4,233,809.00	17,470,257.82
Total governmental activities program revenues	1,774,946	1,275,775.00	1,285,017.00	1,276,865.00	1,517,870.00	1,798,319.00	1,706,567.00	3,779,123.00	4,370,566.00	17,608,029.17
Business-type activities:										
Charges for services:										
Food service	358,549	361,801.00	325,654.00	342,363.00	341,700.00	329,664.00	343,904.00	314,213.00	303,880.00	231,890.40
Operating grants and contributions	228,337	238,567.00	274,371.00	281,119.00	302,150.00	324,557.00	329,648.00	331,641.00	340,617.00	274,188.54
Total business type activities program revenues	586,886	600,368.00	600,025.00	623,482.00	643,850.00	654,221.00	673,552.00	645,854.00	644,497.00	506,078.94
Total district program revenues	2,361,832	1,876,143.00	1,885,042.00	1,900,347.00	2,161,720.00	2,452,540.00	2,380,119.00	4,424,977.00	5,015,063.00	18,114,108.11
<b>Net (Expense)/Revenue</b>										
Governmental activities	(19,211,325)	(20,491,233.00)	(21,495,649.00)	(22,295,333.00)	(22,182,507.00)	(23,299,451.00)	(22,989,483.00)	(23,085,999.00)	(22,813,792.00)	(22,579,342.58)
Business-type activities	22,803	51,319.00	38,470.00	(42,974.00)	(40,464.00)	(25,267.00)	6,432.00	(47,471.00)	(12,669.00)	(24,272.27)
Total district-wide net expense	(19,188,522)	(20,439,914.00)	(21,457,179.00)	(22,338,307.00)	(22,222,971.00)	(23,324,718.00)	(22,983,051.00)	(23,133,470.00)	(22,826,461.00)	(22,603,614.85)

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Changes in Net Assets**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-2

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Property taxes levied for general purposes, net	8,094,435	7,594,435.00	7,594,435.00	7,369,435.00	7,369,435.00	7,280,077.00	7,483,360.00	7,964,436.00	8,311,336.00	8,522,661.00
Taxes levied for debt service	778,712	786,544.00	790,194.00	664,875.00	664,875.00	554,082.00	350,800.00	350,801.00	453,393.00	423,156.00
Unrestricted grants and contributions	23,110,167	16,753,085.00	16,430,771.00	14,745,987.00	14,016,810.00	13,422,433.00	13,051,521.00	13,007,146.00	13,062,355.00	12,336,302.18
Tuition Received	37,679	6,818.00	-	-	43,904.00	8,757.00	-	11,290.00	-	-
Investment earnings	53,535	36,736.00	35,059.00	502,827.00	476,043.00	39,006.00	19,080.00	17,566.00	9,224.00	11,146.29
Miscellaneous income	98,351	62,141.00	96,861.00	21,143.00	52,481.00	96,818.00	83,331.00	31,241.00	447,825.00	131,676.01
Donation of Equipment from Student Activity Fund	-	21,948.00	-	-	-	-	-	-	-	-
Adjustment to fixed assets	(5,967)	-	-	-	-	-	-	(35,152.00)	-	-
Total governmental activities	32,166,912	25,261,707.00	24,947,320.00	23,304,267.00	22,623,548.00	21,401,173.00	20,988,092.00	21,347,328.00	22,284,133.00	21,424,941.48
Business-type activities:										
Investment earnings	-	987.00	1,719.00	1,649.00	1,537.00	940.00	689.00	592.00	273.00	146.53
Adjustment to fixed assets	-	-	-	-	-	-	-	-	744.00	-
Total business-type activities	-	987.00	1,719.00	1,649.00	1,537.00	940.00	689.00	592.00	1,017.00	146.53
Total district-wide	32,166,912	25,262,694.00	24,949,039.00	23,305,916.00	22,625,085.00	21,402,113.00	20,988,781.00	21,347,920.00	22,285,150.00	21,425,088.01
<b>Change in Net Assets</b>										
Governmental activities	12,955,587	4,770,474.00	3,451,671.00	1,008,934.00	441,041.00	(1,898,278.00)	(2,001,391.00)	(1,738,671.00)	(529,659.00)	(1,154,401.10)
Business-type activities	22,803	52,306.00	40,189.00	(41,325.00)	(38,927.00)	(24,327.00)	7,121.00	(46,879.00)	(11,652.00)	(24,125.74)
Total district	12,978,390	4,822,780.00	3,491,860.00	967,609.00	402,114.00	(1,922,605.00)	(1,994,270.00)	(1,785,550.00)	(541,311.00)	(1,178,526.84)

Source: CAFR Schedule A-2

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

**Exhibit J-3**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 968,873.00	\$ 1,729,568.00	\$ 1,616,220.00	1,720,890.00	2,326,800.00	1,251,245.00	1,006,610.00	1,125,775.00	2,284,016.00	3,255,358.76
Unreserved	136,443.00	(732,586.00)	(639,302.00)	(651,432.00)	(683,368.00)	(689,479.00)	(639,530.00)	(681,202.00)	(528,996.00)	(336,884.32)
Total general fund	\$ 1,105,316.00	\$ 996,982.00	\$ 976,918.00	\$ 1,069,458.00	\$ 1,643,432.00	\$ 561,766.00	\$ 367,080.00	\$ 444,573.00	\$ 1,755,020.00	\$ 2,918,474.44
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue fund	\$ (11,858.00)	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	(28,993.00)	5,036,006.00	3,925,590.00	2,753,215.00	2,286,919.00	1,785,221.00	1,445,221.00	1,080,221.00
Debt service fund	3,263.00	9,237.00	17,909.00	55,673.00	69,393.00	16,935.00	39,333.00	37,011.00	25,158.00	12,734.18
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ (8,595.00)	\$ 9,237.00	\$ (11,084.00)	\$ 5,091,679.00	\$ 3,994,983.00	\$ 2,770,150.00	\$ 2,326,252.00	\$ 1,822,232.00	\$ 1,470,379.00	\$ 1,092,955.18

Source: CAFR Schedule B-1



**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis or accounting)*

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Tax levy	\$ 8,873,147.00	\$ 8,380,979.00	\$ 8,384,629.00	\$ 8,034,310.00	\$ 8,034,310.00	\$ 7,834,159.00	\$ 7,834,160.00	\$ 8,315,237.00	\$ 8,764,729.00	\$ 8,945,817.00
Tuition charges	37,679.00	6,818.00	-	43,904.00	-	8,757.00	-	11,290.00	-	-
Transportation	157,740.00	154,268.00	133,808.00	136,814.00	109,822.00	88,645.00	206,606.00	217,712.00	136,757.00	137,771.35
Interest earnings	53,535.00	36,736.00	35,059.00	502,827.00	476,043.00	39,006.00	19,080.00	17,566.00	9,224.00	11,146.29
Miscellaneous	98,351.00	62,141.00	96,861.00	21,143.00	52,481.00	96,818.00	83,331.00	31,241.00	447,825.00	80,461.12
State sources	24,180,355.00	17,325,050.00	14,883,593.00	14,850,458.00	14,497,620.00	14,497,620.00	13,949,497.00	14,033,530.00	14,391,398.00	14,733,829.50
Federal sources	524,373.00	549,542.00	2,696,586.00	1,033,630.00	1,232,405.00	634,486.00	601,985.00	607,223.00	608,218.00	587,465.39
Total revenue	33,925,180.00	26,515,534.00	26,230,536.00	24,579,182.00	24,138,868.00	23,199,491.00	22,694,659.00	23,233,799.00	24,358,151.00	24,496,490.65
<b>Expenditures</b>										
Instruction	\$ 6,347,172.00	\$ 6,639,472.00	\$ 6,487,744.00	\$ 6,283,699.00	\$ 5,712,050.00	\$ 5,949,489.00	\$ 5,766,189.00	\$ 5,762,828.00	\$ 6,044,678.00	\$ 6,585,128.72
Regular instruction	1,029,619.00	1,080,884.00	1,060,884.00	966,272.00	1,341,821.00	1,297,464.00	1,539,977.00	1,464,861.00	1,399,232.00	779,340.20
Special education instruction	110,087.00	140,855.00	141,838.00	120,132.00	117,980.00	62,702.00	64,446.00	4,474.00	-	-
Other special instruction	560,364.00	573,464.00	750,321.00	798,048.00	754,075.00	762,684.00	755,574.00	743,732.00	676,376.00	653,908.22
Other instruction	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	1,680,257.00	1,861,021.00	1,820,801.00	1,852,404.00	1,936,348.00	2,141,625.00	1,732,778.00	1,733,692.00	1,461,688.00	1,495,818.12
Student & inst. related services	1,218,117.00	1,513,717.00	1,809,532.00	1,645,759.00	1,775,396.00	2,189,920.00	2,055,065.00	1,950,111.00	1,823,597.00	1,934,928.17
General administration	377,841.00	363,494.00	361,529.00	393,757.00	426,861.00	403,137.00	525,287.00	539,326.00	559,577.00	477,234.66
School administrative services	967,157.00	989,764.00	916,870.00	846,156.00	861,404.00	854,269.00	887,894.00	877,343.00	820,402.00	774,406.32
Central services	225,730.00	237,806.00	260,691.00	265,766.00	266,763.00	264,251.00	301,323.00	288,666.00	315,872.00	331,659.01
Administration Information Technolo	109,560.00	112,148.00	122,475.00	119,481.00	121,486.00	125,283.00	127,789.00	131,174.00	136,593.00	137,836.95
Plant operations and maintenance	1,607,847.00	1,841,978.00	1,999,714.00	1,982,016.00	1,950,775.00	2,008,016.00	2,019,219.00	2,131,845.00	2,159,918.00	2,083,317.39
Pupil transportation	1,658,630.00	1,839,592.00	1,800,206.00	1,746,441.00	1,693,695.00	1,896,746.00	1,827,981.00	1,980,995.00	1,795,943.00	1,813,193.16
Other Support Services:										
Employee benefits	4,168,079.00	3,877,695.00	3,952,824.00	4,193,235.00	4,374,546.00	4,687,269.00	4,429,272.00	4,598,709.00	4,870,989.00	5,220,321.78
Claim Cost	131,575.00	-	-	-	-	-	-	-	-	-
Capital outlay	16,990,220.00	4,496,303.00	3,745,284.00	3,887,161.00	2,019,947.00	1,686,667.00	312,960.00	420,568.00	346,726.00	434,431.07
Debt service:										
Principal	715,000.00	750,000.00	780,000.00	530,000.00	830,000.00	893,000.00	680,000.00	710,000.00	720,000.00	740,000.00
Interest and other charges	334,128.00	297,843.00	260,359.00	230,552.00	478,443.00	283,468.00	307,489.00	286,849.00	267,986.00	248,936.26
Total expenditures	38,231,383.00	26,606,036.00	26,270,921.00	25,860,879.00	24,661,590.00	25,505,990.00	23,333,243.00	23,625,173.00	23,399,557.00	23,710,460.03
Excess (Deficiency) of revenues over (under) expenditures	(4,306,203.00)	(90,502.00)	(40,385.00)	(1,281,697.00)	(522,722.00)	(2,306,499.00)	(638,584.00)	(391,374.00)	958,594.00	786,030.62
<b>Other Financing sources (uses)</b>										
Proceeds from sale of bonds	\$ -	\$ -	\$ -	\$ 6,477,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prior year adjustment	-	-	-	-	-	-	-	(35,152.00)	-	-
Transfers in	1,482.00	5,974.00	8,823.00	473,246.00	447,802.00	318,982.00	476,620.00	466,683.00	342,894.00	367,189.26
Transfers out	(1,482.00)	(5,974.00)	(8,823.00)	(473,246.00)	(447,802.00)	(318,982.00)	(476,620.00)	(466,683.00)	(342,894.00)	(367,189.26)
Total other financing sources (uses)	-	-	-	6,477,000.00	-	-	-	(35,152.00)	-	-
Net change in fund balances	\$ (4,306,203.00)	\$ (90,502.00)	\$ (40,385.00)	\$ 5,195,303.00	\$ (522,722.00)	\$ (2,306,499.00)	\$ (638,584.00)	\$ (426,526.00)	\$ 958,594.00	\$ 786,030.62
Debt service as a percentage of noncapital expenditures	4.94%	4.74%	4.62%	3.46%	5.78%	4.94%	4.29%	4.30%	4.29%	4.25%

Source: CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**General Fund Other Local Revenue by Source,**  
**Last Ten Fiscal Years**  
*Unaudited*

Fiscal Year Ended June 30,	Alternative School Fees	Transportation Fees	Interest on Investments	Tuition Revenue	Prior Year Refunds	Sale of SRECS	Miscellaneous	Totals
2008	37,679.00	157,740.00	53,535.00	-	80,105.00	-	18,246.00	347,305.00
2009	6,818.00	154,268.00	30,762.00	-	6,172.00	-	52,495.00	250,515.00
2010	-	133,808.00	26,387.00	-	-	-	86,407.00	246,602.00
2011	-	136,814.00	29,644.00	-	-	-	14,076.00	180,534.00
2012	-	109,822.00	28,241.00	43,904.00	-	-	48,518.00	230,485.00
2013	-	88,645.00	17,943.00	8,757.00	7,008.00	-	76,936.00	199,289.00
2014	-	206,606.00	8,756.00	-	-	-	61,360.00	276,722.00
2015	-	217,712.00	10,267.00	11,290.00	-	-	12,257.00	251,526.00
2016	-	136,757.00	6,330.00	-	-	328,245.00	116,797.00	588,129.00
2017	-	137,771.35	8,957.03	32,057.08	8,227.30	-	32,111.63	219,124.39

Source: District Records

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property,**  
**Last Ten Fiscal Years**

**DEERFIELD TOWNSHIP**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual (County Equalized) Value
2008				Detail Not Available				-		183,451,765	0.612	248,607,502
2009				Detail Not Available				-		186,638,215	0.526	231,679,673
2010				Detail Not Available				-		185,633,978	0.529	225,667,615
2011				Detail Not Available				-		187,619,461	0.542	224,370,817
2012				Detail Not Available				-		189,386,599	0.472	216,339,370
2013				Detail Not Available				-		187,959,971	0.487	209,337,794
2014				Detail Not Available				-		189,201,358	0.517	203,791,220
2015				Detail Not Available				-		189,208,919	0.558	197,598,153
2016	5,646,200	134,830,000	2,817,400	22,943,100	15,449,300	7,627,300		189,313,300	678,064	189,991,364	0.618	199,312,993
2017				Detail Not Available				190,382,100	675,752	191,057,852	0.593	196,742,935

**FAIRFIELD TOWNSHIP**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual (County Equalized) Value
2008				Detail Not Available				-		169,030,680	0.824	290,722,820
2009				Detail Not Available				-		170,519,800	0.866	325,356,981
2010				Detail Not Available				-		171,681,417	0.912	317,234,116
2011 R				Detail Not Available				-		321,041,461	0.434	303,667,283
2012				Detail Not Available				-		319,694,847	0.470	325,283,562
2013				Detail Not Available				-		317,040,041	0.460	314,398,390
2014				Detail Not Available				-		315,622,682	0.485	308,715,419
2015				Detail Not Available				-		314,224,841	0.474	292,697,443
2016	18,269,100	250,625,000	2,924,600	12,490,800	25,601,100	1,630,200	344,200	311,885,000	713,142	312,598,142	0.500	288,755,627
2017				Detail Not Available				314,429,800	695,519	315,125,319	0.532	294,698,002

Source: County Abstract of Ratables & Municipal Tax Assessors

**Note:**

- R Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment
- a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property,**  
**Last Ten Fiscal Years**

**GREENWICH TOWNSHIP**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual (County Equalized) Value
2008				Detail Not Available				-		63,006,214	0.506	73,216,059
2009				Detail Not Available				-		63,006,639	0.475	74,274,473
2010				Detail Not Available				-		63,075,566	0.554	72,565,942
2011				Detail Not Available				-		63,271,494	0.527	69,359,566
2012				Detail Not Available				-		63,420,152	0.580	86,386,734
2013				Detail Not Available				-		63,558,080	0.625	79,771,598
2014				Detail Not Available				-		63,110,769	0.656	79,333,966
2015				Detail Not Available				-	371,631	62,568,100	0.878	80,121,181
2016	3,632,200	43,201,500	3,241,000	10,202,800	2,290,600			62,568,100	395,656	62,939,731	0.769	77,130,142
2017				Detail Not Available				62,222,400		62,618,056	0.827	78,209,453

**HOPEWELL TOWNSHIP**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized) Value
2008				Detail Not Available				-		231,067,147	0.760	366,986,033
2009				Detail Not Available				-		232,402,044	0.761	372,356,981
2010				Detail Not Available				-		237,083,911	0.659	366,880,823
2011				Detail Not Available				-		236,624,009	0.735	352,382,212
2012				Detail Not Available				-		237,253,558	0.645	342,556,122
2013				Detail Not Available				-		247,157,724	0.588	341,939,345
2014				Detail Not Available				-		246,887,661	0.671	336,618,453
2015				Detail Not Available				-		246,696,220	0.652	306,065,961
2016	4,027,100	178,700,600	6,704,200	29,805,700	26,172,400		415,400	245,825,400	597,575	246,422,975	0.698	309,412,642
2017 R				Detail Not Available				306,194,700	730,385	306,925,085	0.597	317,724,721

Source: County Abstract of Ratables & Municipal Tax Assessors

**Note:**

- R Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment
- a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property,**  
**Last Ten Fiscal Years**

**SHILOH BOROUGH**

Hiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual (County Equalized) Value
2008				Detail Not Available				-		19,412,258	0.874	31,880,075
2009				Detail Not Available				-		19,509,700	0.976	38,337,607
2010				Detail Not Available				-		19,510,575	1.203	36,952,673
2011 R				Detail Not Available				-		33,589,433	0.488	32,213,091
2012				Detail Not Available				-		33,343,800	0.487	29,035,564
2013				Detail Not Available				-		33,263,798	0.570	36,155,078
2014				Detail Not Available				-		33,173,269	0.586	34,568,674
2015				Detail Not Available				-	136,368	33,125,352	0.506	30,905,136
2016	123,300	27,677,700	422,900	2,701,200	1,928,000			32,853,100	136,019	32,989,468	0.347	28,278,737
2017				Detail Not Available				32,770,400		32,906,419	0.363	30,666,180

**STOW CREEK TOWNSHIP**

Hiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized) Value
2008				Detail Not Available				-		79,845,215	0.523	87,920,303
2009				Detail Not Available				-		79,988,399	0.613	113,537,433
2010				Detail Not Available				-		80,216,486	0.738	127,228,042
2011				Detail Not Available				-		81,264,600	0.742	119,487,463
2012				Detail Not Available				-		81,115,597	0.713	112,973,919
2013				Detail Not Available				-		80,935,283	0.786	120,624,519
2014				Detail Not Available				-		81,046,748	0.765	115,401,742
2015 R				Detail Not Available				-	444,192	106,513,984	0.635	106,897,750
2016	1,251,700	64,025,500	4,396,700	32,998,600	3,850,100			106,522,600	442,943	106,966,792	0.618	103,970,176
2017				Detail Not Available				106,601,200		107,044,143	0.551	107,277,233

Source: County Abstract of Ratables & Municipal Tax Assessors

**Note:**

- R Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment
- a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

CUMBERLAND REGIONAL SCHOOL DISTRICT  
 Assessed Value and Actual Value of Taxable Property,  
 Last Ten Fiscal Years

UPPER DEERFIELD TOWNSHIP

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual (County Equalized) Value
2008				Detail Not Available				-		433,113,262	0.739	728,773,880
2009				Detail Not Available				-		434,564,399	0.735	757,247,096
2010				Detail Not Available				-		419,994,185	0.707	683,593,123
2011				Detail Not Available				-		424,194,653	0.670	696,056,777
2012 R				Detail Not Available				-		630,201,916	0.455	631,326,018
2013				Detail Not Available				-		628,117,666	0.445	618,417,150
2014				Detail Not Available				-		634,807,543	0.450	630,327,118
2015				Detail Not Available				-	1,555,637	631,661,246	0.510	640,884,881
2016	12,954,300	425,913,400	9,140,200	42,406,400	117,739,200	13,592,800	7,026,800	628,773,100	1,600,057	630,328,737	0.489	624,118,952
2017				Detail Not Available				626,359,300		627,959,357	0.527	605,625,952

Source: County Abstract of Ratables & Municipal Tax Assessors

Note:

- R Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment
- a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates,**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*

**DEERFIELD TOWNSHIP**

Fiscal Year Ended June 30,	Cumberland Regional H.S. District			Overlapping Rates				Total Direct and Overlapping Tax Rate	
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Open Space	County Other	Local School District		Municipal Local Purpose
2008	N/A	N/A	0.612	1.291	-	-	1.309	0.011	3.223
2009	N/A	N/A	0.526	1.116	-	-	1.295	0.011	2.948
2010	N/A	N/A	0.529	1.098	-	-	1.342	0.011	2.980
2011	N/A	N/A	0.542	1.147	-	-	1.336	0.050	3.075
2012	N/A	N/A	0.472	1.033	0.012	0.044	1.339	0.071	2.971
2013	N/A	N/A	0.487	1.033	0.012	0.053	1.326	0.081	2.992
2014	N/A	N/A	0.517	1.058	0.011	0.053	1.373	0.081	3.093
2015	N/A	N/A	0.558	1.089	0.011	0.054	1.395	0.080	3.187
2016	N/A	N/A	0.618	1.111	0.011	0.054	1.422	0.090	3.306
2017	0.566	0.027	0.593	1.129	0.011	0.054	1.468	0.091	3.346

**FAIRFIELD TOWNSHIP**

Fiscal Year Ended June 30,	Cumberland Regional H.S. District			Overlapping Rates				Total Direct and Overlapping Tax Rate	
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Open Space	County Other	Local School District		Municipal Local Purpose
2008	N/A	N/A	0.824	1.640	-	-	0.623	0.521	3.608
2009	N/A	N/A	0.866	1.707	-	-	0.623	0.545	3.741
2010	N/A	N/A	0.912	1.690	-	-	0.703	0.673	3.978
2011 R	N/A	N/A	0.434	0.896	-	-	0.378	0.375	2.083
2012	N/A	N/A	0.470	0.915	0.011	0.039	0.384	0.384	2.203
2013	N/A	N/A	0.460	0.919	0.010	0.047	0.393	0.383	2.212
2014	N/A	N/A	0.485	0.959	0.010	0.048	0.390	0.383	2.275
2015	N/A	N/A	0.474	0.972	0.010	0.048	0.401	0.407	2.312
2016	N/A	N/A	0.500	0.971	0.010	0.048	0.416	0.430	2.375
2017	0.507	0.025	0.532	1.024	0.010	0.049	0.460	0.429	2.504

Source: District Records and Municipal Tax Collector

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates,**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*

**GREENWICH TOWNSHIP**

Fiscal Year Ended June 30,	Cumberland Regional H.S. District				Overlapping Rates				Total Direct and Overlapping Tax Rate	
	Basic Rate	Obligation Debt Service	County General	Total Direct	County General	County Open Space	County Other	Local School District		Municipal Local Purpose
2008	N/A	N/A	1.044	0.506	1.044	0.012	0.049	1.266	0.380	3.257
2009	N/A	N/A	0.994	0.475	0.994	0.012	0.048	1.289	0.410	3.228
2010	N/A	N/A	0.995	0.554	0.995	0.012	0.046	1.298	0.436	3.341
2011	N/A	N/A	1.000	0.527	1.000		0.041	1.245	0.446	3.259
2012	N/A	N/A	1.231	0.580	1.231	0.014	0.052	1.241	0.474	3.592
2013	N/A	N/A	1.165	0.625	1.165	0.013	0.060	1.238	0.484	3.585
2014	N/A	N/A	1.232	0.656	1.232	0.013	0.062	1.239	0.499	3.701
2015	N/A	N/A	1.322	0.878	1.322	0.013	0.065	1.292	0.507	4.077
2016	N/A	N/A	1.298	0.769	1.298	0.013	0.064	1.417	0.507	4.068
2017	0.788	0.039	1.364	0.827	1.364	0.013	0.066	1.466	0.507	4.243

**HOPEWELL TOWNSHIP**

Fiscal Year Ended June 30,	Cumberland Regional H.S. District				Overlapping Rates				Total Direct and Overlapping Tax Rate	
	Basic Rate	Obligation Debt Service	County General	Total Direct	County General	County Open Space	County Other	Local School District		Municipal Local Purpose
2008	N/A	N/A	1.430	0.760	1.430	0.016	0.067	1.396	0.194	3.863
2009	N/A	N/A	1.361	0.761	1.361	0.017	0.065	1.386	0.207	3.797
2010	N/A	N/A	1.338	0.659	1.338	0.016	0.061	1.470	0.217	3.761
2011	N/A	N/A	1.359	0.735	1.359	0.015	0.055	1.421	0.217	3.802
2012	N/A	N/A	1.304	0.645	1.304	0.015	0.055	1.353	0.240	3.612
2013	N/A	N/A	1.284	0.588	1.284	0.014	0.066	1.286	0.241	3.479
2014	N/A	N/A	1.340	0.671	1.340	0.014	0.067	1.338	0.248	3.678
2015	N/A	N/A	1.295	0.652	1.295	0.013	0.064	1.366	0.274	3.664
2016	N/A	N/A	1.330	0.698	1.330	0.013	0.065	1.327	0.302	3.735
2017 R	0.569	0.028	1.135	0.597	1.135	0.011	0.055	1.094	0.248	3.140

Source: District Records and Municipal Tax Collector



**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates,**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*

**SHILOH BOROUGH**

Fiscal Year Ended June 30,	Cumberland Regional H.S. District			Overlapping Rates				Total Direct and Overlapping Tax Rate	
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Open Space	County Other	Local School District		Municipal Local Purpose
2008	N/A	N/A	0.874	1.477	0.017	0.070	0.712	0.524	3.674
2009	N/A	N/A	0.976	1.666	0.020	0.079	0.708	0.533	3.982
2010	N/A	N/A	1.203	1.638	0.019	0.075	0.794	0.544	4.273
2011 R	N/A	N/A	0.488	0.876		0.036	0.552	0.316	2.268
2012	N/A	N/A	0.487	0.783	0.009	0.033	0.639	0.317	2.268
2013	N/A	N/A	0.570	1.005	0.011	0.052	0.770	0.317	2.725
2014	N/A	N/A	0.586	1.024	0.011	0.051	0.761	0.318	2.751
2015	N/A	N/A	0.506	0.974	0.010	0.048	0.835	0.318	2.691
2016	N/A	N/A	0.347	0.905	0.009	0.044	0.977	0.318	2.600
2017	0.346	0.017	0.363	1.021	0.010	0.049	0.915	0.318	2.676

**STOW CREEK TOWNSHIP**

Fiscal Year Ended June 30,	Cumberland Regional H.S. District			Overlapping Rates				Total Direct and Overlapping Tax Rate	
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Open Space	County Other	Local School District		Municipal Local Purpose
2008	N/A	N/A	0.523	0.991	0.012	0.047	1.046	0.1780	2.797
2009	N/A	N/A	0.613	1.202	0.015	0.057	1.074	0.2000	3.161
2010	N/A	N/A	0.738	1.372	0.016	0.063	1.098	0.2080	3.495
2011	N/A	N/A	0.742	1.342	0.015	0.054	1.084	0.2110	3.448
2012	N/A	N/A	0.713	1.256	0.015	0.053	1.100	0.2180	3.355
2013	N/A	N/A	0.786	1.381	0.015	0.071	1.183	0.2240	3.660
2014	N/A	N/A	0.765	1.399	0.015	0.070	1.258	0.2330	3.740
2015 R	N/A	N/A	0.635	1.048	0.011	0.052	0.968	0.1790	2.893
2016	N/A	N/A	0.618	1.028	0.010	0.050	0.977	0.1790	2.862
2017	0.525	0.026	0.551	1.100	0.011	0.053	1.008	0.1790	2.902

Source: District Records and Municipal Tax Collector

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates,**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*

**UPPER DEERFIELD TOWNSHIP**

Fiscal Year Ended June 30,	Cumberland Regional H.S. District			Overlapping Rates					Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Open Space	County Other	Local School District	Municipal Local Purpose	
2008	N/A	N/A	0.739	1.513	0.017	0.071	1.443	-	3.783
2009	N/A	N/A	0.735	1.478	0.018	0.070	1.479	-	3.780
2010	N/A	N/A	0.707	1.386	0.017	0.064	1.542	-	3.716
2011	N/A	N/A	0.670	1.493		0.060	1.547	-	3.770
2012 R	N/A	N/A	0.455	0.898	0.011	0.038	1.065	0.030	2.497
2013	N/A	N/A	0.445	0.912	0.010	0.047	1.089	0.045	2.548
2014	N/A	N/A	0.450	0.975	0.011	0.049	1.099	0.061	2.645
2015	N/A	N/A	0.510	1.056	0.011	0.052	1.125	0.087	2.841
2016	N/A	N/A	0.489	1.044	0.010	0.051	1.146	0.095	2.835
2017	0.502	0.025	0.527	1.051	0.010	0.051	1.168	0.097	2.904

Source: District Records and Municipal Tax Collector

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
Principal Property Taxpayers,  
Current Year and Nine Years Ago

Exhibit J-8

**DEERFIELD TOWNSHIP**

	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
National Refrigerants	\$ 5,486,300.00	1	2.89%			
Piptone Realty L.L.C	2,545,100.00	2	1.34%			
F & S Realty Associates LLC	1,528,500.00	3	0.80%			
S & I Realty Associates LLC	1,262,600.00	4	0.66%			
Verizon - New Jersey	744,858.00	5	0.39%			
Individual Taxpayer 1	597,600.00	6	0.31%			
Lartland, LLC	564,200.00	7	0.30%			
566 Irving Avenue LLC	553,300.00	8	0.29%			
4 Star Real Estate LLC	547,600.00	9	0.29%			
DLCS Property LLC	501,200.00	10	0.26%			
Total	\$ 14,331,258.00		7.54%	\$ -		0.00%
	Total Assessed Value		\$ 189,991,364	\$		183,451,765

**FAIRFIELD TOWNSHIP**

	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
South State Inc	\$ 4,801,600.00	1	1.52%			
Tip's Trailer Park Inc.	3,935,600.00	2	1.25%			
Laning Bros. Farms Inc.	2,583,800.00	3	0.82%			
Arthur Boss LLC; M Boss; McDowell Trust	2,448,100.00	4	0.78%			
Cumberland Self Storage	1,950,000.00	5	0.62%			
NJ Oak Solar LLC	1,630,200.00	6	0.52%			
Individual Taxpayer 1	884,300.00	7	0.28%			
Cohansey River Real Est Holding Co	738,000.00	8	0.23%			
Verizon - New Jersey	734,782.00	9	0.23%			
Laning Bros Farms Inc	680,800.00	10	0.22%			
Total	\$ 20,387,182.00		6.47%	\$ -		0.00%
	Total Assessed Value		\$ 315,125,319	\$		169,030,680

Source: Municipal Tax Assessors

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
Principal Property Taxpayers,  
Current Year and Nine Years Ago

**GREENWICH TOWNSHIP**

	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
PSE & G	\$ 3,500,100.00	1	5.59%			
Hancock Harbor Marina	978,500.00	2	1.56%	978,500.00	2	1.55%
Individual Taxpayer 1	645,100.00	3	1.03%	957,900.00	3	1.52%
Individual Taxpayer 2	575,600.00	4	0.92%	894,800.00	4	1.42%
Individual Taxpayer 3	491,600.00	5	0.79%			
Iglesia Lafamilia Inc	470,100.00	6	0.75%			
Individual Taxpayer 4	460,800.00	7	0.74%	746,200.00	5	1.18%
Bateau Jon Group LLC	402,900.00	8	0.64%			
Individual Taxpayer 5	351,000.00	9	0.56%	582,900.00	6	0.93%
Individual Taxpayer 6	349,400.00	10	0.56%	575,600.00	7	0.91%
Atlantic City Electric				3,500,100.00	1	5.56%
Individual Taxpayer 7				500,800.00	8	0.79%
Individual Taxpayer 8				472,500.00	9	0.75%
Individual Taxpayer 9				476,000.00	10	0.76%
<b>Total</b>	<b>\$ 8,225,100.00</b>		<b>13.14%</b>	<b>\$ 9,685,300.00</b>		<b>15.37%</b>
<b>Total Assessed Value</b>	<b>\$ 62,618,056.00</b>			<b>\$ 63,006,214.00</b>		

**HOPEWELL TOWNSHIP**

	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
LTC Management LLC	\$ 8,872,900.00	1	2.89%			
Cumberland Mutual Fire Insurance Co.	5,330,200.00	2	1.74%			
ACM Realty	1,218,000.00	3	0.40%			
Cottages At Dutch Neck Village LLC	793,600.00	4	0.26%			
Sunny Slope Farms of NJ	703,700.00	5	0.23%			
Individual Taxpayer 1	614,300.00	6	0.20%			
Individual Taxpayer 2	611,700.00	7	0.20%			
Verizon - New Jersey	593,061.00	8	0.19%			
Individual Taxpayer 3	592,500.00	9	0.19%			
Individual Taxpayer 4	578,000.00	10	0.19%			
<b>Total</b>	<b>\$ 19,907,961.00</b>		<b>6.49%</b>	<b>-</b>		<b>0.00%</b>
<b>Total Assessed Value</b>	<b>\$ 306,925,085.00</b>			<b>\$ 231,067,147.00</b>		

Source: Municipal Tax Assessors

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
Principal Property Taxpayers,  
Current Year and Nine Years Ago

**SHILOH BOROUGH**

	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Sarju Realty LLC	\$ 495,200.00	1	1.50%			
Solvista LLC	412,000.00	2	1.25%			
Individual Taxpayer 1	340,600.00	3	1.04%			
Individual Taxpayer 2	339,600.00	4	1.03%			
Individual Taxpayer 3	289,800.00	5	0.88%			
Individual Taxpayer 4	285,400.00	6	0.87%			
Dewilde Farm Associates LP	284,900.00	7	0.87%			
Individual Taxpayer 5	283,300.00	8	0.86%			
Individual Taxpayer 6	281,200.00	9	0.85%			
Verizon - New Jersey	274,100.00	10	0.83%			
Total	\$ 3,286,100.00		9.99%	\$ -		0.00%
Total Assessed Value	\$ 3,286,100.00			\$ 63,006,214.00		

**STOW CREEK TOWNSHIP**

	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Farm Rite	\$ 673,500.00	1	0.63%			
Individual Taxpayer 1	526,100.00	2	0.49%			
Individual Taxpayer 2	477,000.00	3	0.45%			
Individual Taxpayer 3	457,000.00	4	0.43%			
Individual Taxpayer 4	423,700.00	5	0.40%			
Individual Taxpayer 5	332,900.00	6	0.31%			
Individual Taxpayer 6	321,900.00	7	0.30%			
Individual Taxpayer 7	317,400.00	8	0.30%			
Individual Taxpayer 8	314,500.00	9	0.29%			
REM Farms LLC	300,500.00	10	0.28%			
Total	\$ 4,144,500.00		3.87%	\$ -		0.00%
Total Assessed Value	\$ 4,144,500.00			\$ 231,067,147.00		

Source: Municipal Tax Assessors

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Principal Property Taxpayers,**  
**Current Year and Nine Years Ago**

**Exhibit J-8C**

**UPPER DEERFIELD**

	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Walmart TRS LLC	\$ 13,954,900.00	1	2.22%			
Cedar-Carl's Corner LLC	10,755,600.00	2	1.71%			
KMT Properties LLS	9,170,100.00	3	1.46%			
Clement Pappas Co., Inc.	6,864,000.00	4	1.09%			
Upper Deerfield Station LLC	6,629,700.00	5	1.06%			
Founders Realty III	6,153,400.00	6	1.06%			
Upper Deerfield Adult Living LLC	4,700,000.00	7	0.98%			
Bridgeton Realty LLC	3,616,400.00	8	0.75%			
Seabrook Bros. and Sons	3,523,000.00	9	0.58%			
Pappas Properties LLC	3,194,100.00	10				
Total	<u>\$ 68,561,200.00</u>		<u>10.90%</u>	<u>\$ -</u>		<u>0.00%</u>
Total Assessed Value	\$ 68,561,200.00		\$ 627,959,357.00	\$ 433,113,262.00		

Information Not Available

**Source:** Municipal Tax Assessors

**CUMBERLAND REGIONAL SCHOOL DISTRICT  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (a)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	8,873,147.00	8,873,147.00	100.00%	
2009	8,380,979.00	8,380,979.00	100.00%	
2010	8,384,629.00	8,384,629.00	100.00%	
2011	8,034,310.00	8,034,310.00	100.00%	
2012	8,034,310.00	8,034,310.00	100.00%	
2013	7,834,159.00	7,834,159.00	100.00%	
2014	7,834,160.00	7,834,160.00	100.00%	
2015	8,315,237.00	8,315,237.00	100.00%	
2016	8,764,729.00	8,764,729.00	100.00%	
2017	8,945,817.00	8,945,817.00	100.00%	

**Source:** District records including the Certificate and Report of School Taxes (A4F form)

a School taxes are collected by the Municipal Tax Collectors. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type,**  
**Last Ten Fiscal Years**

**Exhibit J-10**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2008	7,185,000.00				7,185,000.00	0.89%	277
2009	6,435,000.00				6,435,000.00	0.75%	246
2010	5,655,000.00				5,655,000.00	0.64%	215
2011	11,602,000.00				11,602,000.00	1.38%	476
2012	10,772,000.00				10,772,000.00	1.24%	437
2013	9,996,700.00				9,996,700.00	1.14%	403
2014	9,287,000.00				9,287,000.00	1.05%	377
2015	8,577,000.00				8,577,000.00	0.99%	351
2016	7,857,000.00				7,857,000.00	N/A	325
2017	7,117,000.00				7,117,000.00	N/A	298

Source: District CAFR Schedules I-1, I-2

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

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.  
 Per Capita Income by Municipality was unavailable. Per Capita Income by County was used.



**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Ratios of Net General Bonded Debt Outstanding,**  
**Last Ten Fiscal Years**

**Exhibit J-11**

Fiscal Year Ended June 30,	Governmental Activities		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2008	7,185,000.00	-	7,185,000.00	0.61%	277
2009	6,435,000.00	-	6,435,000.00	0.54%	246
2010	5,655,000.00	-	5,655,000.00	0.48%	215
2011	11,602,000.00	-	11,602,000.00	0.86%	476
2012	10,772,000.00	-	10,772,000.00	0.69%	437
2013	9,996,700.00	-	9,996,700.00	0.64%	403
2014	9,287,000.00	-	9,287,000.00	0.59%	377
2015	8,577,000.00	-	8,577,000.00	0.54%	351
2016	7,857,000.00	-	7,857,000.00	0.50%	325
2017	7,117,000.00	-	7,117,000.00	0.43%	298

**Sources:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

**a** See Exhibit NJ J-6 for property tax data.

**b** Population data can be found in Exhibit NJ J-14. Per Capital Income by Municipality was not available. Used Per Capita Income by County.

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

Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.
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**Cumberland Regional School District  
Direct and Overlapping Governmental Activities Debt,  
As of December 31, 2016**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property Taxes</b>			
Local Municipalities:			
Deerfield Township	\$ 521,556	100.00%	\$ 521,556
Deerfield Township School District	990,000	100.00%	990,000
Fairfield Township	3,418,032	100.00%	3,418,032
Fairfield Township School District	4,125,000	100.00%	4,125,000
Greenwich Township	-	100.00%	-
Greenwich Township School District	-	100.00%	-
Hopewell Township	5,138,515	100.00%	5,138,515
Hopewell Township School District	2,246,000	100.00%	2,246,000
Shiloh Borough	-	100.00%	-
Stow Creek Township	200,000	100.00%	200,000
Stow Creek Township School District	-	100.00%	-
Upper Deerfield Township	6,902,945	100.00%	6,902,945
Upper Deerfield Township School District	2,370,000	100.00%	2,370,000
<b>Other Debt</b>			
Cumberland County	177,522,617	18.76%	33,305,090
Subtotal, Overlapping Debt			59,217,138
<b>Cumberland Regional High School District Direct Debt</b>			<u>7,857,000</u>
<b>Total Direct and Overlapping Debt</b>			<u>\$ 67,074,138</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Atlantic County Board of Taxation.  
Debt outstanding data provided by each governmental unit.

Cumberland Regional School District  
 Legal Debt Margin Information,  
 Last Ten Fiscal Years

Exhibit J-13

Equalized valuation basis:	
2016	\$ 1,621,140,295
2015	1,616,386,401
2014	1,642,754,607
	<u>\$ 4,880,281,303</u>
Average equalized valuation of taxable property \$ 1,626,760,434.33	
Debt limit ( 3% of average)	
Net bonded school debt 48,802,813.03	
Legal debt margin <u>\$ 41,685,813.03</u>	

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 45,672,123.00	\$ 51,239,347.00	\$ 54,482,678.00	\$ 54,741,721.00	\$ 53,141,120.00	\$ 51,828,271.00	\$ 51,480,407.00	\$ 50,642,890.00	\$ 49,819,128.00	\$ 48,802,813.03
Total net debt applicable to limit	7,185,000.00	6,435,000.00	5,655,000.00	11,602,000.00	10,772,000.00	9,996,700.00	9,287,000.00	8,577,000.00	7,857,000.00	7,117,000.00
Legal debt margin	<u>\$ 38,487,123.00</u>	<u>\$ 44,804,347.00</u>	<u>\$ 48,827,678.00</u>	<u>\$ 43,139,721.00</u>	<u>\$ 42,368,120.00</u>	<u>\$ 41,831,571.00</u>	<u>\$ 42,193,407.00</u>	<u>\$ 42,065,890.00</u>	<u>\$ 41,962,128.00</u>	<u>\$ 41,685,813.03</u>

Total net debt applicable to the limit as a percentage of debt limit	15.73%	12.56%	10.38%	21.19%	20.27%	19.29%	18.04%	16.94%	15.77%	14.58%
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Source: Abstract of Ratables and District Records CAFR Schedule J-7

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

**Exhibit J-14**

**DEERFIELD TOWNSHIP**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2007	3,238	\$ 98,059,592	30,284	4.30%
2008	3,258	104,044,230	31,935	5.30%
2009	3,275	106,237,725	32,439	9.20%
2010	3,120	103,546,560	33,188	9.90%
2011	3,123	107,000,226	34,262	11.40%
2012	3,111	106,302,870	34,170	12.80%
2013	3,127	107,212,322	34,286	8.30%
2014	3,120	110,660,160	35,468	9.50%
2015	3,099	112,348,047	36,253	7.70%
2016	3,083	N/A	N/A	6.20%

**FAIRFIELD TOWNSHIP**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2007	6,761	\$ 204,750,124	30,284	10.00%
2008	6,762	215,944,470	31,935	16.80%
2009	6,804	220,714,956	32,439	15.40%
2010	6,358	211,009,304	33,188	14.40%
2011	6,417	219,859,254	34,262	15.40%
2012	6,633	226,649,610	34,170	14.60%
2013	6,547	224,470,442	34,286	11.60%
2014	6,471	229,513,428	35,468	10.60%
2015	6,355	230,387,815	36,253	10.49%
2016	6,163	N/A	N/A	9.20%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented

<sup>c</sup> Per capita personal income by County estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

**Exhibit J-14A**

**GREENWICH TOWNSHIP**

	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2007	886	\$ 26,831,624	30,284	2.90%
2008	883	28,198,605	31,935	3.60%
2009	897	29,097,783	32,439	6.40%
2010	802	26,616,776	33,188	6.30%
2011	803	27,512,386	34,262	7.90%
2012	806	27,541,020	34,170	8.90%
2013	804	27,565,944	34,286	13.50%
2014	798	28,303,464	35,468	6.80%
2015	787	28,531,111	36,253	6.00%
2016	776	N/A	N/A	6.00%

**HOPEWELL TOWNSHIP**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2007	4,760	\$ 144,151,840	30,284	3.30%
2008	4,793	153,064,455	31,935	3.30%
2009	4,843	157,102,077	32,439	8.00%
2010	4,566	151,536,408	33,188	8.30%
2011	4,554	156,029,148	34,262	9.60%
2012	4,521	154,482,570	34,170	10.85%
2013	4,509	154,595,574	34,286	7.30%
2014	4,500	159,606,000	35,468	6.85%
2015	4,457	161,579,621	36,253	6.10%
2016	4,446	N/A	N/A	5.40%

Sources:

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented

<sup>c</sup> Per capita personal income by County estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

**Exhibit J-14B**

**SHILOH BOROUGH**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2007	659	\$ 19,957,156	30,284	4.50%
2008	662	21,140,970	31,935	5.50%
2009	663	21,507,057	32,439	9.60%
2010	516	17,125,008	33,188	10.30%
2011	516	17,679,192	34,262	11.90%
2012	512	17,495,040	34,170	13.40%
2013	511	17,520,146	34,286	7.00%
2014	509	18,053,212	35,468	6.90%
2015	505	18,307,765	36,253	5.90%
2016	500	N/A	N/A	4.50%

**STOW CREEK TOWNSHIP**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2007	1,529	\$ 46,304,236	30,284	4.40%
2008	1,526	48,732,810	31,935	4.40%
2009	1,534	49,761,426	32,439	7.80%
2010	1,433	47,558,404	33,188	9.40%
2011	1,445	49,508,590	34,262	7.30%
2012	1,439	49,170,630	34,170	9.90%
2013	1,435	49,200,410	34,286	10.20%
2014	1,430	50,719,240	35,468	7.50%
2015	1,423	51,588,019	36,253	6.80%
2016	1,417	N/A	N/A	5.50%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented

<sup>c</sup> Per capita personal income by County estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

**Exhibit J-14C**

**UPPER DEERFIELD TOWNSHIP**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2007	8,045	\$ 243,634,780	30,284	4.60%
2008	8,259	263,751,165	31,935	5.60%
2009	8,317	269,795,163	32,439	9.70%
2010	7,660	254,220,080	33,188	10.40%
2011	7,667	262,686,754	34,262	12.00%
2012	7,668	262,015,560	34,170	13.50%
2013	7,624	261,396,464	34,286	7.40%
2014	7,614	270,053,352	35,468	7.50%
2015	7,586	275,015,258	36,253	6.20%
2016	7,489	N/A	N/A	5.80%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented

<sup>c</sup> Per capita personal income by County estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Principal Employers,**  
**Current Year and Ten Years Ago**

**Exhibit J-15**

**DEERFIELD TOWNSHIP**

Employer	2017	2008
	Employees	Employees
	Rank	Rank
	Percentage of Total Employment	Percentage of Total Employment

*Information not available*

*Information not available*

**FAIRFIELD TOWNSHIP**

Employer	2017	2008
	Employees	Employees
	Rank	Rank
	Percentage of Total Employment	Percentage of Total Employment

*Information not available*

*Information not available*



**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Principal Employers,**  
**Current Year and Ten Years Ago**

**Exhibit J-15A**

**GREENWICH TOWNSHIP**

Employer	2017			2008		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment

*Information not available*

*Information not available*

**HOPEWELL TOWNSHIP**

Employer	2017			2008		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment

*Information not available*

*Information not available*

**CUMBERLAND REGIONAL SCHOOL DISTRICT  
Principal Employers,  
Current Year and Ten Years Ago**

**Exhibit J-15B**

**SHILOH BOROUGH**

Employer	2017			2008		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
	<i>Information not available</i>					

**STOW CREEK TOWNSHIP**

Employer	2017			2008		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
	<i>Information not available</i>					

**CUMBERLAND REGIONAL SCHOOL DISTRICT  
Principal Employers,  
Current Year and Ten Years Ago**

**Exhibit J-15C**

**UPPER DEERFIELD TOWNSHIP**

Employer	2017			2008		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment

*Information not available*

*Information not available*

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Full-time Equivalent District Employees by Function/Program,**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction	114	114	114	102	105	94	94	92	84	88
Regular	22	25	25	25	21	25	25	23	24	9
Other instruction										
Support Services:										
Student & instruction related services	4	4	4	4	5	24	24	26	22	24
General administration	9	9	10	10	10	14	2	2	2	2
Other administrative services	15	15	15	16	18	6	16	15	15	15
Administrative Information Technology	1	2	2	3	3	2	2	2	2	2
Plant Operations and Maintenance	17	14	13	14	14	14	14	16	24	24
Other support services	6	6	6	8	10	6	6	6	2	2
<b>Total</b>	<b>188</b>	<b>189</b>	<b>189</b>	<b>182</b>	<b>186</b>	<b>185</b>	<b>183</b>	<b>182</b>	<b>175</b>	<b>166</b>

Source: District Personnel Records

CUMBERLAND REGIONAL SCHOOL DISTRICT  
 Operating Statistics,  
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff	Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2008	1,335	20,192,035.00	15,125	5.87%	110	11.84	1,302	1,213	3.48%	93.16%
2009	1,343	21,061,890.00	15,683	3.69%	110	11.82	1,300	1,235	-0.15%	95.00%
2010	1,356	21,485,278.00	15,845	1.03%	110	11.13	1,224	1,138	-5.85%	92.97%
2011	1,330	21,213,166.00	15,950	0.66%	100	11.97	1,197	1,137	-2.21%	94.99%
2012	1,291	21,333,200.00	16,525	3.60%	105	11.8	1,239	1,163	3.51%	93.87%
2013	1,273	22,642,855.00	17,787	7.64%	98	12.44	1,219	1,149	-1.61%	94.26%
2014	1,338	22,032,794.00	16,883	-5.08%	97	12.85	1,246	1,171	2.21%	93.98%
2015	1,335	22,207,756.00	16,635	-1.47%	93	13.49	1,255	1,185	0.72%	94.42%
2016	1,278	22,064,845.00	17,265	3.79%	104	11.7	1,217	1,146	-3.03%	94.17%
2017	1,203	22,287,092.70	18,526	7.30%	96	12.53	1,155	1,071	-5.09%	92.73%

Sources: District records

Note: Enrollment based on annual October district count.

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

CUMBERLAND REGIONAL SCHOOL DISTRICT  
 School Building Information  
 Last Ten Fiscal Years

Exhibit J-18

District Building	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>Primary:</u>										
High School										
Square Feet	247,960	247,960	247,960	247,960	247,960	247,960	247,960	247,960	247,960	247,960
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	1,375	1,322	1,429	1,238	1,291	1,278	1,305	1,335	1,305	1,203
<u>Other:</u>										
Administration Building										
Square Feet	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Storage										
Square Feet	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400
Storage										
Square Feet	960	960	960	960	960	960	960	960	960	960

Number of Schools at June 30, 2017  
 Senior High Schools - 1  
 Other - 3

**Source:** District Records.

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Changes in capacity are also due to recalculations under Department of Education guidelines. Enrollment is based on the Fall survey reports

Cumberland Regional School District  
 General Fund  
 Schedule of Required Maintenance for School Facilities,  
 Last Ten Fiscal Years  
 (Unaudited)

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Cumberland Regional High School	N/A	\$ 85,568.00	\$ 169,174.00	\$ 198,016.00	\$ 174,865.00	\$ 314,163.00	\$ 301,551.00	\$ 254,543.00	\$ 246,119.00	\$ 257,172.00	\$ 329,005.72
Total School Facilities		\$ 85,568.00	\$ 169,174.00	\$ 198,016.00	\$ 174,865.00	\$ 314,163.00	\$ 301,551.00	\$ 254,543.00	\$ 246,119.00	\$ 257,172.00	\$ 329,005.72
Other Facilities											
Grand Total		\$ 85,568.00	\$ 169,174.00	\$ 198,016.00	\$ 174,865.00	\$ 314,163.00	\$ 301,551.00	\$ 254,543.00	\$ 246,119.00	\$ 257,172.00	\$ 329,005.72

Source: District records

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

**Cumberland Regional School District  
Insurance Schedule  
For the Year Ended June 30, 2017  
Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Utica National Insurance Group		
Property-Blanket Building and Contents	\$ 66,509,637	1,000
Commercial General Liability	3,000,000.00	
School District Legal Liability	1,000,000.00	7,500.00
Comprehensive Crime Coverage	100,000.00	500.00
Employee Benefits Program Liability	1,000,000.00	1,000.00
Commercial Inland Marine	1,041,168.00	1,250.00
Earthquake Changes	1,000,000.00	25,000.00
Flood Coverage	1,015,000.00	25,000.00
Limited Water Damage	5,000,000.00	1,000.00
Limited Backup of Sewers or Drains Coverage	1,000,000.00	
Employment-Related Practices-Liability	1,000,000.00	5,000.00
Commercial Automobile-Republic Franklin Insurance Co.	1,000,000.00	1,000.00
Umbrella Liability - Utica Mutual Insurance Company Umbrella Policy	10,000,000.00	10,000.00
Workers' Compensation and Employers Liability - Educational Risk Insurance Consortium	2,000,000.00	
Student Accident - Berkley Life and Health Insurance Co.	1,000,000.00	
Student Accident - Catastrophic - The Group, Blanket Accident and Health Insurance Trust	5,000,000.00	25,000.00
Catastrophic Excess Liability - Fireman's Fund	10,000,000.00	
Bonds:		
Board Secretary/Business Administrator:		
Bruce Harbinson	150,000.00	

Source: District Records



## **Single Audit Section**





# F O R D - S C O T T

& A S S O C I A T E S , L . L . C .

C E R T I F I E D P U B L I C A C C O U N T A N T S

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

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## **Independent Auditor's Report**

Honorable President and  
Members of the Board of Education  
Cumberland Regional School District  
65 Love Lane  
Bridgeton, New Jersey 08302

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 activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cumberland Regional School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Cumberland Regional School District's basic financial statements, and have issued our report thereon dated September 22, 2017.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Cumberland Regional School District's 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 the Stafford Township School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 entity'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 the Cumberland 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Michael S. Garcia*

Michael S. Garcia  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2080

September 22, 2017



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## **Independent Auditor's Report**

Honorable President and  
Members of the Board of Education  
Cumberland Regional School District  
65 Love Lane  
Bridgeton, New Jersey 08302

### **Report on Compliance for Each Major Federal & State Program**

We have audited the Cumberland 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 Cumberland Regional School District's major federal and state programs for the year ended June 30, 2017. The Cumberland 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 the requirements of laws, regulations, contracts, and grant terms and conditions applicable to its federal and state programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Cumberland 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; OMB Uniform Guidance and NJ OMB 15-08. Those standards and the Uniform Guidance 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 Cumberland Regional 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 Cumberland Regional School District's compliance.

### **Opinion on Each Major Federal and State Program**

In our opinion, the Cumberland 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 as identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned costs for the year ended June 30, 2017.

### **Report on Internal Control Over Compliance**

Management of the Cumberland Regional School District's 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 Cumberland Regional School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and 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 and state program and to test and report on internal control over compliance in accordance with Uniform Guidance and NJ OMB 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 Cumberland Regional 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 NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Michael S. Garcia*

Michael S. Garcia  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2080

September 22, 2017

**CUMBERLAND 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	Grant or State Project Number	Grant Period From To	Program or Award Amount	Balance at June 30, 2016		Budgetary Expenditures				June 30, 2017					
						Account Receivable	Unearned Revenue	Due to Grantor	Cash Received	Pass Through	Direct	Total	(Memo) Passed-Through to Sub-Recipients	(Accounts Receivable)	Unearned Revenue	Due to Grantor	
<b>U.S. Department of Health and Human Services and Human Services</b>																	
General Fund:																	
Medical Assistance Program (SEMI)	93.778	1605NJ5MAP	N/A	7/1/2015	6/30/2016	\$ 44,217.00	\$ (1,191.00)	\$	23,132.19	(21,941.19)	(21,941.19)	(21,941.19)	\$	-	-	\$	-
<b>Total General Fund</b>							<u>(1,191.00)</u>		<u>23,132.19</u>	<u>(21,941.19)</u>	<u>(21,941.19)</u>						
<b>U.S. Department of Education Passed-Through State Department of Education</b>																	
Special Revenue Fund:																	
Title I, Part A	84.010A	S010A160030	NCLB-099716	7/1/2016	6/30/2017	173,139.00			96,840.00	(173,139.00)				(76,299.00)			
Title I, Part A	84.010A	S010A150030	NCLB-099716	7/1/2015	6/30/2016	176,625.00	(65,954.00)		65,954.00								
Title II, Part A	84.367A	S367A160029	NCLB-099716	7/1/2016	6/30/2017	36,127.00			15,699.00	(25,305.37)				(9,606.37)			
Title II, Part A	84.367A	S367A150029	NCLB-099716	7/1/2015	6/30/2016	38,361.00	(6,662.00)		6,662.00								
I.D.E.A. Part B, Basic, Regular	84.027	H027A160100	FT-099716	7/1/2016	6/30/2017	313,729.00			225,199.00	(283,729.00)				(58,530.00)			
I.D.E.A. Part B, Basic, Regular	84.027	H027A160100	FT-099716	7/1/2015	6/30/2016	302,560.00	(161,545.00)		161,545.00								
Perkins Vocational	84.048A	S048A160030	PERK-099716	7/1/2016	6/30/2017	78,835.84	(19,113.00)		55,043.00	(78,835.84)				(23,792.84)			
Perkins Vocational	84.048A	S048A150030	PERK-099716	7/1/2015	6/30/2016	50,970.00			19,113.00								
<b>Total Special Revenue Fund</b>							<u>(253,274.00)</u>		<u>646,055.00</u>	<u>(561,009.21)</u>				<u>(188,228.21)</u>			
<b>U.S. Department of Agriculture Passed-Through State Department of Education</b>																	
Enterprise Fund:																	
Food Distribution Program	10.555	16161NJ304N1099	N/A	7/1/2015	6/30/2016	48,998.00			5,824.50	(4,285.00)							
Food Distribution Program	10.555	16171NJ304N1099	N/A	7/1/2016	6/30/2017	10,109.50				(5,824.50)							
National School Breakfast Program	10.553	16161NJ304N1099	N/A	7/1/2015	6/30/2016	66,235.00	(4,409.00)		4,409.00	(66,136.35)				(3,653.61)			
National School Breakfast Program	10.553	1711NJ304N1099	N/A	7/1/2016	6/30/2017	66,136.35			62,482.74								
National School Lunch Program	10.555	16161NJ304N1099	N/A	7/1/2015	6/30/2016	220,078.00	(12,638.00)		12,638.00	(193,592.72)				(9,349.40)			
National School Lunch Program	10.555	1711NJ304N1099	N/A	7/1/2016	6/30/2017	193,592.72			184,243.32								
<b>Total Enterprise Fund</b>							<u>(17,047.00)</u>		<u>269,597.96</u>	<u>(289,838.57)</u>				<u>(13,003.01)</u>			
<b>Total Federal Financial Awards</b>							<u>\$ (271,512.00)</u>		<u>\$ 938,784.75</u>	<u>(830,847.76)</u>				<u>(181,231.22)</u>			<u>\$</u>

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





**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2017**

**NOTE 1 GENERAL**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Cumberland Regional School District. The Board of Education is defined in Note 1 (A) to the Board's basic financial statements. All federal assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's basic financial statements. The information included in this schedule is presented in accordance with the requirements of OMB Uniform Guidance and NJ OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

**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.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2.. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last two 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 net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$26,322), for the general fund and (\$22,046) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>		<u>State</u>		<u>TPAF Pension</u>		<u>Total</u>
General Fund	\$ 21,941	\$	14,439,448	\$	(1,581,892)	\$	12,879,497
Special Revenue Fund	565,524		108,214				673,738
Debt Service Fund			186,168				186,168
Food Service Fund	<u>269,839</u>		<u>4,350</u>				<u>274,189</u>
	<u>\$ 857,304</u>	\$	<u>14,738,179</u>	\$	<u>(1,581,892)</u>	\$	<u>14,013,591</u>

The On-Behalf Pension Contributions made for the district by the State of New Jersey are recognized as revenue in the basic financial statements, but are not considered in the major program determination.

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2017**  
**(CONTINUED)**

**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 OTHER**

Revenues and expenditures reported under the U.S.D.A. Commodities 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 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 6 ADJUSTMENTS**

The District has instances where a grant period overlaps fiscal years and the grant has not closed out at the end of the current fiscal year.

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING JUNE 30, 2017**

**I. SUMMARY OF AUDITORS RESULTS**

**Financial Statements**

Type of auditor's report issued: Unmodified Opinion issued on the Basic Financial Statements

Internal control over financial reporting:

1) Material weakness identified? None noted

2) Significant deficiencies identified? None noted

Noncompliance material to the Basic Financial Statements noted? None noted

**Federal Awards**

Internal control over major programs:

1) Material weakness identified? None noted

2) Significant deficiencies identified? None noted

Type of auditor's report issued on compliance for major programs: An Unmodified Opinion was issued on compliance for major programs

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? None noted

Identification of major programs:

<b><u>CFDA Numbers</u></b>	<b><u>FAIN#</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
<b><u>Special Education Cluster</u></b>		
84.027	H027A150100	Individuals with Disabilities – State Grant

Dollar threshold used to distinguish between type A and type B programs: \$750,000.00

Auditee qualified as low-risk auditee? Yes

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING JUNE 30, 2017**  
**(CONTINUED)**

**I. SUMMARY OF AUDITORS RESULTS - Continued**

**State Awards**

Dollar threshold used to distinguish between type A and Type B Programs:	\$750,000.00
Auditee qualified as low-risk auditee?	Yes
Type of auditor's report issued on compliance for major programs:	An Unmodified Opinion was issued on compliance for major programs
Internal Control over major programs:	
1) Material weakness identified?	None noted
2) Significant deficiencies identified?	None noted
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08?	No
Identification of major programs:	

**GMIS Numbers**

**Name of State Program**

**State Aid Public Cluster of Programs**

17-495-034-5120-078	Equalization Aid
17-495-034-5120-089	Special Education Categorical Aid
17-495-034-5120-084	Security Aid
17-495-034-5120-085	Adjustment Aid
17-495-034-5120-068	School Choice Aid
17-495-034-5120-097	Per Pupil Growth Aid
17-495-034-5120-098	PARCC Readiness

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING JUNE 30, 2017**  
**(CONTINUED)**

**II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS**

In accordance with Government Auditing Standards, our audit disclosed no findings relating to the financial statements that are required to be reported under this section.

**III. FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

Federal:

Our audit disclosed no material Findings or Questioned Costs.

State:

Our audit disclosed no material Findings or Questioned Costs.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding #2016-1:**

There were two free/reduced meal applications that were incorrectly approved. One application was categorized as free but should have been reduced and the other application was categorized as reduced and should have been free.

This finding was cleared in 2017.

**Finding #2016-2:**

The three percent verification on lunch applications was performed, but the required confirmation review was not properly conducted. The confirmation review was completed by the same determining official who made the original determination. The confirmation review should be independently performed.

This finding was cleared in 2017.

**Finding #2016-3:**

Program sponsors are required to notify eligible households about availability and location of free meals for students through the Summer Food Service Program. Eligible households were not informed about the availability of the Summer Food Service Program.

This finding was cleared in 2017.

**Finding #2016-4:**

The value of USDA commodities received directly by the District were included in the Food Service Management Company reports. However, the value of USDA commodities delivered to food processing companies for the benefit of the District and received by the District after processing is not included.

This finding was cleared in 2017.

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