

**Comprehensive Annual
Financial Report**

of the

Cumberland Regional High School District

Seabrook, New Jersey

For the Fiscal Year Ended June 30, 2018

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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



Steven W. Price
Superintendent/
Chief Educational Officer

Bruce D. Harbinson
School Business Administrator/
Assistant to Superintendent

January 25, 2019

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, 2018 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, 2018.

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, 2018 the District's outstanding bonds are \$6,342,000.00.

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

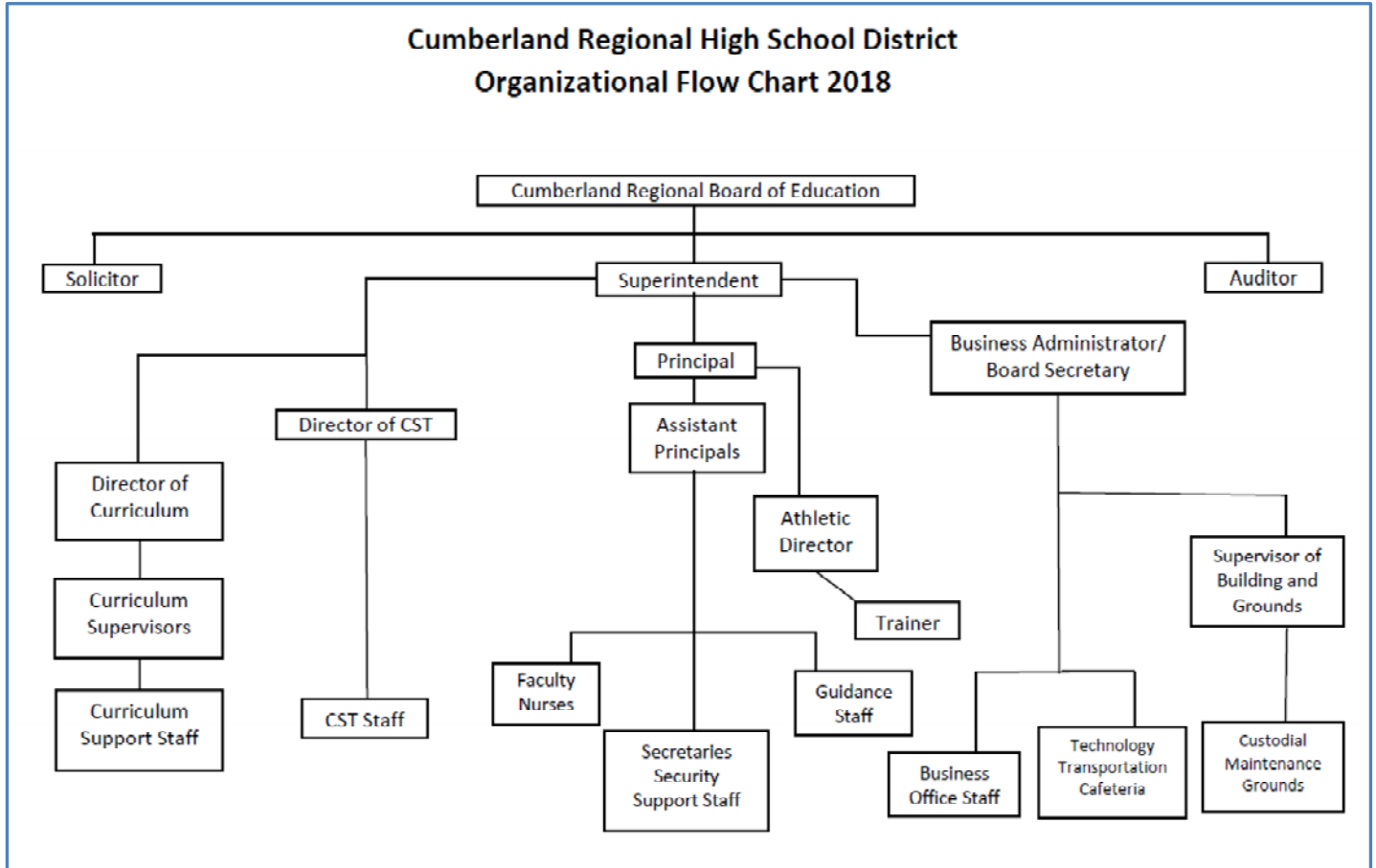
Bruce D. Harbinson

Bruce D. Harbinson
School Business Administrator

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ADMINISTRATION

1110 ORGANIZATIONAL CHART



Adopted: August 27, 2009
Updated: May 25, 2017
Updated: May 24, 2018

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

ROSTER OF OFFICIALS

JUNE 30, 2018

<u>Members of the Board of Education</u>	<u>Term</u>
Thomas Davis, President	2019
Theresa Christian-Hunsberger, Vice-President	2019
Ronald Campbell Sr.	2019
Ken Jackson	2018
Andrew Benfer	2018
Kimberly Hall	2018
Valerie Gould	2020
Claude Rucker	2020
Valerie Wojcik	2020

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

PHONE 609.399.6333 • FAX 609.399.3710

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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, 2018, 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, 2018, 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 January 25, 2019 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

January 25, 2019

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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, 2018. 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 \$527,257 during the fiscal year ended June 30, 2018 for the employer's share of social security contributions. The State of New Jersey also paid \$1,780,748 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, 2018 the District had excess surplus of \$1,118,807, of which \$573,057 was required to be budgeted as a revenue for the year ending June 30, 2019 and \$545,750 is designated for subsequent year budgets.
- During the fiscal year ended June 30, 2018, the District's revenues were approximately \$3,753,220 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 2018 and 2017 as a result of an excess of expenses, predominantly depreciation, over revenues. The business-type activities net position also decreased due to an excess of expenses over costs.

	Governmental Activities		Business-type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 7,832,694	\$ 4,097,270	93,483	67,881	7,926,177	4,165,151
Capital assets	6,992,990	34,387,479	54,681	84,536	7,047,671	34,472,015
Total assets	<u>14,825,684</u>	<u>38,484,750</u>	<u>148,164</u>	<u>152,417</u>	<u>14,973,848</u>	<u>38,637,167</u>
Deferred outflows of resources	<u>1,535,684</u>	<u>2,340,383</u>	-	-	<u>1,535,684</u>	<u>2,340,383</u>
Long-term liabilities	12,230,802	15,056,165	-	-	12,230,802	15,056,165
Other liabilities	<u>91,784</u>	<u>91,903</u>	<u>91,657</u>	-	<u>183,442</u>	<u>91,903</u>
Total liabilities	<u>12,322,587</u>	<u>15,148,068</u>	<u>91,657</u>	-	<u>12,414,244</u>	<u>15,148,068</u>
Deferred inflows of resources	<u>1,458,608</u>	<u>54,288</u>	-	-	<u>1,458,608</u>	<u>54,288</u>
Net position						
Invested in capital assets	650,990	27,270,479	54,681	84,536	705,671	27,355,015
Restricted	8,212,593	4,140,855		-	8,212,593	4,140,855
Unrestricted	<u>(6,283,409)</u>	<u>(5,788,558)</u>	<u>1,826</u>	<u>38,295</u>	<u>(6,281,583)</u>	<u>(5,750,262)</u>
Total net position	<u>\$ 2,580,173</u>	<u>25,622,777</u>	<u>56,507</u>	<u>122,831</u>	<u>2,636,680</u>	<u>25,745,608</u>

Net position of the District decreased due to a required adjustment made in the value of the District's Capital Assets.

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, 2018, the District had fund balance in the amount of \$4,482,709 of which \$573,057 is excess surplus that has been included in the 2018-2019 budget. \$800,000 is restricted for the Maintenance Reserve. \$3,043,144 is restricted for the Capital Reserve. \$283,191 is assigned to encumbrances. \$545,750 is current year excess surplus that will be included in the 2019-2020 budget. The unrestricted fund balance is \$402,078.

Approximately 67% 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.

	2018		2017	
	Amount	Percentage	Amount	Percentage
Property taxes	\$ 9,245,732	31.24%	8,945,817	36.52%
Unrestricted Federal and State aid	19,947,066	67.39%	15,321,295	62.54%
Transportation Fees	118,695	0.40%	137,771	0.56%
Interest Earned	24,182	0.08%	11,146	0.05%
Other	262,183	0.89%	80,461	0.33%
Totals	\$ 29,597,858	100.00%	24,496,491	100.00%

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Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2018 and 2017 fiscal years:

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenue						
Charges for services	\$ 118,695	137,771	179,950	231,890	298,645	369,662
Grants and entitlements	12,060,356	17,470,258	267,508	274,189	12,327,864	17,744,446
General revenues						
Property taxes	9,245,732	8,945,817			9,245,732	8,945,817
State aid entitlements	12,514,768	12,336,302			12,514,768	12,336,302
Other	(29,062,306)	142,822	170	147	(29,062,136)	142,969
Total revenues	4,877,245	39,032,971	447,629	506,225	5,324,874	39,539,196
Expenses						
Instruction:						
Regular	12,659,247	22,724,094			12,659,247	22,724,094
Special Education	1,591,965	2,689,363			1,591,965	2,689,363
Other Instruction	1,355,007	2,256,520			1,355,007	2,256,520
Support services:						
Tuition	1,689,956	1,495,818			1,689,956	1,495,818
Student & instruction related	2,983,704	2,939,777			2,983,704	2,939,777
School administration services	1,113,978	1,176,572			1,113,978	1,176,572
General & business admin	623,543	725,073			623,543	725,073
Central Services	493,914	503,897			493,914	503,897
Admin info tech	154,771	209,419			154,771	209,419
Plant operations & maintenance	2,892,076	3,165,228			2,892,076	3,165,228
Pupil transportation	1,889,039	1,832,604			1,889,039	1,832,604
Employee Benefits		-			-	-
NJ Debt Service Assessment	224,824	224,824			224,824	224,824
Interest on long-term debt	222,825	244,184			222,825	244,184
Internal service fund		-			-	-
Business-type activities			538,953	530,351	538,953	530,351
Total expenses	27,894,849	40,187,372	538,953	530,351	28,433,802	40,717,723
Transfer	(25,000)	-	25,000	-	-	-
Increase/(Decrease) in net assets	(23,042,603)	(1,154,401)	(66,325)	(24,126)	(23,108,928)	(1,178,527)

Business-type Activities

Operating and non-operating revenues of the District's business-type activities decreased \$58,596 from the previous year and expenses increased by \$8,602.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$7,739,650 which is approximately \$3,728,221 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 30th 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 2018, the District had invested \$7,047,671 in a broad range of capital assets, including land, buildings, vehicles and machinery.

	Governmental Activities		Business-type Activities		Totals	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 263,190	\$ 263,190			263,190	263,190
Construction in Progress	2,229,579	-			2,229,579	-
Buildings and Bldg improvements	3,395,127	33,592,562			3,395,127	33,592,562
Machinery & equipment	1,105,094	531,727	54,681	84,536	1,159,774	616,263
Total	\$ 6,992,990	34,387,479	54,681	84,536	7,047,671	34,472,015

Long-term Debt

	Balance June 30, 2017	Issued	Retired/ Adjusted	Balance June 30, 2018
Governmental Activities				
Compensated Absences Payable	\$ 323,499	-	40,400	283,099
Bonds Payable	7,117,000		775,000	6,342,000
Accrued Interest on Bonds	65,342	-	5,736	59,606
Total Governmental Activities	<u>\$ 7,505,841</u>	<u>-</u>	<u>821,136</u>	<u>6,684,705</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.

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Basic Financial Statements

DISTRICT – WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business – type activities of the District.

CUMBERLAND REGIONAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 5,080,778.48	\$ 47,311.03	\$ 5,128,089.51
Investment in SREC's	60,865.00		60,865.00
Receivables, Net	2,691,050.30	39,365.56	2,730,415.86
Internal Accounts	-		-
Inventory		6,806.90	6,806.90
Capital Assets, Net	6,992,990.10	54,680.57	7,047,670.67
Total Assets	<u>14,825,683.88</u>	<u>148,164.06</u>	<u>14,973,847.94</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflow of Resources			
Deferred Outflows Related to Pensions	1,535,684.00		1,535,684.00
Total Deferred Outflow of Resources	<u>1,535,684.00</u>	<u>-</u>	<u>1,535,684.00</u>
LIABILITIES			
Accounts Payable - Pension	-		-
Unearned Revenue	16,434.89		16,434.89
Accrued Interest	59,605.88		59,605.88
Noncurrent Liabilities			
Due Within One Year	795,000.00		795,000.00
Due Beyond One Year	5,830,099.34		5,830,099.34
Net Pension Liability	5,605,703.00		5,605,703.00
Total Liabilities	<u>12,322,586.56</u>	<u>91,657.34</u>	<u>12,414,243.90</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow of Resources			
Deferred Inflows Related to Pensions	1,458,608.00	-	1,458,608.00
Total Deferred Inflow of Resources	<u>1,458,608.00</u>	<u>0.00</u>	<u>1,458,608.00</u>
NET POSITION			
Net Investment in Capital Assets	650,990.10	54,680.57	705,670.67
Restricted for:			
Capital Projects	4,515,469.20		4,515,469.20
Other Purposes	3,697,123.50		3,697,123.50
Unrestricted (Deficit)	(6,283,409.48)	1,826.15	(6,281,583.33)
Total Net Position	<u>\$ 2,580,173.32</u>	<u>\$ 56,506.72</u>	<u>\$ 2,636,680.04</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, 2018

Function/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			
	Direct Expenses	Indirect Cost Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
Instruction:								
Regular	\$ 9,281,675.29	3,377,571.64		5,359,350.92		(7,299,896.01)	-	(7,299,896.01)
Special Education	1,167,217.75	424,746.77		618,655.89		(973,308.63)		(973,308.63)
Other Instruction	993,482.35	361,525.02		526,571.59		(828,435.78)		(828,435.78)
Support Services:								
Tuition	1,689,955.50					(1,689,955.50)		(1,689,955.50)
Student & Instruction Related Services	2,472,820.05	510,884.12		505,982.60		(2,477,721.57)		(2,477,721.57)
School Administrative Services	923,237.10	190,740.60		106,767.08		(1,007,210.62)		(1,007,210.62)
General and Administrative Serv.	516,776.66	106,765.96		59,762.26		(563,780.36)		(563,780.36)
Central Services	409,343.97	84,570.38		47,338.28		(446,576.07)		(446,576.07)
Admin Info Tech	128,270.45	26,500.65		14,833.74		(139,937.36)		(139,937.36)
Plant Operation and Maintenance	2,396,880.88	495,195.10	118,694.88	316,936.08	4,300,000.00	1,724,860.10		1,724,860.10
Pupil Transportation	1,876,606.60	12,432.83		8,558.74		(1,761,785.81)		(1,761,785.81)
Employee Benefits	4,979,739.38	(4,979,739.38)				-		
Depreciation	611,193.69	(611,193.69)				-		
NJ Debt Service Assessment	224,824.00			195,599.00		(24,824.00)		(24,824.00)
Interest on Long-Term Debt	222,825.14					(27,226.14)		(27,226.14)
Total Governmental Activities	<u>27,894,848.81</u>	<u>-</u>	<u>118,694.88</u>	<u>7,760,356.18</u>	<u>4,300,000.00</u>	<u>(15,715,797.75)</u>	<u>-</u>	<u>(15,715,797.75)</u>
Business-Type Activities:								
Food Service	538,953.07		179,950.05	267,508.13		(91,494.89)		(91,494.89)
Total Business-Type Activities	<u>538,953.07</u>	<u>-</u>	<u>179,950.05</u>	<u>267,508.13</u>	<u>-</u>	<u>(91,494.89)</u>	<u>(91,494.89)</u>	<u>(91,494.89)</u>
Total Primary Government	<u>\$ 28,433,801.88</u>	<u>-</u>	<u>298,644.93</u>	<u>8,027,864.31</u>	<u>4,300,000.00</u>	<u>(15,715,797.75)</u>	<u>(91,494.89)</u>	<u>(15,807,292.64)</u>
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes, Net						8,848,314.00		8,848,314.00
Taxes Levied for Debt Service						397,418.00		397,418.00
Federal and State Aid not Restricted						12,514,768.11		12,514,768.11
Investment Earnings						24,181.60	170.35	24,351.95
Miscellaneous Income						192,875.82		192,875.82
Transfers (to) / from Other Funds						(25,000.00)	25,000.00	-
Adjustment to Capital Assets						(29,279,363.36)		(29,279,363.36)
Total General Revenues, Special Items, Extraordinary Items and Transfers						<u>(7,326,805.83)</u>	<u>25,170.35</u>	<u>(7,301,635.48)</u>
Change in Net Position						<u>(23,042,603.58)</u>	<u>(66,324.54)</u>	<u>(23,108,928.12)</u>
Net Position - Beginning						25,622,776.90	122,831.26	25,745,608.16
Net Position - Ending						<u>2,580,173.32</u>	<u>56,506.72</u>	<u>2,636,680.04</u>

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

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, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 4,374,992.32	16,434.52	687,161.72	2,189.92	5,080,778.48
Due from Other Funds		0.37	0.41	4,110.36	4,111.14
Receivables from Other Governments	90,355.00		2,583,333.33		2,673,688.33
Other Receivables	17,361.97				17,361.97
					-
Total Assets	<u>4,482,709.29</u>	<u>16,434.89</u>	<u>3,270,495.46</u>	<u>6,300.28</u>	<u>7,775,939.92</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable			15,743.45		15,743.45
Interfund Payable	0.78		4,110.36		4,111.14
Unearned Revenue		16,434.89			16,434.89
Total Liabilities	<u>0.78</u>	<u>16,434.89</u>	<u>19,853.81</u>	<u>-</u>	<u>36,289.48</u>
Fund Balances:					
Restricted for:					
Excess Surplus - Current Year	545,749.90				545,749.90
Excess Surplus - designated for subsequent year's expenditures	573,057.15				573,057.15
Maintenance Reserve	800,000.00				800,000.00
Capital Reserve	3,043,144.00				3,043,144.00
Committed to:					
Other Purposes	283,191.36		1,778,316.45		2,061,507.81
Assigned to:					
Debt Service				4,111.28	4,111.28
Designated by BOE for subsequent year's expenditures	-			2,189.00	2,189.00
Capital Projects			1,472,325.20		1,472,325.20
Unassigned:					
General Fund	(762,433.90)				(762,433.90)
Total Fund Balances	<u>4,482,708.51</u>	<u>-</u>	<u>3,250,641.65</u>	<u>6,300.28</u>	<u>7,739,650.44</u>
Total Liabilities and Fund Balances	<u>\$ 4,482,709.29</u>	<u>16,434.89</u>	<u>3,270,495.46</u>	<u>6,300.28</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 \$25,856,864.79 and the accumulated depreciation is \$18,863,874.69.	6,992,990.10
Value of Investment in SREC's	60,865.00
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.	(6,684,705.22)
Pension Liabilities Net of Deferred Outflows & Inflows	(5,528,627.00)
Net Position of governmental activities	<u>\$ 2,580,173.32</u>

CUMBERLAND REGIONAL SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 8,848,314.00	\$ -	\$ -	\$ 397,418.00	\$ 9,245,732.00
Transportation Fees	118,694.88				118,694.88
Interest Earned	20,071.24		4,110.36		24,181.60
Miscellaneous	191,290.82	70,891.83			262,182.65
Total Local Sources	9,178,370.94	70,891.83	4,110.36	397,418.00	9,650,791.13
State Sources	14,798,988.62	123,785.51	4,300,000.00	195,599.00	19,418,373.13
Federal Sources	23,784.33	504,909.00			528,693.33
Total Revenues	<u>24,001,143.89</u>	<u>699,586.34</u>	<u>4,304,110.36</u>	<u>593,017.00</u>	<u>29,597,857.59</u>
EXPENDITURES					
Current:					
Regular Instruction	5,813,010.60	439,820.65			6,252,831.25
Special Education Instruction	786,325.25				786,325.25
Other Instruction	669,284.08				669,284.08
Support Services:					
Tuition	1,689,955.50				1,689,955.50
Student & Instruction Related Serv.	1,902,001.23	220,015.14			2,122,016.37
School Administrative Services	792,263.16				792,263.16
General Administrative Services	443,464.75				443,464.75
Central Services	351,272.88				351,272.88
Administration Information Tech	110,073.51				110,073.51
Plant Operation and Maintenance	2,056,850.22				2,056,850.22
Pupil Transportation	1,866,107.37				1,866,107.37
Employee Benefits	4,979,739.38				4,979,739.38
Debt Service:					
Principal				775,000.00	775,000.00
Interest and Other Charges				228,561.26	228,561.26
Capital Outlay	451,561.89	39,750.55	2,229,579.35		2,720,891.79
Total Expenditures	<u>21,911,909.82</u>	<u>699,586.34</u>	<u>2,229,579.35</u>	<u>1,003,561.26</u>	<u>25,844,636.77</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,089,234.07</u>	<u>-</u>	<u>2,074,531.01</u>	<u>(410,544.26)</u>	<u>3,753,220.82</u>
OTHER FINANCING SOURCES/(USES)					
Transfer In			500,000.00	404,110.36	904,110.36
Transfer Out	(525,000.00)		(404,110.36)		(929,110.36)
Total Other Financing Sources	<u>(525,000.00)</u>	<u>-</u>	<u>95,889.64</u>	<u>404,110.36</u>	<u>(25,000.00)</u>
Net Changes in Fund Balance	1,564,234.07	-	2,170,420.65	(6,433.90)	3,728,220.82
Fund Balance - July 1	2,918,474.44	-	1,080,221.00	12,734.18	4,011,429.62
Fund Balance - June 30	<u>\$ 4,482,708.51</u>	<u>\$ -</u>	<u>\$ 3,250,641.65</u>	<u>\$ 6,300.28</u>	<u>\$ 7,739,650.44</u>

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, 2018

Total Net Change in Fund Balance - Governmental Funds (from B-2)		\$ 3,728,220.82
<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	\$ (611,193.69)	
Adjustment to Capital Assets	(29,279,363.36)	
Capital Outlay	2,496,067.79	(27,394,489.26)
<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	775,000.00	775,000.00
<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>		
		40,399.74
Decrease in accrued interest expense		5,736.12
Increase in Value of Investment in SREC's		1,585.00
Adjustment to pension expense		(199,056.00)
Change in Net Position of Governmental Activities		<u>\$ (23,042,603.58)</u>

CUMBERLAND REGIONAL SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2018

	Business-Type Activities - Enterprise Fund
	Food Service
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 47,311.03
Accounts Receivable:	
State	238.21
Federal	14,127.35
Due from FSMC	25,000.00
Inventories	6,806.90
Total Current Assets	93,483.49
Noncurrent Assets:	
Furniture, Machinery & Equipment	361,238.57
Less: Accumulated Depreciation	(306,558.00)
Total Noncurrent Assets	54,680.57
Total Assets	\$ 148,164.06
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 91,657.34
Total Current Liabilities	91,657.34
NET POSITION	
Net Investment in Capital Assets	54,680.57
Unrestricted	1,826.15
Total Net Position	\$ 56,506.72

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, 2018

	Business-Type Activities - Enterprise Fund <u>Food Service</u>
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 72,816.25
Daily Sales - Non-reimbursable Programs	93,828.82
Vending	2,953.16
Special Functions	10,351.82
Total Operating Revenue	<u>179,950.05</u>
Operating Expenses:	
Cost of Sales - Reimbursable	152,081.70
Cost of Sales - Nonreimbursable	39,651.68
Salaries	207,439.07
Employee Benefits	44,581.79
Controllable Expenses	36,994.95
Non - Controllable Expenses	12,105.88
Administrative & Supervision Fee	30,000.00
Depreciation	16,098.00
Total Operating Expenses	<u>538,953.07</u>
Operating Income (Loss)	<u>(359,003.02)</u>
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	4,407.15
Federal Sources:	
National School Lunch Program	198,227.01
National School Breakfast Program	51,910.28
Food Distribution Program	38,911.69
Loss on Disposal of Fixed Assets	(25,948.00)
Interest and Investment Revenue	170.35
Total Nonoperating Revenues (Expenses)	<u>267,678.48</u>
Income (Loss) before Contributions & Transfers	(91,324.54)
Transfers In (Out)	<u>25,000.00</u>
Changes in Net Position	<u>(66,324.54)</u>
Total Net Position - Beginning	122,831.26
Total Net Position - Ending	<u>\$ 56,506.72</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, 2018

	Business-Type Activities - Enterprise Fund
	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 179,950.05
Payments to Suppliers	(419,820.54)
Net Cash Provided by (Used for) Operating Activities	(239,870.49)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	4,372.81
Federal Sources	249,012.95
Operating Subsidies and Transfers to Other Funds	25,000.00
Net Cash Provided by (Used for) Noncapital Financing Activities	278,385.76
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Equipment	(12,190.57)
Interest on Investments	170.35
Net Cash Provided (Used) by Capital and Related Financing Activities	(12,020.22)
Net Increase (Decrease) in Cash and Cash Equivalents	26,495.05
Balance - Beginning of Year	20,815.98
Balance - End of Year	\$ 47,311.03
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (359,003.02)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:	
Depreciation and Net Amortization	16,098.00
Donated Commodities Received During the Year	38,911.69
(Increase) Decrease in Due from FSMC	-
(Increase) Decrease in Inventories	2,051.35
Increase (Decrease) in Accounts Payable	62,071.49
Total Adjustments	119,132.53
Net Cash Provided by (Used for) Operating Activities	\$ (239,870.49)

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, 2018

	<u>Student Activity</u>	<u>Payroll/ Agency</u>	<u>Private Purpose Scholarship Fund</u>	<u>Employee Reimbursement Fund</u>	<u>Unemployment Compensation Trust</u>
ASSETS					
Cash and Cash Equivalents	\$ 312,501.68	\$ 172,408.71	\$ 11,078.59	\$ -	\$ 208,494.35
Total Cash and Cash Equivalents	<u>312,501.68</u>	<u>172,408.71</u>	<u>11,078.59</u>	<u>-</u>	<u>208,494.35</u>
LIABILITIES					
Payable to Student Groups	312,501.68				
Interfund Payable					
Accounts Payable					569.76
Summer Savings		36.92			
Payroll Deductions & Withholdings		172,371.79			-
Total Liabilities	<u>312,501.68</u>	<u>172,408.71</u>	<u>-</u>	<u>-</u>	<u>569.76</u>
NET POSITION					
Held in trust for unemployment claims					<u>\$ 207,924.59</u>
Held in trust for employee reimbursement				<u>\$ -</u>	
Reserve for scholarships			<u>\$ 11,078.59</u>		

CUMBERLAND REGIONAL SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2018

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Employee Reimbursement Fund
	<u> </u>	<u> </u>	<u> </u>
ADDITIONS			
Contributions:			
Plan Member	\$ 27,715.83	\$ -	\$ -
Other		8,100.00	
Board Contribution	80,000.00		
Total Contributions	<u>107,715.83</u>	<u>8,100.00</u>	<u>-</u>
Investment Earnings:			
Interest	596.79	-	0.08
Net Investment Earnings	<u>596.79</u>	<u>-</u>	<u>0.08</u>
Total Additions	<u>108,312.62</u>	<u>8,100.00</u>	<u>0.08</u>
DEDUCTIONS			
Scholarships Awarded		7,750.00	
Other			1,364.57
Unemployment Claims	12,516.01		
Total Deductions	<u>12,516.01</u>	<u>7,750.00</u>	<u>1,364.57</u>
Changes in Net Position	95,796.61	350.00	(1,364.49)
Net Position - Beginning of the Year	112,127.98	10,728.59	1,364.49
Prior Year Audit Adjustment			
Net Position - End of the Year	<u>\$ 207,924.59</u>	<u>\$ 11,078.59</u>	<u>\$ -</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, 2018**

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, 2018 of 1,131 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, 2018**

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, 2018**

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, 2018**

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, 2018**

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, 2018, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$	4,441.14
Supplies		<u>2,365.75</u>
	\$	<u>6,806.89</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, 2018 is \$0.

**CUMBERLAND REGIONAL BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018**

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	311,006
Undistributed Expenditures - Instruction	
Tuition to Private Schools for the Disabled -	
Within State	(198,100)
Unallocated Benefits	
Health Benefits	(258,963)
Capital Outlay	
Equipment:	
Regular Programs	
Grades 9 - 12 Instruction	
Instructional	194,655

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.

**CUMBERLAND REGIONAL BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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.

11. Tuition Payable:

Tuition charges for the fiscal years 2017/18 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 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.

**CUMBERLAND REGIONAL BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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 not have any effect on the District's financial reporting.

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 not have any effect on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases". This statement is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

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, 2018, \$840,243 of the District's bank balance of \$8,745,577 was exposed to custodial credit risk.

NOTE 3 – INVESTMENTS

As of June 30, 2018, 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, 2018.

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**CUMBERLAND REGIONAL BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 4 – RECEIVABLES

Receivables at June 30, 2018, 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	\$ 2,673,688	2,730,416
Federal Aid		
Due from Other Funds	4,111	
Other	17,362	
Gross Receivables	<u>2,695,161</u>	<u>2,730,416</u>
Less: Allowance for Uncollectibles		
Total Receivables, Net	<u>\$ 2,695,161</u>	<u>2,730,416</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, 2018:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ -	0.78
Special Revenue Fund	0.37	-
Capital Projects Fund	-	4,109.95
Debt Service Fund	4,110.36	-
	<u>\$ 4,110.73</u>	<u>4,110.73</u>

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**CUMBERLAND REGIONAL BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Depreciation</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 263,190			-	263,190
Construction in Progress	-	2,229,579	-	-	2,229,579
Total capital assets not being depreciated	<u>263,190</u>	<u>2,229,579</u>	<u>-</u>	<u>-</u>	<u>2,492,769</u>
Capital assets being depreciated:					
Land Improvements	933,675	-		274,362	1,208,037
Buildings and building improvements	54,575,918	-		(35,828,151)	18,747,767
Machinery and Equipment	5,871,164	266,488	-	(2,729,361)	3,408,291
Total capital assets being depreciated at historical cost	<u>61,380,757</u>	<u>2,496,068</u>	<u>-</u>	<u>(38,283,150)</u>	<u>23,364,095</u>
Less accumulated depreciation for:					
Land Improvements	(830,192)	-	(35,429)	(244,973)	(1,110,594)
Buildings and improvements	(21,086,839)	-	(378,555)	6,015,311	(15,450,083)
Equipment	(5,339,437)	-	(197,210)	3,233,449	(2,303,198)
Total capital assets being depreciated, net of accumulated depreciation	<u>(27,256,468)</u>	<u>-</u>	<u>(611,194)</u>	<u>9,003,787</u>	<u>(18,863,875)</u>
Governmental activity capital assets, net	<u>34,387,479</u>	<u>4,725,647</u>	<u>(611,194)</u>	<u>(29,279,363)</u>	<u>6,992,990</u>
Business-type activities:					
Capital assets being depreciated:					
Equipment	251,237	12,191	-	97,811	361,239
Less accumulated depreciation	(166,701)	-	(16,098)	(123,759)	(306,558)
Enterprise Fund capital assets, net	<u>84,536</u>	<u>12,191</u>	<u>(16,098)</u>	<u>(25,948)</u>	<u>54,681</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 281,330
Special Education	35,379
Other Instruction	30,113
Student & Instruction Related Services	95,475
General Administration	19,953
School Administrative Services	35,646
Plant Operations and Maintenance	92,543
Central Services	15,805
Info Tech	4,952
:	<u>\$ 611,194</u>

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NOTE 7 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2018 are as follows:

	Balance July 1, 2017	Issues or Additions	Payments or Expenditures	Balance June 30, 2018	Amounts Due Within One Year
Compensated Absences	\$ 323,499	-	40,400	283,099	-
Bonds Payable	7,117,000		775,000	6,342,000	795,000
Accrued Interest on Bonds	65,342	-	5,736	59,606	59,606
	<u>\$ 7,505,841</u>	<u>-</u>	<u>821,136</u>	<u>6,684,705</u>	<u>854,606</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, 2018 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, 2018 is \$4,147,000.

\$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, 2018 is \$2,195,000.

Debt service requirements on serial bonds payable at June 30, 2018 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	915,000	94,936	1,009,936
2024-2026	2,102,000	127,284	2,229,284
	<u>\$ 6,342,000</u>	<u>889,540</u>	<u>7,231,540</u>

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NOTE 8 – OPERATING LEASES

The District had operating leases for copying equipment during the year ended June 30, 2018. The total operating lease payments made during the year ended June 30, 2018 were \$56,685. 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>
2019	17,719
2020	17,719
2021	17,719
Total future minimum lease payments	\$ <u><u>53,157</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 \$16,435. 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>.

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.

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.

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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, 2018.

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 7.34% and the PERS rate is 7.34% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2018, 2017 and 2016 were \$1,780,748, \$1,581,892 and \$1,393,712 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, 2018, 2017 and 2016 were \$229,463, \$230,111 and \$227,048 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
6/30/2018	\$ 229,463	100%	-
6/30/2017	230,111	100%	-
6/30/2016	227,048	100%	-

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
06/30/18	\$ 1,780,748	100%	\$ -
06/30/17	1,581,892	100%	-
06/30/16	1,393,712	100%	-

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The Board's total payroll for the year ended June 30, 2018 was \$10,240,649. The TPAF covered payroll was \$7,296,318 and the PERS covered payroll was \$1,630,641. Information for prior years was not available.

During the fiscal year ended June 30, 2018, the State of New Jersey contributed \$1,780,748 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 \$527,257 during the year ended June 30, 2018 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 $\frac{1}{4}$ 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 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.

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- 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 1/60th from 1/55th, 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 1/7th 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, 2018, the District reported a liability of \$5,605,703 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2017, the District's proportion was .02408113530%, which was a decrease of 6.35% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the District recognized pension expense of \$422,142. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 131,995	
Changes of assumptions	1,129,356	(1,125,216)
Net difference between projected and actual earnings on pension plan investments	38,171	
Changes in proportion and differences between District contributions and proportionate share of contributions	236,162	(333,392)
District contributions subsequent to the measurement date	223,086.00	
Total	<u>\$ 1,758,770</u>	<u>\$ (1,458,608)</u>

\$223,086 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,		
2019	\$	61,320.00
2020		89,088.00
2021		52,918.00
2022		(70,748.00)
2023		(55,502.00)
Total	\$	<u>77,076.00</u>

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate	2.25%
Salary increases:	
Through 2026	1.65% - 4.15% (based on age)
Thereafter	2.65% - 5.15% (based on age)
Investment rate of return:	7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013

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using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-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, 2016 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 (7.00% at June 30, 2017) 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, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.50%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of

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7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, 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 40% 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 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, 2017, 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 (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
District's proportionate share of the net pension liability	\$ 6,725,490	5,605,703	4,673,989.91

Pension plan fiduciary net position.

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

NOTE 12 – TEACHERS PENSION AND ANNUITY FUND (TPAF)

At June 30, 2018, 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>51,651,999.00</u>
Total	<u>\$ 51,651,999.00</u>

The net pension liability was measured as of June 30, 2017 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,

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actuarially determined. At June 30, 2017, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$3,578,189 and revenue of \$3,578,189 for support provided by the State. At June 30, 2017, 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	\$ 337,931	(88,391)
Changes of assumptions	10,248,838	(8,951,558)
Net difference between projected and actual earnings on pension plan investments	\$ 261,623	
Changes in proportion and differences between District contributions and proportionate share of contributions		(1,519,782)
District contributions subsequent to the measurement date	<u>860,242</u>	
Total	<u>\$ 11,708,634</u>	<u>(10,559,731)</u>

\$860,242 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2019	\$ 90,530.00
2020	143,759.00
2021	120,203.00
2022	67,395.00
2023	76,407.00
Thereafter	<u>(209,633.00)</u>
Total	<u>\$ 288,661.00</u>

Actuarial assumptions. The total pension liability in the June 30, 2017 actuarial valuation was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

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Inflation Rate	2.25%
Salary increases	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.00%

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, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return.</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging market equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%

Discount rate. The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds

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with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% 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 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, 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 4.25% 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 (3.25%) or 1-percentage point higher (5.25%) than the current rate:

	1% Decrease (3.25)	Current Discount Rate (4.25%)	1% Increase (5.25%)
District's proportionate share of the net pension liability	\$ -	-	-

Pension plan fiduciary net position.

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

NOTE 13 – OTHER POST-RETIREMENT BENEFITS

P.L. 1987, Chapter 384 and P.L. 1990 Chapter 6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007 c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for funding and payment of post-retirement medical benefits for retired State employees and educational employees. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. 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 Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 53, 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.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Employees covered by benefit terms:

At June 30, 2018, the following employees were covered by the benefit terms:

**CUMBERLAND REGIONAL BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
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TPAF participant retirees:

As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf.

PERS participant retirees:

The State paid \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in Fiscal Year 2017.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportional share percentage determined under paragraphs 193 and 203 through 205 of GASBS no. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education.

Actuarial assumptions and other imputes:

The total OPEB liability in the June 30, 2017 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate: The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate. The discount rate used for the fiscal year ending June 30, 2017 is 3.58%.

Health Care Trend: For pre-Medicare PPO medical benefits, the initial amount is 5.9% and decreases to 5.0% long term trend rate after 9 years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For HMO medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after 9 years. For prescription drug benefits, the initial trend rate is 10/5% decreasing to a 5.0% long-term trend rate after 8 years. For Medicare Part-B reimbursement, the trend rate is 5.0%.

Salary Scale: The salary scale assumptions will be consistent with the salary scale assumptions used in the pension plans and the calculation of the retiree health contributions for current and future retirees who are subject to Chapter 78. The PERS and TPAF pension actuarial reports are used for the fiscal year ending June 30, 2018.

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Mortality rates were based on the following:

Pre-retirement Healthy Mortality: RP-2014 headcount-weighted healthy employee male/female mortality table with fully generational mortality improvement projections from the central year using scale MP-2017.

Post-retirement Healthy Mortality: RP-2014 headcount-weighted healthy annuitant male/female mortality table with fully generational improvement projections from the central year using scale MP-2017.

Disabled Mortality: RP-2014 headcount-weighted disabled male/female mortality table with fully generational improvement projections from the central year using scale MP-2017

Changes in the Total OPEB liability reported by the State of New Jersey:

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Balance at 6/30/16	\$ 57,831,784,184.00
Changes for the year:	
Service cost	2,391,878,884.00
Interest	1,699,441,736.00
Changes in assumptions or other inputs	(7,086,599,129.00)
Contributions: Member	45,748,749.00
Benefit payments	<u>(1,242,412,566.00)</u>
Net changes	<u>(4,191,942,326.00)</u>
Balance at 6/30/17	<u><u>\$ 53,639,841,858.00</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85% in 2016 to 3.58% in 2017.

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the State for school board retirees, as well as what the state's total OPEB liability for school boards would be if it were calculated using a discount rate that 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (2.58%)	Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB Liability (School Retirees)	63,674,362,200.00	53,639,841,858.00	45,680,364,953.00

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.

The following presents the total OPEB liability of the State, as well as what the State's total OPB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	44,113,584,560.00	53,639,841,858.00	66,290,599,457.00

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the board of education recognized OPEB expense of \$2,537,319 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

**CUMBERLAND REGIONAL BOARD OF EDUCATION
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In accordance with GASB 75, the board of education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	
Changes of assumptions		6,343,769,032.00
Net difference between projected and actual earnings on pension plan investments		
Changes in proportion and differences between District contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	<u>1,190,373,242.00</u>	
Total	<u>\$ 1,190,373,242.00</u>	<u>6,343,769,032.00</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2019	\$ (742,830,097.00)
2020	(742,830,097.00)
2021	(742,830,097.00)
2022	(742,830,097.00)
2023	(742,830,097.00)
Thereafter	<u>(2,629,618,547.00)</u>
Total	<u>\$ (6,343,769,032.00)</u>

(Contributions made after June 30, 2017 are reported as deferred outflow of resources but are not amortized in the expense.)

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

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, 2018, no liability existed for compensated absences in the Food Service Enterprise Fund.

**CUMBERLAND REGIONAL BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

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, 2017 to June 30, 2018 fiscal year is as follows:

Beginning balance, July 1, 2017		\$	1,452,601
Deposits			
Board Approved - 4/26/18	\$	700,000	
Board Resolution - June 2018		1,390,543	
			<u>2,090,543</u>
Withdrawals:			
Budgeted		(500,000)	
			<u>(500,000)</u>
Ending balance, June 30, 2018		\$	<u><u>3,043,144</u></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, 2017 to June 30, 2018 fiscal year is as follows:

Beginning balance, July 1, 2017	\$ 690,543
Board Resolution – June 2018	109,457
Ending balance, June 30, 2018	<u><u>\$800,000</u></u>

**CUMBERLAND REGIONAL BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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.

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
2017-2018	80,000	27,716	597	12,516	-	207,925
2016-2017		16,151	220	19,740	-	112,128
2015-2016	-	16,768	240	27,320	6,751	115,497

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 \$4,482,709 General Fund fund balance, at June 30, 2018, \$283,191 is reserved for encumbrances; \$1,118,807 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$573,057 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2019), \$3,043,144 has been reserved in the Capital Reserve Account; \$800,000 has been reserved in a Maintenance Reserve Account; A deficit of \$(762,434) 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, 2018 is \$1,118,807 of which \$573,057 has been included in the 2019 fiscal year budget.

**CUMBERLAND REGIONAL BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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.

NOTE 24 – SUBSEQUENT EVENT

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2018 through January 25, 2019, 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, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 8,848,314.00		8,848,314.00	8,848,314.00	-
Transportation	135,000.00		135,000.00	118,694.88	(16,305.12)
Interest Earned			-	20,071.24	20,071.24
Miscellaneous	140,000.00	12,911.00	152,911.00	191,290.82	38,379.82
Total Local Sources	<u>9,123,314.00</u>	<u>12,911.00</u>	<u>9,136,225.00</u>	<u>9,178,370.94</u>	<u>42,145.94</u>
State Sources:					
Equalization Aid	10,130,093.00	146,406.00	10,276,499.00	10,276,499.00	-
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	-
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	-
Lead Testing Abatement			-	2,734.78	2,734.78
TPAF (On-Behalf - Non-Budgeted)					
Post Retirement Medical Contributions			-	698,100.00	698,100.00
Pension Costs			-	1,080,854.00	1,080,854.00
Long Term Disability			-	1,794.00	1,794.00
TPAF Social Security (Reimbursed - Non-Budgeted)				527,256.84	527,256.84
Extraordinary Aid	110,000.00		110,000.00	77,595.00	(32,405.00)
Non-public Transportation Aid		12,760.00	12,760.00	12,760.00	-
Total State Sources	<u>12,354,449.00</u>	<u>159,166.00</u>	<u>12,513,615.00</u>	<u>14,791,949.62</u>	<u>2,278,334.62</u>
Federal Sources:					
Medicaid Reimbursement	27,491.00		27,491.00	23,784.33	(3,706.67)
Total Federal Sources	<u>27,491.00</u>	<u>-</u>	<u>27,491.00</u>	<u>23,784.33</u>	<u>(3,706.67)</u>
Total Revenues	<u>21,505,254.00</u>	<u>172,077.00</u>	<u>21,677,331.00</u>	<u>23,994,104.89</u>	<u>2,316,773.89</u>
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Grades 9 - 12 Salaries of Teachers	4,904,822.00	(62,290.40)	4,842,531.60	4,800,459.54	42,072.06
Regular Programs - Home Instruction					
Salaries of Teachers	40,000.00		40,000.00	23,488.00	16,512.00
Purchased Professional - Educational Services	50,000.00	(1,750.84)	48,249.16	41,090.40	7,158.76
Regular Programs - Undistributed Instruction					
Purchased Professional/Educational Services	203,000.00	(67,138.48)	135,861.52	121,797.08	14,064.44
Other Purchased Services (400-500 series)	189,500.00	11,900.00	201,400.00	132,853.15	68,546.85
General Supplies	380,341.00	311,006.47	691,347.47	595,857.69	95,489.78
Textbooks	100,000.00	(12,215.00)	87,785.00	57,809.78	29,975.22
Other Objects	36,000.00	12,300.00	48,300.00	39,654.96	8,645.04
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>5,903,663.00</u>	<u>191,811.75</u>	<u>6,095,474.75</u>	<u>5,813,010.60</u>	<u>282,464.15</u>
Behavioral Disabilities					
Salaries of Teachers	77,872.00	525.00	78,397.00	77,446.96	950.04
Purchased Technical Services	4,000.00		4,000.00	2,520.00	1,480.00
General Supplies	7,000.00		7,000.00	7,000.00	-
Total Behavioral Disabilities	<u>88,872.00</u>	<u>525.00</u>	<u>89,397.00</u>	<u>86,966.96</u>	<u>2,430.04</u>
Multiple Disabilities					
Salaries of Teachers	140,515.00	0.12	140,515.12	140,515.12	-
Other Salaries for Instruction	295,066.00	13,438.86	308,504.86	232,458.86	76,046.00
Purchased Technical Services	1,000.00		1,000.00	-	1,000.00
General Supplies	4,200.00	14.76	4,214.76	4,104.87	109.89
Total Multiple Disabilities	<u>440,781.00</u>	<u>13,453.74</u>	<u>454,234.74</u>	<u>377,078.85</u>	<u>77,155.89</u>
Resource Room/Resource Center					
Salaries of Teachers	297,098.00	5,580.00	302,678.00	202,154.79	100,523.21
Purchased Technical Services	1,000.00		1,000.00	433.63	566.37
General Supplies	1,500.00		1,500.00	-	1,500.00
Total Resource Room/Resource Center	<u>299,598.00</u>	<u>5,580.00</u>	<u>305,178.00</u>	<u>202,588.42</u>	<u>102,589.58</u>

CUMBERLAND REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Autism					
Salaries of Teachers	84,130.00	35,562.02	119,692.02	119,691.02	1.00
General Supplies	500.00		500.00		500.00
	<u>84,630.00</u>	<u>35,562.02</u>	<u>120,192.02</u>	<u>119,691.02</u>	<u>501.00</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>913,881.00</u>	<u>55,120.76</u>	<u>969,001.76</u>	<u>786,325.25</u>	<u>182,676.51</u>
Basic Skills/Remedial - Instruction					
Salaries for Teachers	4,000.00	(1.00)	3,999.00	-	3,999.00
Other Objects	7,250.00	(2,114.76)	5,135.24	2,013.30	3,121.94
Total Basic Skills/Remedial - Instruction	<u>11,250.00</u>	<u>(2,115.76)</u>	<u>9,134.24</u>	<u>2,013.30</u>	<u>7,120.94</u>
School-Spon. Cocurricular Activities - Instruction					
Salaries	110,500.00	12,112.00	122,612.00	117,779.50	4,832.50
Purchased Services (300 - 500 series)	18,500.00		18,500.00	17,952.00	548.00
Supplies and Materials	1,500.00		1,500.00	1,000.00	500.00
Other Objects	40,000.00		40,000.00	36,768.20	3,231.80
Total School-Spon. Cocurricular Activities - Inst.	<u>170,500.00</u>	<u>12,112.00</u>	<u>182,612.00</u>	<u>173,499.70</u>	<u>9,112.30</u>
School-Spon. Cocurricular Athletics - Instruction					
Salaries	356,680.00	(15,112.00)	341,568.00	329,364.88	12,203.12
Purchased Services (300 - 500 series)	81,000.00	(1,322.18)	79,677.82	75,527.82	4,150.00
Supplies and Materials	47,500.00		47,500.00	50,751.38	6,597.80
Other Objects	11,400.00	(5,527.00)	5,873.00	5,873.00	-
Total School-Spon. Cocurricular Athletics - Inst.	<u>496,580.00</u>	<u>(12,112.00)</u>	<u>484,468.00</u>	<u>461,517.08</u>	<u>22,950.92</u>
Alternative Education Program - Instruction					
Salaries of Teachers	14,000.00		14,000.00		14,000.00
Purchased Technical Services	43,000.00		43,000.00	32,254.00	10,746.00
Total Alternative Education Program - Inst.	<u>57,000.00</u>	<u>-</u>	<u>57,000.00</u>	<u>32,254.00</u>	<u>24,746.00</u>
Alternative Education Program - Support Services					
Salaries	10,000.00		10,000.00		10,000.00
Total Alternative Education Program - Support Services	<u>10,000.00</u>	<u>-</u>	<u>10,000.00</u>	<u>-</u>	<u>10,000.00</u>
TOTAL INSTRUCTION	<u>7,562,874.00</u>	<u>244,816.75</u>	<u>7,807,690.75</u>	<u>7,268,619.93</u>	<u>539,070.82</u>
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State-Regular	27,000.00		27,000.00		27,000.00
Tuition to other LEAs Within the State-Special Ed.	32,000.00	90,000.00	122,000.00	69,846.44	52,153.56
Tuition to County Voc. School Dist. - Regular	670,884.00		670,884.00	651,014.00	19,870.00
Tuition to County Voc. School Dist. - Special Ed.	94,732.00		94,732.00	94,536.00	196.00
Tuition to CSSD & Regional Day Schools	517,621.00	50,000.00	567,621.00	513,150.33	54,470.67
Tuition to Private Schools for the Disabled - Within State	585,067.00	(198,100.00)	386,967.00	320,447.73	66,519.27
Tuition to Private Schools for the Disabled & Other LEA - Spl. O/S St.	36,050.00		36,050.00		36,050.00
Tuition - State Facilities	24,775.00		24,775.00	24,775.00	-
Tuition - Other	41,792.00		41,792.00	16,186.00	25,606.00
Total Undistributed Expenditures - Instruction	<u>2,029,921.00</u>	<u>(58,100.00)</u>	<u>1,971,821.00</u>	<u>1,689,955.50</u>	<u>281,865.50</u>
Undistributed Expend. - Attend. & Social Worker					
Salaries	48,710.00	-	48,710.00	48,709.96	0.04
Total Undist. Expend. - Attend. & Social Worker	<u>48,710.00</u>	<u>-</u>	<u>48,710.00</u>	<u>48,709.96</u>	<u>0.04</u>
Undistributed Expend. - Health Services					
Salaries	148,651.00		148,651.00	148,650.92	0.08
Purchased Professional and Technical Services	128,000.00	(14,000.00)	114,000.00	19,175.86	94,824.14
Supplies & Materials	2,500.00		2,500.00	2,498.50	1.50
Total Undistributed Expend. - Health Services	<u>279,151.00</u>	<u>(14,000.00)</u>	<u>265,151.00</u>	<u>170,325.28</u>	<u>94,825.72</u>
Undist. Expend. - Speech, OT, PT, and Related Services					
Salaries	6,500.00		6,500.00	3,807.00	2,693.00
Purchased Professional Education Services	55,000.00		55,000.00	41,358.50	13,641.50
Total Undistributed Expend. - Speech, OT, PT and Related Services	<u>61,500.00</u>	<u>-</u>	<u>61,500.00</u>	<u>45,165.50</u>	<u>16,334.50</u>
Undist. Expend. - Other Support Serv. - Extraordinary Services					
Purchased Professional - Educational Services	176,000.00	(30,000.00)	146,000.00	116,602.15	29,397.85
Student - Related Services	<u>176,000.00</u>	<u>(30,000.00)</u>	<u>146,000.00</u>	<u>116,602.15</u>	<u>29,397.85</u>

CUMBERLAND REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed Expenditures- Guidance					
Salaries of Other Professional Staff	522,259.00		522,259.00	473,054.74	49,204.26
Salaries of Secretarial and Clerical Assistants	102,100.00	3,862.50	105,962.50	101,672.42	4,290.08
Purchased Prof. and Tech. Services	52,000.00	(5,000.00)	47,000.00	40,817.45	6,182.55
Other Purchased Services (400-500 series)	532.00		532.00		532.00
Supplies & Materials	6,000.00		6,000.00	5,941.27	58.73
Other Objects	6,468.00		6,468.00	4,721.80	1,746.20
Total Undist. Expend. - Guidance	689,359.00	(1,137.50)	688,221.50	626,207.68	62,013.82
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	163,287.00		163,287.00	155,328.63	7,958.37
Salaries of Secretarial and Clerical Assistants	50,171.00		50,171.00	50,170.90	0.10
Salaries Other	22,450.00		22,450.00	20,000.00	2,450.00
Purchased Professional/Educational Services	27,000.00	12,000.00	39,000.00	36,251.68	2,748.32
Supplies & Materials	1,500.00	(900.00)	600.00	-	600.00
Total Undist. Expend. - Child Study Team	264,408.00	11,100.00	275,508.00	261,751.21	13,756.79
Undist. Expend. - Improvement of Inst. Services					
Salaries of Supervisor of Instruction	340,721.00	9,750.82	350,471.82	339,891.82	10,580.00
Salaries of Secretarial and Clerical Assistants	50,171.00	(10,000.00)	40,171.00		40,171.00
Salaries Other	23,000.00	7,500.00	30,500.00	7,500.00	23,000.00
Purchased Professional/Educational Services	19,000.00	(7,500.00)	11,500.00	4,035.73	7,464.27
Other Purchased Services (400-500 series)	12,000.00	10,000.00	22,000.00	17,905.31	4,094.69
Supplies & Materials	15,500.00		15,500.00	7,354.09	8,145.91
Total Undist. Expend. - Improvement of Inst. Serv.	460,392.00	9,750.82	470,142.82	376,686.95	93,455.87
Undist. Expend. - Edu. Media Serv.					
Salaries	85,772.00		85,772.00	77,741.85	8,030.15
Salaries of Technology Coordinators	145,059.00		145,059.00	143,525.46	1,533.54
Other Purchased Services (400-500 series)	1,250.00	(750.00)	500.00	499.72	0.28
Supplies & Materials	30,000.00	5,750.00	35,750.00	29,604.73	6,145.27
Other Objects	1,285.00	3,908.24	5,193.24	5,180.74	12.50
Total Undistributed Expenditures - Educational Media Services	263,366.00	8,908.24	272,274.24	256,552.50	15,721.74
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	196,500.00	0.06	196,500.06	196,499.96	0.10
Legal Services	145,000.00		145,000.00	95,647.75	49,352.25
Audit Fees	28,500.00		28,500.00	25,000.00	3,500.00
Architectural/Engineering Services	45,000.00	(25,000.06)	19,999.94		19,999.94
Other Purchased Professional Services	5,000.00		5,000.00	3,351.67	1,648.33
Communications/Telephone	50,000.00	5,000.00	55,000.00	47,523.87	7,476.13
BOE Other Purchased Services	5,000.00		5,000.00	2,914.47	2,085.53
Miscellaneous Purchases Services	48,256.00		48,256.00	47,429.28	826.72
General Supplies and Materials	500.00		500.00	500.00	-
Miscellaneous Expenditures	38,000.00	4,810.31	42,810.31	24,597.75	18,212.56
BOE Membership Dues and Fees	12,500.00		12,500.00		12,500.00
Total Undistributed Expenditures - Support Services - General Administration	574,256.00	(15,189.69)	559,066.31	443,464.75	115,601.56
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals	350,970.00	(4,005.39)	346,964.61	331,115.27	15,849.34
Salaries of Other Professional Staff	245,000.00		245,000.00	232,147.62	12,852.38
Salaries of Secretarial and Clerical Assistants	181,030.00	36,892.08	217,922.08	203,421.31	14,500.77
Supplies & Materials	4,371.00		4,371.00	3,958.96	412.04
Other Exp - Principals	10,000.00	12,000.00	22,000.00	21,620.00	380.00
Total Undistributed Expenditures - Support Services - School Administration	791,371.00	44,886.69	836,257.69	792,263.16	43,994.53
Undist. Expend. - Central Services					
Salaries	321,962.00	3,383.31	325,345.31	325,345.27	0.04
Purchased Technical Services	10,500.00	20,000.00	30,500.00	4,995.00	25,505.00
Miscellaneous Purchased (400-500 series)	1,650.00	2,000.00	3,650.00	2,706.41	943.59
Supplies & Materials	16,436.00	710.79	17,146.79	15,211.20	1,935.59
Miscellaneous Expenditures	3,200.00		3,200.00	3,015.00	185.00
Total Undistributed Expenditures - Central Services	353,748.00	26,094.10	379,842.10	351,272.88	28,569.22
Undist. Expend. - Admin. Info. Technology					
Salaries	117,410.00	6,750.00	124,160.00	110,073.51	14,086.49
Total Undistributed Expenditures - Admin Info. Technology	117,410.00	6,750.00	124,160.00	110,073.51	14,086.49

CUMBERLAND REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Total Undistributed Expenditures - Required Maint. for School Facilities					
Cleaning, Repair and Maintenance Service	289,867.00	82,801.10	372,668.10	295,135.41	77,532.69
Lead Testing of Drinking Water	5,000.00		5,000.00		5,000.00
General Supplies	103,401.00	(26,013.10)	77,387.90	26,462.98	50,924.92
Total Undistributed Expenditures - Allowable Maintenance for School Facilities	<u>398,268.00</u>	<u>56,788.00</u>	<u>455,056.00</u>	<u>321,598.39</u>	<u>133,457.61</u>
Undist. Expend. - Custodial Services					
Salaries	705,331.00	11,320.00	716,651.00	599,266.88	117,384.12
Cleaning, Repair and Maintenance Service	142,695.00	(17,715.00)	124,980.00	95,823.06	29,156.94
Other Purchased Property Services	60,000.00		60,000.00	47,860.43	12,139.57
Insurance	115,120.00	5,000.00	120,120.00	116,532.00	3,588.00
General Supplies	88,456.00	12,000.00	100,456.00	69,868.32	30,587.68
Energy (Natural Gas)	110,000.00	20,000.00	130,000.00	120,003.02	9,996.98
Energy (Electricity)	475,000.00	(20,000.00)	455,000.00	408,751.60	46,248.40
Energy (Oil)	13,000.00		13,000.00	3,909.79	9,090.21
Energy (Gasoline)	39,000.00		39,000.00	11,083.27	27,916.73
Other Objects	1,400.00		1,400.00	685.00	715.00
Total Undistributed Expenditures - Custodial Services	<u>1,750,002.00</u>	<u>10,605.00</u>	<u>1,760,607.00</u>	<u>1,473,783.37</u>	<u>286,823.63</u>
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	68,560.00	834.78	69,394.78	69,394.78	-
Cleaning, Repair, and Maintenance Services	30,000.00	(834.78)	29,165.22	8,593.14	20,572.08
General Supplies	10,000.00		10,000.00	3,849.80	6,150.20
Total Care and Upkeep of Grounds	<u>108,560.00</u>	<u>-</u>	<u>108,560.00</u>	<u>81,837.72</u>	<u>26,722.28</u>
Undist. Expend. - Security					
Salaries	184,946.00		184,946.00	165,454.65	19,491.35
Contracted Services	14,000.00		14,000.00	12,122.00	1,878.00
General Supplies	6,200.00		6,200.00	2,054.09	4,145.91
Total Security	<u>205,146.00</u>	<u>-</u>	<u>205,146.00</u>	<u>179,630.74</u>	<u>25,515.26</u>
Total Undistributed Expenditures Operations and Maintenance of Plant Services	<u>2,461,976.00</u>	<u>67,393.00</u>	<u>2,529,369.00</u>	<u>2,056,850.22</u>	<u>472,518.78</u>
Undist. Expend. - Student Transportation Serv.					
Sal. - Pup. Trans. (Bet. Home & School) - Reg.	22,000.00	41,510.00	63,510.00	63,510.00	-
Management Fee - ESC & CTSA Trans. Programs	60,000.00	(6,510.00)	53,490.00	46,706.50	6,783.50
Cleaning, Repair, Maintenance Service	4,500.00		4,500.00	122.12	4,377.88
Bus Lease Payment	30,000.00	(30,000.00)	-		-
Contr. Serv. - Aid in Lieu - NP Students	50,000.00	1,000.00	51,000.00	38,693.10	12,306.90
Contr. Serv. - Aid in Lieu - Choice	25,000.00	(1,000.00)	24,000.00	18,654.40	5,345.60
Contracted Services Home	371,900.00	66,118.00	438,018.00	427,941.31	10,076.69
Transportation Jointure	750,000.00	(23,977.50)	726,022.50	706,764.00	19,258.50
Contracted Transportation Special Ed.	25,000.00		25,000.00		25,000.00
Transportation Jointure Special Ed.	591,945.00	(26,118.00)	565,827.00	563,715.94	2,111.06
General Supplies and Materials	250.00		250.00		250.00
Total Undistributed Expenditures - Student Transportation Services	<u>1,930,595.00</u>	<u>21,022.50</u>	<u>1,951,617.50</u>	<u>1,866,107.37</u>	<u>85,510.13</u>
Unallocated Benefits					
Social Security Contribution	295,000.00		295,000.00	217,291.41	77,708.59
Other Retirement Contributions - PERS	265,000.00		265,000.00	229,462.86	35,537.14
Other Retirement Contributions - Regular	30,000.00		30,000.00	9,715.48	20,284.52
Unemployment Compensation	40,000.00	40,424.50	80,424.50	80,424.50	-
Workmen's Compensation	175,000.00		175,000.00	129,987.48	45,012.52
Health Benefits	2,751,200.00	(258,963.37)	2,492,236.63	1,804,722.92	687,513.71
Tuition Reimbursement	55,000.00		55,000.00	34,877.00	20,123.00
Other Employee Benefits	205,000.00	(17,280.00)	187,720.00	165,252.89	22,467.11
Total Unallocated Benefits	<u>3,816,200.00</u>	<u>(235,818.87)</u>	<u>3,580,381.13</u>	<u>2,671,734.54</u>	<u>908,646.59</u>
On-Behalf Contributions					
On-Behalf TPAF Pension Contribution (non-bud)	-	-	-	1,780,748.00	(1,780,748.00)
Reimbursed TPAF Social Security Cont.(non-bud)	-	-	-	527,256.84	(527,256.84)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,308,004.84</u>	<u>(2,308,004.84)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>14,318,363.00</u>	<u>(158,340.71)</u>	<u>14,160,022.29</u>	<u>14,191,728.00</u>	<u>(31,705.71)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>21,881,237.00</u>	<u>86,476.04</u>	<u>21,967,713.04</u>	<u>21,460,347.93</u>	<u>507,365.11</u>

CUMBERLAND REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
CAPITAL OUTLAY					
Equipment:					
Regular Programs					
Grades 9 - 12 Instruction					
Instructional	70,000.00	194,654.57	264,654.57	162,310.67	102,343.90
Undistributed Expenditures					
Required Maintenance for School Facilities	110,000.00	35,000.00	145,000.00	64,427.22	80,572.78
Total Equipment	<u>180,000.00</u>	<u>229,654.57</u>	<u>409,654.57</u>	<u>226,737.89</u>	<u>182,916.68</u>
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	224,824.00		224,824.00	224,824.00	-
Total Facilities Acquisition and Construction Services	<u>224,824.00</u>	-	<u>224,824.00</u>	<u>224,824.00</u>	-
TOTAL CAPITAL OUTLAY	<u>404,824.00</u>	<u>229,654.57</u>	<u>634,478.57</u>	<u>451,561.89</u>	<u>182,916.68</u>
Transfer of Funds to Charter Schools			-		-
TOTAL EXPENDITURES	<u>22,286,061.00</u>	<u>316,130.61</u>	<u>22,602,191.61</u>	<u>21,911,909.82</u>	<u>690,281.79</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(780,807.00)</u>	<u>(144,053.61)</u>	<u>(924,860.61)</u>	<u>2,082,195.07</u>	<u>3,007,055.68</u>
Other Financing Sources:					
Operating Transfers:					
Transfer to Food Service Fund		(25,000.00)	(25,000.00)	(25,000.00)	-
Transfer to Capital Projects Fund	(500,000.00)		(500,000.00)	(500,000.00)	-
Total Other Financing Sources (Uses):	<u>(500,000.00)</u>	<u>(25,000.00)</u>	<u>(525,000.00)</u>	<u>(525,000.00)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,280,807.00)	(169,053.61)	(1,449,860.61)	1,557,195.07	3,007,055.68
Fund Balance July 1	4,090,025.44		4,090,025.44	4,090,025.44	-
Fund Balance June 30	<u>\$ 2,809,218.44</u>	<u>(169,053.61)</u>	<u>2,640,164.83</u>	<u>5,647,220.51</u>	<u>3,007,055.68</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				3,043,144.00	
Maintenance Reserve				800,000.00	
Excess Surplus - Designated for Subsequent Year's Expenditures				573,057.15	
Excess Surplus - Current Year				545,749.90	
Committed Fund Balance:					
Year-End Encumbrances				283,191.36	
Unassigned Fund Balance				<u>402,078.10</u>	
				5,647,220.51	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Payments Not Recognized on GAAP Basis				<u>(1,164,512.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 4,482,708.51</u>	

CUMBERLAND REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		70,891.83	70,891.83	70,891.83	-
State Sources	100,000.00	76,580.75	176,580.75	107,887.77	(68,692.98)
Federal Sources	457,465.00	47,444.00	504,909.00	504,909.00	-
Total Revenues	557,465.00	194,916.58	752,381.58	683,688.60	(68,692.98)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	116,802.00	39,981.67	156,783.67	146,383.67	10,400.00
Other Salaries for Instruction	19,840.00	(484.00)	19,356.00	19,356.00	-
Tuition	210,755.00	3,776.67	214,531.67	214,531.67	-
General Supplies	154,357.00	(72,149.48)	82,207.52	58,274.31	23,933.21
Other Objects		2,494.00	2,494.00	1,275.00	1,219.00
Total Instruction	501,754.00	(26,381.14)	475,372.86	439,820.65	35,552.21
Support Services:					
Salaries of Other Professional Staff		9,910.00	9,910.00	4,263.00	5,647.00
Personal Services - Employee Benefits	26,809.00	24,472.22	51,281.22	50,050.22	1,231.00
Purchased Professional Technical Services		13,907.59	13,907.59	1,649.59	12,258.00
Purchased Professional & Educational Services		33,063.86	33,063.86	33,063.86	-
Other Purchased Services (400-500 series)	28,902.00	76,044.24	104,946.24	90,941.47	14,004.77
Supplies & Materials		24,149.26	24,149.26	24,149.26	-
Total Support Services	55,711.00	181,547.17	237,258.17	204,117.40	33,140.77
Facilities Acquisition and Construction Services					
Instructional Equipment	-	39,750.55	39,750.55	39,750.55	-
Total Outflows	557,465.00	194,916.58	752,381.58	683,688.60	68,692.98
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, 2018

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

	General Fund	Special Revenue Fund
Sources / inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 25,833,323.89	[C-2] \$ 683,688.60
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
Current Year		(10,662.79)
Prior Year		26,560.53
Final State Aid payment delayed until July 2017 is recorded as budgetary revenue but is not recognized under GAAP	1,171,551.00	
Final State Aid payment delayed until July 2018 is recorded as budgetary revenue but is not recognized under GAAP	(1,164,512.00)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] <u>\$ 25,840,362.89</u>	[B-2] <u>\$ 699,586.34</u>
Uses / outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 23,751,128.82	[C-2] \$ 683,688.60
Difference - budget to GAAP:		
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.		15,897.74
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] <u>\$ 23,751,128.82</u>	[B-2] <u>\$ 699,586.34</u>

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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 Five Fiscal Years

	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.02408113530%	0.0257137182%	0.02604684%	0.02549098%	0.02293227%
District's proportionate of the net pension liability (asset)	\$ 5,605,703.00	\$ 7,615,666.00	\$ 5,846,994.00	\$ 4,772,609.00	\$ 4,382,813.00
District's covered payroll	1,630,641.00	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	343.77%	480.50%	359.68%	268.33%	N/A
Plan fiduciary net position as a percentage of the total pension liability	48.10%	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 Five Fiscal Years

	<u>PERS</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 223,086.00	\$ 227,048.00	\$ 210,144.00	\$ 172,790.00	\$ 172,790.00
Contributions in relation to the contractually required contribution	<u>223,086.00</u>	<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>	<u>-</u>
District's covered-employee payroll	\$ 1,630,641.00	\$ 1,584,938.00	\$ 1,778,614.00	\$ 1,778,614.00	N/A
Contributions as a percentage of covered-employee payroll	13.68%	14.33%	11.82%	9.71%	0.00%
	<u>TPAF</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A
District's covered-employee payroll	\$ 7,296,318.00	\$ 7,304,305.00	\$ 7,178,045.00	\$ 7,663,677.00	\$ 7,663,677.00
Contributions as a percentage of covered-employee payroll	N/A	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 Five Fiscal Years

	<u>2017</u>	<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%	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>51,651,999</u>	<u>62,508,375</u>	<u>48,031,175</u>	<u>43,053,836.00</u>	<u>40,693,510.00</u>
Total	<u><u>51,651,999</u></u>	<u><u>62,508,375</u></u>	<u><u>48,031,175</u></u>	<u><u>\$ 43,053,836.00</u></u>	<u><u>\$ 40,693,510.00</u></u>
District's covered payroll	\$ 7,296,318.00	\$ 7,304,305.00	\$ 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	N/A
Plan fiduciary net position as a percentage of the total pension liability	25.41%	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.

CUMBERLAND REGIONAL SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net OPEB Liability
Public Employee Retirement System and Teachers' Pension and Annuity Fund
Last Two Fiscal Years

	<u>2017</u>	<u>2016</u>
District's proportion of the net OPEB liability (asset)	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	-
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 48,202,124.00</u>	<u>52,427,469.00</u>
Total	<u>\$ 48,202,124.00</u>	<u>52,427,469.00</u>
District's covered payroll	8,926,959.00	8,889,243.00
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%

Source: GASB 75 report on State of New Jersey State Health Benefits Program; District records

Note: This schedule is required by GASB 75 to be show information for a 10 year period.
However, information is only currently available for two years.
Additional years will be presented as they become available.

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, 2018

	Title I Part A	Title II Part A	I.D.E.A. Part B	Title IV	NJ Dept. Agriculture	Year 3 Career Pathways	Year 2 Career Pathways
REVENUES:							
Local Sources							
State Sources	171,168.00	44,204.00	279,537.00	10,000.00	10,000.00	31,307.02	66,580.75
Federal Sources	171,168.00	44,204.00	279,537.00	10,000.00	10,000.00	31,307.02	66,580.75
Total Revenues							
EXPENDITURES:							
Instruction:							
Salaries of Teachers	131,215.21	9,568.46	19,356.00				5,600.00
Other Salaries for Instruction			214,531.67				
Tuition			14,225.46		10,000.00	15,892.79	16,288.20
General Supplies	617.86						
Other Objects							
Total Instruction	131,833.07	9,568.46	248,113.13	-	10,000.00	15,892.79	21,888.20
Support Services:							
Salaries of Other Professional Staff	39,334.93	8,512.29	1,454.00			70.00	4,193.00
Personal Services - Employee Benefits				1,649.59			749.00
Purchased Professional Technical Services		8,123.94	24,939.92				
Purchased Professional - Educational Services		1,741.00	1,639.00	8,350.41		15,344.23	
Other Purchased Services (400-500 series)		16,258.31	3,390.95				
Supplies & Materials							
Total Support Services	39,334.93	34,635.54	31,423.87	10,000.00	-	15,414.23	4,942.00
Facilities Acquisition and Construction Services							
Instructional Equipment							39,750.55
Total Facilities Acquisition and Const. Services							39,750.55
Total Outflows	171,168.00	44,204.00	279,537.00	10,000.00	10,000.00	31,307.02	66,580.75
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, 2018

	Lowes Grant	Baseball Tomorrow Fund	Novo Rockefeller Grant	Target Grant	Safety Grant	Totals 2018
REVENUES:						
Local Sources	5,000.00	56,276.00	5,000.00	1,000.00	3,615.83	70,891.83
State Sources						107,887.77
Federal Sources						504,909.00
Total Revenues	5,000.00	56,276.00	5,000.00	1,000.00	3,615.83	683,688.60
EXPENDITURES:						
Instruction:						
Salaries of Teachers						146,383.67
Other Salaries for Instruction						19,356.00
Tuition			250.00	1,000.00		214,531.67
General Supplies			1,275.00			58,274.31
Other Objects						1,275.00
Total Instruction	-	-	1,525.00	1,000.00	-	439,820.65
Support Services:						
Salaries of Other Professional Staff						4,263.00
Personal Services - Employee Benefits						50,050.22
Purchased Professional Technical Services						1,649.59
Purchased Professional - Educational Services	500.00	56,276.00	3,475.00		3,615.83	33,063.86
Other Purchased Services (400-500 series)	4,500.00					90,941.47
Supplies & Materials						24,149.26
Total Support Services	5,000.00	56,276.00	3,475.00	-	3,615.83	204,117.40
Facilities Acquisition and Construction Services						
Instructional Equipment						39,750.55
Total Facilities Acquisition and Const. Services	-	-	-	-	-	39,750.55
Total Outflows	5,000.00	56,276.00	5,000.00	1,000.00	3,615.83	683,688.60
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-

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, 2018

Description	Revised Appropriations	Expenditures to Date		Unexpended Balance June 30, 2018
		Prior Year	Current Year	
2004 NJSDA Settlement 0997-030-02-0926	4,800,000.00		4,000,238.40	799,761.60
Solar Project - 0997-030-09-1000	4,418,533.00	3,338,312.00	407,657.40	672,563.60
	<u>\$ 9,218,533.00</u>	<u>\$ 3,338,312.00</u>	<u>\$ 4,407,895.80</u>	<u>\$ 1,472,325.20</u>
Total				

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, 2018

Revenues and Other Financing Sources

Interest	\$ 4,110.36
NJ SDA Settlement	4,300,000.00
	<hr/>
Total Revenues	4,304,110.36

Expenditures and Other Financing Uses

Construction services	4,007,895.80
Total Expenditures	<hr/> 4,007,895.80

Excess (deficiency) of revenues over (under) expenditures 296,214.56

Other Financing Sources (Uses):

Transfer from Capital Reserve	500,000.00
Net Transfers (to)/from Debt Service Fund	(400,000.00)
Transfer of Interest to Debt Service Fund	(4,110.36)
Total Other Financing Sources (Uses)	<hr/> 95,889.64

Excess (Deficiency) of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses 392,104.20

Fund balance - beginning 1,080,221.00

Fund balance - ending

\$ 1,472,325.20

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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
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>
Expenditures and Other Financing Uses				
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	7,657.40	590,060.40	590,060.40
Transfer out	1,231,276.00	400,000.00	1,631,276.00	2,303,839.60
Total Expenditures	<u>3,338,312.00</u>	<u>407,657.40</u>	<u>3,745,969.40</u>	<u>4,418,533.00</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 1,080,221.00</u>	<u>\$ (407,657.40)</u>	<u>\$ 672,563.60</u>	<u>\$ -</u>
Additional project information:				
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			

CUMBERLAND REGIONAL SCHOOL DISTRICT
Capital Projects Funds
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
2004 NJSDA Settlement Agreement
For the Year Ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
NJ SDA Settlement	\$ -	\$ 4,300,000.00	\$ 4,300,000.00	\$ 4,300,000.00
Transfer From General Fund				
- Capital Reserve		500,000.00	500,000.00	500,000.00
Total revenues	<u>-</u>	<u>4,800,000.00</u>	<u>4,800,000.00</u>	<u>4,800,000.00</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services		405,494.95	405,494.95	550,000.00
Construction Services		3,579,000.00	3,579,000.00	3,750,000.00
Other Objects		15,743.45	15,743.45	500,000.00
Total Expenditures	<u>-</u>	<u>4,000,238.40</u>	<u>4,000,238.40</u>	<u>4,800,000.00</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 799,761.60</u>	<u>\$ 799,761.60</u>	<u>\$ -</u>
Additional project information:				
Project Number	0997-030-02-0926			
Original Authorized Cost	\$ 4,800,000.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 4,800,000.00			
Percentage Increase over Original Authorized Cost	0.0%			
Percentage Completion	100.00%			
Original Target completion date	2019			
Revised target completion date	2019			

**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, 2018

	Student Activity	Payroll/ Agency	Private Purpose Scholarship Fund	Employee Reimbursement Fund	Unemployment Compensation Trust	Totals
ASSETS						
Cash and Cash Equivalents	\$ 312,501.68	172,408.71	11,078.59	-	208,494.35	\$ 704,483.33
Total Assets	<u>312,501.68</u>	<u>172,408.71</u>	<u>11,078.59</u>	<u>-</u>	<u>208,494.35</u>	<u>704,483.33</u>
LIABILITIES						
Payable to Student Groups	312,501.68	-	-	-	-	312,501.68
Interfund Payable						-
Accounts Payable		36.92			569.76	569.76
Reserve for Summer Savings		172,371.79				36.92
Payroll Deductions & Withholdings						172,371.79
Total Liabilities	<u>312,501.68</u>	<u>172,408.71</u>	<u>-</u>	<u>-</u>	<u>569.76</u>	<u>485,480.15</u>
Net Position	<u>-</u>	<u>-</u>	<u>11,078.59</u>	<u>-</u>	<u>207,924.59</u>	<u>219,003.18</u>
Total Net Position						<u>219,003.18</u>

CUMBERLAND REGIONAL SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2018

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Employee Reimbursement Fund	Totals
ADDITIONS				
Contributions:				
Plan Member	\$ 27,715.83			27,715.83
Other		8,100.00		8,100.00
Board Contribution	80,000.00			80,000.00
Total Contributions	<u>107,715.83</u>	<u>8,100.00</u>	<u>-</u>	<u>115,815.83</u>
Investments Earnings:				
Interest	596.79		0.08	596.87
Net Investment Earnings	<u>596.79</u>	<u>-</u>	<u>0.08</u>	<u>596.87</u>
Total Additions	<u>108,312.62</u>	<u>8,100.00</u>	<u>0.08</u>	<u>116,412.70</u>
Deductions				
Scholarships Awarded		7,750.00		7,750.00
Other			1,364.57	1,364.57
Unemployment Claims	12,516.01			12,516.01
Total Deductions	<u>12,516.01</u>	<u>7,750.00</u>	<u>1,364.57</u>	<u>21,630.58</u>
Change in net position	95,796.61	350.00	(1,364.49)	94,782.12
Net Position - Beginning of the Year	112,127.98	10,728.59	1,364.49	124,221.06
Prior Year Audit Adjustment				
Net Position - End of the Year	<u>\$ 207,924.59</u>	<u>11,078.59</u>	<u>-</u>	<u>219,003.18</u>

**CUMBERLAND REGIONAL SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 As of June 30, 2018**

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
Cumberland Regional High School \$	352,455.46	393,629.85	433,583.63	312,501.68
Total Assets \$	<u>352,455.46</u>	<u>393,629.85</u>	<u>433,583.63</u>	<u>312,501.68</u>

CUMBERLAND REGIONAL SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
ASSETS:				
Cash and Cash Equivalents	\$ 5,452.00	\$ 11,624,173.46	\$ 11,457,216.75	\$ 172,408.71
Total Assets	\$ 5,452.00	\$ 11,624,173.46	\$ 11,457,216.75	\$ 172,408.71
 LIABILITIES:				
Net Payroll	\$	\$ 5,976,501.78	\$ 5,976,501.78	\$ -
Payroll Deductions & Withholding		5,469,201.77	5,296,829.98	172,371.79
Summer Savings		178,469.91	178,432.99	36.92
Interfund Payable	5,452.00		5,452.00	-
Total Liabilities	\$ 5,452.00	\$ 11,624,173.46	\$ 11,457,216.75	\$ 172,408.71

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, 2018

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2018					Balance June 30, 2017	Increased	Decreased	Refunded	Balance June 30, 2018
			Date	Amount	Interest Rate	Balance June 30, 2017	Increased					
Roof replacement and solar energy project	09/01/10	6,477,000	03/01/19	425,000.00	2.500%	4,547,000.00			400,000.00		4,147,000.00	
			03/01/20	450,000.00	3.000%							
			03/01/21	475,000.00	3.000%							
			03/01/22	500,000.00	3.000%							
			03/01/23	550,000.00	3.000%							
			03/01/24	550,000.00	3.125%							
School refunding bond Series 2012	8/16/2012	3,785,000	03/01/25	600,000.00	3.250%							
			03/01/26	597,000.00	3.375%							
			04/15/19	370,000.00	4.000%	2,570,000.00		375,000.00			2,195,000.00	
			04/15/20	370,000.00	4.000%							
			04/15/21	370,000.00	4.000%							
			04/15/22	365,000.00	4.000%							
			04/15/23	365,000.00	3.000%							
			04/15/24	355,000.00	3.000%							
						\$	7,117,000.00	-	775,000.00	-	6,342,000.00	

CUMBERLAND REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 397,418.00	\$ -	\$ 397,418.00	\$ 397,418.00	\$ -
Total - Local Sources	397,418.00	-	397,418.00	397,418.00	-
State Sources:					
Debt Service Aid Type II	195,599.00	-	195,599.00	195,599.00	-
Total - State Sources	195,599.00	-	195,599.00	195,599.00	-
Total Revenues	593,017.00	-	593,017.00	593,017.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest	228,562.00	-	228,562.00	228,561.26	0.74
Redemption of Principal	775,000.00	-	775,000.00	775,000.00	-
Total Regular Debt Service	1,003,562.00	-	1,003,562.00	1,003,561.26	0.74
Total Expenditures	1,003,562.00	-	1,003,562.00	1,003,561.26	0.74
Excess (Deficiency) of Revenues Over (Under) Expenditures	(410,545.00)	-	(410,545.00)	(410,544.26)	(0.74)
Other Financing Sources(Uses):					
Operating Transfers In:					
Capital Projects Fund Interest			-	4,110.36	4,110.36
Capital Projects Fund Balances	400,000.00	-	400,000.00	400,000.00	-
	400,000.00	-	400,000.00	404,110.36	4,110.36
Excess (Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures	(10,545.00)	-	(10,545.00)	(6,433.90)	4,109.62
Fund Balance, July 1	12,734.18	-	12,734.18	12,734.18	-
Fund Balance, June 30	<u>2,189.18</u>	<u>-</u>	<u>2,189.18</u>	<u>6,300.28</u>	<u>4,109.62</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ <u>(10,545.00)</u>	<u>-</u>	<u>(10,545.00)</u>	<u>(6,433.90)</u>	<u>4,109.62</u>

STATISTICAL SECTION

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

Exhibit J-1

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Invested in capital assets, net of related debt	\$ 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	\$ 650,990.10
Restricted	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	8,212,592.70
Unrestricted	(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)	(6,283,409.48)
Total governmental activities net position	\$ 32,388,568.00	\$ 35,840,239.00	\$ 36,849,173.00	\$ 37,290,214.00	\$ 35,391,486.00	\$ 33,218,177.00	\$ 27,308,837.00	\$ 26,777,178.00	\$ 25,622,776.90	\$ 2,580,173.32
Business-type activities										
Invested in capital assets, net of related debt	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	54,680.57
Unrestricted	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	1,826.15
Total business-type activities net position	\$ 262,757.00	\$ 302,946.00	\$ 261,621.00	\$ 222,694.00	\$ 198,367.00	\$ 205,488.00	\$ 158,609.00	\$ 146,957.00	\$ 122,831.26	\$ 56,506.72
District-wide										
Invested in capital assets, net of related debt	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	705,670.67
Restricted	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	8,212,592.70
Unrestricted	(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)	(6,281,583.33)
Total district net position	\$ 32,681,325.00	\$ 36,143,185.00	\$ 37,110,794.00	\$ 37,512,908.00	\$ 35,589,853.00	\$ 33,423,665.00	\$ 27,468,446.00	\$ 26,924,135.00	\$ 25,745,608.16	\$ 2,636,680.04

* - 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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities										
Instruction										
Regular	6,866,395.00	7,076,450.00	7,230,968.00	6,718,516.00	7,060,822.00	6,916,603.00	6,921,279.00	7,205,982.00	22,724,093.73	12,659,246.93
Special education	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	1,591,964.52
Other special education	140,855.00	141,838.00	120,132.00	117,980.00	264,763.00	64,446.00	4,474.00	-	-	-
Other instruction	614,723.00	857,388.00	970,277.00	754,075.00	762,884.00	964,740.00	954,359.00	887,522.00	2,256,519.55	1,355,007.37
Support Services:										
Tuition	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	1,495,818.12	1,689,955.50
Student & instruction related services	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	2,839,777.38	2,983,704.17
School Administrative services	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	1,113,977.70
General & business administration services	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	1,272,228.07
Plant operations and maintenance	1,883,236.00	2,106,751.00	2,154,245.00	2,133,789.00	2,210,077.00	2,228,385.00	2,342,472.00	2,371,064.00	3,165,228.26	2,892,075.98
Pupil transportation	1,839,592.00	1,800,206.00	1,746,441.00	1,693,695.00	1,896,746.00	1,827,981.00	1,990,995.00	1,795,943.00	1,832,603.90	1,889,039.43
Unallocated Employee Benefits	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	-	-
Claim Cost	-	-	-	-	-	-	-	-	-	-
Internal Service Fund	16,060.00	-	493.00	5,049.00	-	-	21,952.00	758.00	-	-
Interest on long-term debt	291,554.00	245,632.00	380,703.00	382,352.00	271,061.00	306,595.00	277,795.00	263,064.00	244,184.26	222,825.14
Amortization of debt issuance cost	3,994.00	3,994.00	5,941.00	7,938.00	15,271.00	-	-	-	-	-
Total governmental activities expenses	21,767,008.00	22,780,666.00	23,572,198.00	23,700,377.00	25,097,770.00	24,696,050.00	26,865,122.00	27,184,358.00	40,187,371.75	27,894,848.81
Business-type activities:										
Food service	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	538,953.07
Total business-type activities expense	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	538,953.07
Total district expenses	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	28,433,801.88
Program Revenues										
Governmental activities:										
Charges for services:										
Pupil Transportation	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	118,694.88
Central and other support services	-	1,800.00	1,950.00	2,550.00	-	-	21,952.00	-	-	-
Operating grants and contributions	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	7,760,356.18
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	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	12,179,051.06
Business-type activities:										
Charges for services:										
Food service	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	179,950.05
Food service	238,567.00	274,371.00	281,119.00	302,150.00	324,527.00	329,648.00	331,641.00	340,617.00	274,188.54	267,508.13
Operating grants and contributions	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	447,458.18
Total business-type activities program revenues	1,876,143.00	1,885,042.00	1,900,347.00	2,161,720.00	2,452,940.00	2,380,119.00	4,424,977.00	5,015,063.00	18,114,108.11	12,626,509.24
Net (Expense)/Revenue										
Governmental activities	(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)	(15,715,797.75)
Business-type activities	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)	(91,494.89)
Total district-wide net expense	(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)	(15,807,292.64)

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

Exhibit J-2

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	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	8,848,314.00
Taxes levied for debt service	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	397,418.00
Unrestricted grants and contributions	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	12,514,768.11
Tuition Received	6,818.00	-	-	43,904.00	8,757.00	-	11,290.00	-	-	-
Investment earnings	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	24,181.60
Miscellaneous income	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	192,875.82
Donation of Equipment from Student Activity Fund	21,948.00	-	-	-	-	-	-	-	-	-
Transfers (to) / from Other Funds	-	-	-	-	-	-	-	-	-	(25,000.00)
Adjustment to fixed assets	-	-	-	-	-	-	(35,152.00)	-	-	(29,279,363.36)
Total governmental activities	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	(7,326,805.83)
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	170.35
Transfers (to) / from Other Funds	-	-	-	-	-	-	-	-	-	25,000.00
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	25,170.35
Total district-wide	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	(7,301,635.48)
Change in Net Assets										
Governmental activities	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)	(23,042,603.58)
Business-type activities	52,306.00	40,189.00	(41,325.00)	(38,927.00)	(24,327.00)	7,421.00	(46,879.00)	(11,652.00)	(24,125.74)	(66,324.54)
Total district	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)	(23,108,928.12)

Source: CAFR Schedule A-2

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 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	5,245,142.41
Unreserved	(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)	(762,433.90)
Total general fund	\$ 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	\$ 4,482,708.51
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
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	3,250,641.65
Debt service fund	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	6,300.28
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 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	\$ 3,256,941.93

Source: CAFR Schedule B-1

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax levy	\$ 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	\$ 9,245,732.00
Tuition charges	6,818.00	-	43,904.00	43,904.00	8,757.00	8,757.00	11,290.00	136,757.00	-	-
Transportation	154,268.00	133,808.00	136,814.00	109,822.00	88,645.00	206,606.00	217,712.00	9,224.00	137,771.35	118,694.88
Interest earnings	36,736.00	35,059.00	502,827.00	476,043.00	39,006.00	19,080.00	17,566.00	447,825.00	80,461.12	262,182.65
Miscellaneous	62,141.00	96,861.00	21,143.00	52,481.00	96,818.00	83,331.00	31,241.00	14,391,398.00	14,733,829.50	19,418,373.13
State sources	17,325,050.00	14,883,593.00	14,850,458.00	14,189,903.00	14,497,620.00	13,949,497.00	14,033,530.00	608,218.00	587,465.39	528,693.33
Federal sources	549,542.00	2,696,586.00	1,033,630.00	1,232,405.00	634,486.00	601,965.00	607,223.00	24,358,151.00	24,496,490.65	29,597,857.59
Total revenue	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	6,044,678.00	6,585,128.72	6,252,831.25
Expenditures										
Instruction										
Regular Instruction	\$ 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	\$ 6,252,831.25
Special education instruction	1,080,884.00	1,060,733.00	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	786,325.25
Other special instruction	140,855.00	141,838.00	120,132.00	117,980.00	64,446.00	64,446.00	4,474.00	-	-	-
Other instruction	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	669,284.08
Support Services:										
Tuition	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	1,495,818.12	1,689,955.50
Student & inst. related services	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	2,122,016.37
General administration	353,494.00	361,529.00	393,757.00	426,861.00	403,137.00	525,287.00	539,326.00	559,577.00	477,234.66	443,464.75
School administrative services	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	792,263.16
Central services	237,806.00	260,691.00	266,766.00	266,763.00	284,251.00	301,323.00	288,666.00	315,872.00	331,659.01	351,272.88
Administration Information Technolo	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	110,073.51
Plant operations and maintenance	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	2,056,850.22
Pupil transportation	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	1,866,107.37
Other Support Services:										
Employee benefits	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	4,979,739.38
Claim Cost	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	2,720,891.79
Capital outlay	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	775,000.00
Debt service:										
Principal	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	228,561.26
Interest and other charges	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	25,844,636.77
Total expenditures	(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	3,753,220.82
Excess (Deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 6,477,000.00	\$ -	\$ -	\$ -	\$ (35,152.00)	\$ -	\$ -	\$ -
Other Financing sources (uses)										
Proceeds from sale of bonds	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	904,110.36
Prior year adjustment	(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)	(929,110.36)
Transfers in	-	-	6,477,000.00	-	-	-	(35,152.00)	-	-	(25,000.00)
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ (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	\$ 3,728,220.82
Net change in fund balances										
Debt service as a percentage of noncapital expenditures	4.74%	4.62%	3.46%	5.78%	4.94%	4.29%	4.30%	4.29%	4.25%	4.34%

Source: CAFR Schedule B-2

Not 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
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
2018	-	118,694.88	20,071.24	-	-	-	191,290.82	330,056.94

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 ^a	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual (County Equalized) Value
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
2018	5,409,900	135,321,200	22,546,300	2,823,500	17,607,200	6,955,200		190,663,300	683,551	191,346,851	0.589	196,352,482

FAIRFIELD TOWNSHIP

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual (County Equalized) Value
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				Detail Not Available				-		321,041,461	0.434	303,667,283
2012 R				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	12,490,800	2,924,600	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
2018	16,388,000	251,762,000	11,729,200	2,612,200	26,632,800	1,630,200	300,000	311,054,400	705,607	311,760,007	0.537	276,306,026

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 ^a	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual (County Equalized) Value
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				-		63,253,775	0.878	80,121,181
2016	3,632,200	43,201,500	10,202,800	3,241,000	2,290,600			62,568,100	371,631	62,939,731	0.769	77,130,142
2017				Detail Not Available				62,222,400	395,656	62,618,056	0.827	78,209,453
2018	4,685,000	52,942,800	12,290,500	3,556,700	2,348,300			75,823,300	499,666	76,322,966	0.610	77,709,890

HOPEWELL TOWNSHIP

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized) Value
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	29,805,700	6,704,200	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
2018	4,507,200	225,213,100	34,998,800	8,008,100	34,169,900		450,900	307,348,000	678,641	308,026,641	0.604	338,257,362

Source: County Abstract of Rates & 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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual Value (County Equalized)
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				-		33,125,352	0.506	30,905,136
2016	123,300	27,677,700	2,701,200	422,900	1,928,000			32,853,100	136,368	32,989,468	0.347	28,278,737
2017				Detail Not Available				32,770,400	136,019	32,906,419	0.363	30,666,180
2018	123,300	27,576,200	2,681,200	421,900	1,902,300			32,704,900	136,263	32,841,163	0.289	31,562,180

STOW CREEK TOWNSHIP

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual Value (County Equalized)
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				-		106,513,984	0.635	106,897,750
2016	1,251,700	64,025,500	32,998,600	4,396,700	3,850,100			106,522,600	444,192	106,966,792	0.618	103,970,176
2017				Detail Not Available				106,601,200	442,943	107,044,143	0.551	107,277,233
2018	1,289,000	65,098,500	31,826,300	4,561,700	4,291,400			107,066,900	398,839	107,465,739	0.669	119,390,889

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

Exhibit J-6C

UPPER DEERFIELD TOWNSHIP

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual (County Equalized) Value
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	12,954,300	425,913,400	42,406,400	9,140,200	117,739,200	13,592,800	7,026,800	628,773,100	1,555,637	631,661,246	0.510	640,884,881
2016				Detail Not Available				626,359,300	1,600,057	630,328,737	0.489	624,118,952
2017	13,009,900	424,918,400	40,808,000	9,079,100	118,459,300	13,484,800	6,972,000	626,731,500	1,601,977	627,959,357	0.527	606,625,952
2018								626,731,500		628,333,477	0.545	612,107,837

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
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
2018	0.564	0.025	0.589	1.137	0.011	0.054	1.516	0.090	3.397

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
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
2018	0.512	0.025	0.537	0.981	0.009	0.047	0.486	0.430	2.490

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	General Obligation Debt Service	Total Direct	County General	County Open Space	County Other	Local School District		Municipal Local Purpose
2009	N/A	N/A	0.475	0.994	0.012	0.048	1.289	0.410	3.228
2010	N/A	N/A	0.554	0.995	0.012	0.046	1.298	0.436	3.341
2011	N/A	N/A	0.527	1.000	0.011	0.041	1.245	0.446	3.270
2012	N/A	N/A	0.580	1.231	0.014	0.052	1.241	0.474	3.592
2013	N/A	N/A	0.625	1.165	0.013	0.060	1.238	0.484	3.585
2014	N/A	N/A	0.656	1.232	0.013	0.062	1.239	0.499	3.701
2015	N/A	N/A	0.878	1.322	0.013	0.065	1.292	0.507	4.077
2016	N/A	N/A	0.769	1.298	0.013	0.064	1.417	0.507	4.068
2017	0.788	0.039	0.827	1.364	0.013	0.066	1.466	0.507	4.243
2018	0.581	0.029	0.610	1.135	0.011	0.054	1.234	0.416	3.460

HOPEWELL 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
2009	N/A	N/A	0.761	1.361	0.017	0.065	1.386	0.207	3.797
2010	N/A	N/A	0.659	1.338	0.016	0.061	1.470	0.217	3.761
2011	N/A	N/A	0.735	1.359	0.015	0.055	1.421	0.217	3.802
2012	N/A	N/A	0.645	1.304	0.015	0.055	1.353	0.240	3.612
2013	N/A	N/A	0.588	1.284	0.014	0.066	1.286	0.241	3.479
2014	N/A	N/A	0.671	1.340	0.014	0.067	1.338	0.248	3.678
2015	N/A	N/A	0.652	1.295	0.013	0.064	1.366	0.274	3.664
2016	N/A	N/A	0.698	1.330	0.013	0.065	1.327	0.302	3.735
2017 R	0.569	0.028	0.597	1.135	0.011	0.055	1.094	0.248	3.140
2018	0.575	0.029	0.604	1.213	0.011	0.058	1.096	0.258	3.240

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)

Exhibit J-7B

SHILOH BOROUGH

Fiscal Year Ended June 30,	Cumberland Regional H.S. District General			Overlapping Rates				Total Direct and Overlapping Tax Rate	
	Basic Rate	Obligation Debt Service	Total Direct	County General	County Open Space	County Other	Local School District		Municipal Local Purpose
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	0.010	0.036	0.552	0.316	2.278
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
2018	0.275	0.014	0.289	1.071	0.010	0.051	0.970	0.319	2.710

STOW CREEK TOWNSHIP

Fiscal Year Ended June 30,	Cumberland Regional H.S. District General			Overlapping Rates				Total Direct and Overlapping Tax Rate	
	Basic Rate	Obligation Debt Service	Total Direct	County General	County Open Space	County Other	Local School District		Municipal Local Purpose
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
2018	0.637	0.032	0.669	1.237	0.012	0.059	1.025	0.2080	3.210

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)

Exhibit J-7C

UPPER DEERFIELD TOWNSHIP

Fiscal Year Ended June 30,	Cumberland Regional H.S. District			Overlapping Rates				Total Direct and Overlapping Tax Rate	
	Basic Rate	Obligation Debt Service	General	County General	County Open Space	County Other	Local School District		Municipal Local Purpose
2009	N/A	N/A	N/A	1.478	0.018	0.070	1.479	-	3.780
2010	N/A	N/A	N/A	1.386	0.017	0.064	1.542	-	3.716
2011	N/A	N/A	N/A	1.493	0.017	0.060	1.547	-	3.787
2012 R	N/A	N/A	N/A	0.898	0.011	0.038	1.065	0.030	2.497
2013	N/A	N/A	N/A	0.912	0.010	0.047	1.089	0.045	2.548
2014	N/A	N/A	N/A	0.975	0.011	0.049	1.099	0.061	2.645
2015	N/A	N/A	N/A	1.056	0.011	0.052	1.125	0.087	2.841
2016	N/A	N/A	N/A	1.044	0.010	0.051	1.146	0.095	2.835
2017	0.278	0.249	N/A	1.051	0.010	0.051	1.168	0.097	2.904
2018	0.287	0.258	N/A	1.084	0.010	0.052	1.186	0.151	3.028

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

	2018		2009			
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
S & J Realty Associates LLC	\$ 1,262,600	1	0.006598489			
701 Kenyon Ave LLC	1,067,500	2	0.005578874			
F & S Realty Associates LLC	814,100	3	0.004254577			
Pipitone Realty L.L.C	753,200	4	0.003936307			
DLCS Property LLC	501,200	5	0.002619327			
566 Irving Avenue LLC	488,500	6	0.002552956			
Individual Taxpayer 1	486,100	7	0.002540413			
Individual Taxpayer 2	426,700	8	0.002229982			
Individual Taxpayer 3	423,200	9	0.00221169			
Individual Taxpayer 4	407,700	10	0.002130686			
Total	<u>\$ 6,630,800.00</u>		<u>3.47%</u>			<u>0.00%</u>
Total Assessed Value	\$ 191,346,851			\$ 186,638,215		

FAIRFIELD TOWNSHIP

	2018		2009			
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Fairton Oaks Village	\$ 2,400,000	1	0.77%			
Milmer Corporation	2,000,000	2	0.64%			
Cumberland Self Storage	838,400	3	0.27%			
Exelon Generation Co C/o PSE&G	764,500	4	0.25%			
Eagle Manor LLC	754,200	5	0.24%			
40 Main Street LLC % N Khoudary Esq	675,000	6	0.22%			
B&B Realty Holdings Llc	480,000	7	0.15%			
Individual Taxpayer 1	434,000	8	0.14%			
Dfsb Properties Lic	430,300	9	0.14%			
Individual Taxpayer 2	420,800	10	0.13%			
Total	<u>\$ 9,197,200.00</u>		<u>2.95%</u>			<u>0.00%</u>
Total Assessed Value	\$ 311,760,007			\$ 170,519,800		

Source: Municipal Tax Assessors

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

Exhibit J-8A

GREENWICH TOWNSHIP

	2018			2009		
	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	1	4.59%			
Individual Taxpayer 1	978,500	2	1.28%			
Iglesia Lafamilia Inc	645,100	3	0.85%			
Individual Taxpayer 2	575,600	4	0.75%			
Individual Taxpayer 3	491,600	5	0.64%			
Wrcc Llc	470,100	6	0.62%			
Individual Taxpayer 4	460,800	7	0.60%			
Individual Taxpayer 5	402,900	8	0.53%			
Individual Taxpayer 6	351,000	9	0.46%			
Individual Taxpayer 7	349,400	10	0.46%			
Total	\$ 8,225,100.00		10.78%	\$ -		0.00%
Total Assessed Value	\$ 8,225,100.00			\$ -		
Total Assessed Value	\$ 76,322,966.00			\$ 63,006,639.00		

HOPEWELL TOWNSHIP

	2018			2009		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
LTC Management LLC	\$ 9,866,700	1	3.20%			
Cottages At Dutch Neck Village LLC	771,000	2	0.25%			
ACM Realty	704,000	3	0.23%			
Individual Taxpayer 1	614,300	4	0.20%			
654 Shiloh Pike Llc	553,000	5	0.18%			
Individual Taxpayer 1	505,200	6	0.16%			
Individual Taxpayer 2	467,000	7	0.15%			
Reeves Road Properties Llc	455,300	8	0.15%			
619 Shiloh Pike Llc	425,000	9	0.14%			
A & A Likanchuk Enterprises	411,000	10	0.13%			
Total	\$ 14,772,500.00		4.80%	\$ -		0.00%
Total Assessed Value	\$ 14,772,500.00			\$ -		
Total Assessed Value	\$ 308,026,641.00			\$ 232,402,044.00		

Source: Municipal Tax Assessors

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

Exhibit J-8B

SHILOH BOROUGH

	2018			2009		
	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	1	1.51%			
Solavista LLC	447,600	2	1.36%			
Individual Taxpayer 1	339,600	3	1.03%			
Individual Taxpayer 2	285,400	4	0.87%			
Dewilde Farm Associates Lp	261,800	5	0.80%			
Individual Taxpayer 3	231,000	6	0.70%			
Individual Taxpayer 4	205,900	7	0.63%			
Individual Taxpayer 5	204,200	8	0.62%			
Individual Taxpayer 6	202,300	9	0.62%			
Individual Taxpayer 7	199,300	10	0.61%			
Total	<u>\$ 2,872,300.00</u>		<u>8.75%</u>	<u>-</u>		<u>0.00%</u>
Total Assessed Value	\$ 32,841,163.00			\$ 63,006,639.00		

STOW CREEK TOWNSHIP

	2018			2009		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Farm Rite	\$ 650,000	1	0.60%			
Individual Taxpayer 1	537,700	2	0.50%			
Individual Taxpayer 2	477,000	3	0.44%			
Individual Taxpayer 3	414,300	4	0.39%			
Individual Taxpayer 4	370,300	5	0.34%			
Individual Taxpayer 5	317,400	6	0.30%			
Individual Taxpayer 6	308,400	7	0.29%			
Individual Taxpayer 7	278,100	8	0.26%			
Individual Taxpayer 8	272,200	9	0.25%			
Individual Taxpayer 9	270,600	10	0.25%			
Total	<u>\$ 3,896,000.00</u>		<u>3.63%</u>	<u>-</u>		<u>0.00%</u>
Total Assessed Value	\$ 107,465,739.00			\$ 232,402,044.00		

Source: Municipal Tax Assessors

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

Exhibit J-8C

UPPER DEERFIELD

	2018			2009		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Walmart TRS LLC	\$ 13,962,200	1	2.22%			
Cedar-Carls Corner LLC	7,400,800	2	1.18%			
Lassonde Pappas & Co Inc	6,746,400	3	1.07%			
Upper Deerfield Station LLC	4,020,000	4	0.64%			
Lassonde Pappas & Co Inc	4,000,000	5	0.64%			
Perdue Gran and Oilseed Lic	2,659,100	6	0.64%			
Seabrook Associates Lp	1,889,100	7	0.42%			
Pappas Properties LLC	1,718,600	8	0.30%			
Atlantic City Electric Co	1,451,700	9	0.27%			
Ab Bridgeton Lic	1,119,000	10				
Total	<u>\$ 44,966,900.00</u>		<u>7.38%</u>	<u>\$ -</u>		<u>0.00%</u>
Total Assessed Value			<u>\$ 628,333,477.00</u>			<u>\$ 434,564,399.00</u>

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	
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%	
2018	9,245,732.00	9,245,732.00	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		
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
2018	6,342,000.00				6,342,000.00	N/A	268

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 ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
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
2018	6,342,000.00	-	6,342,000.00	0.38%	268

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.

**Cumberland Regional School District
Direct and Overlapping Governmental Activities Debt,
As of December 31, 2017**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Local Municipalities:			
Deerfield Township	\$ 469,983	100.00%	\$ 469,983
Deerfield Township School District	890,000	100.00%	890,000
Fairfield Township	3,266,889	100.00%	3,266,889
Fairfield Township School District	3,755,000	100.00%	3,755,000
Greenwich Township	-	100.00%	-
Greenwich Township School District	-	100.00%	-
Hopewell Township	1,354,975	100.00%	1,354,975
Hopewell Township School District	1,871,000	100.00%	1,871,000
Shiloh Borough School District	-	100.00%	-
Stow Creek Township	160,000	100.00%	160,000
Stow Creek Township School District		100.00%	-
Upper Deerfield Township	897,250	100.00%	897,250
Upper Deerfield Township School District	4,620,967	100.00%	4,620,967
Other Debt			
Cumberland County	320,709,147	18.64%	59,791,801
Subtotal, Overlapping Debt			77,077,866
Cumberland Regional High School District Direct Debt			<u>7,117,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 84,194,866</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Cumberland 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:	
2017	\$ 1,636,628,622
2016	\$ 1,621,140,295
2015	\$ 1,616,386,401
	<u>\$ 4,874,155,318</u>

Average equalized valuation of taxable property	\$ 1,624,718,439.33
Debt limit (3% of average)	48,741,553.18
Net bonded school debt	6,342,000.00
Legal debt margin	<u>\$ 42,399,553.18</u>

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 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	\$ 48,741,553.18
Total net debt applicable to limit	<u>6,435,000.00</u>	<u>5,655,000.00</u>	<u>11,602,000.00</u>	<u>10,772,000.00</u>	<u>9,996,700.00</u>	<u>9,287,000.00</u>	<u>8,577,000.00</u>	<u>7,857,000.00</u>	<u>7,117,000.00</u>	<u>6,342,000.00</u>
Legal debt margin	<u>\$ 44,804,347.00</u>	<u>\$ 48,827,678.00</u>	<u>\$ 43,139,721.00</u>	<u>\$ 42,369,120.00</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>	<u>\$ 42,399,553.18</u>

Total net debt applicable to the limit as a percentage of debt limit	12.56%	10.38%	21.19%	20.27%	19.29%	18.04%	16.94%	15.77%	14.58%	13.01%
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Source: Abstract of Rates 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 ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
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%
2017	3,057	N/A	37,363	4.90%

FAIRFIELD TOWNSHIP

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
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%
2017	6,087	N/A	37,363	8.90%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

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

^d 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 ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
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%
2017	771	N/A	37,363	5.10%

HOPEWELL TOWNSHIP

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
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%
2017	4,422	N/A	37,363	4.30%

Sources:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

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

^d 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

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
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%
2017	497	N/A	37,363	4.50%

STOW CREEK TOWNSHIP

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
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%
2017	1,405	N/A	37,363	4.70%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

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

^d 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

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
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%
2017	7,431	N/A	37,363	5.50%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

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

^d 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	2018			2009		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment

Information not available

Information not available

FAIRFIELD TOWNSHIP

Employer	2018			2009		
	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-15A

GREENWICH TOWNSHIP

Employer	2018			2009		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment

Information not available

HOPEWELL TOWNSHIP

Employer	2018			2009		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment

Information not available

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

Exhibit J-15B

SHILOH BOROUGH

Employer	2018			2009		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
	<i>Information not available</i>					

STOW CREEK TOWNSHIP

Employer	2018			2009		
	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	2018			2009		
	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

Exhibit J-16

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Instruction										
Regular	114	114	102	105	94	94	92	84	88	71
Other instruction	25	25	25	21	25	25	23	24	9	21
Support Services:										
Student & instruction related services	4	4	4	5	24	24	26	22	24	23
General administration	9	10	10	10	14	2	2	2	2	2
Other administrative services	15	15	16	18	6	16	15	15	15	13
Administrative Information Technology	2	2	3	3	2	2	2	2	2	2
Plant Operations and Maintenance	14	13	14	14	14	14	16	24	24	22
Other support services	6	6	8	10	6	6	6	2	2	1
Total	189	189	182	186	185	183	182	175	166	155

Source: District Personnel Records

CUMBERLAND REGIONAL SCHOOL DISTRICT
 Operating Statistics,
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	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
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	11.80	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	11.70	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%
2018	1,131	23,959,402.72	21,184	14.35%	92	12.29	1,104	1,025	-4.42%	92.84%

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<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	251,371
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	1,343	1,356	1,330	1,291	1,273	1,338	1,335	1,278	1,203	1,131
<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	4,400
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, 2018
 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)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Cumberland Regional High School	N/A	\$ 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	\$ 321,598.39
Total School Facilities		<u>\$ 169,174.00</u>	<u>\$ 198,016.00</u>	<u>\$ 174,865.00</u>	<u>\$ 314,163.00</u>	<u>\$ 301,551.00</u>	<u>\$ 254,543.00</u>	<u>\$ 246,119.00</u>	<u>\$ 257,172.00</u>	<u>\$ 329,005.72</u>	<u>\$ 321,598.39</u>
Other Facilities											
Grand Total		<u>\$ 169,174.00</u>	<u>\$ 198,016.00</u>	<u>\$ 174,865.00</u>	<u>\$ 314,163.00</u>	<u>\$ 301,551.00</u>	<u>\$ 254,543.00</u>	<u>\$ 246,119.00</u>	<u>\$ 257,172.00</u>	<u>\$ 329,005.72</u>	<u>\$ 321,598.39</u>

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, 2018
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	10,000,000.00	10,000.00
Umbrella Policy		
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	250,000.00	

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

PHONE 609.399.6333 • FAX 609.399.3710

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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, 2018, 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 January 25, 2019.

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

January 25, 2019



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 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, 2018. 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, 2018.

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

January 25, 2019

CUMBERLAND REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2018

Federal CFDA Number	Federal Title	Federal Number	Grant or State Project Number	Grant Period From To	Program or Award Amount	Balance at June 30, 2017		Carryover (Walkover) Amount	Budgetary Expenditures			Repayment of Prior Years' Balances	June 30, 2018			
						Account Receivable	Unearned Revenue		Due to Grantor	Cash Received	Pass Through		Direct	Total	(Memo) Passed-Through to Sub-Recipients	Adjustments
93.778	Medical Assistance Program (SEMI)	176NLSJMAP	N/A	7/1/2017	6/30/2018	\$ 23,764.33	\$ -	\$ -	\$ 23,764.33	\$ (23,764.33)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Fund																
U.S. Department of Education																
Passed-Through State Department of Education																
Special Revenue Fund:																
84.010A	Title I, Part A	S010A170030	NCLB-099717	7/1/2017	6/30/2018	171,168.00	(76,296.00)	-	171,168.00	(171,168.00)	-	-	-	-	-	-
84.010A	Title I, Part A	S010A160030	NCLB-099716	7/1/2016	6/30/2017	173,135.00	-	-	76,599.00	-	-	-	-	-	-	-
84.367A	Title II, Part A	S387A170029	NCLB-099717	7/1/2017	6/30/2018	33,382.00	(9,606.37)	10,822.00	33,382.00	(44,204.00)	-	-	-	-	-	-
84.367A	Title II, Part A	S387A160029	NCLB-099716	7/1/2016	6/30/2017	36,127.00	-	(10,822.00)	20,428.00	-	0.37	-	-	-	-	-
84.027	ID.E.A. Part B, Basic, Regular	H027A170100	FT-099717	7/1/2017	6/30/2018	279,537.00	(56,530.00)	4,515.00	275,022.00	(279,537.00)	-	-	(0.00)	-	-	-
84.424	ID.E.A. Part B, Basic, Regular	H027A160100	FT-099716	7/1/2016	6/30/2017	313,729.00	-	(4,515.00)	63,045.00	-	-	-	-	-	-	-
84.046A	Title IV Perkins Vocational	S424A170031	NCLB-099717	7/1/2017	6/30/2018	10,000.00	(23,792.84)	-	10,000.00	(10,000.00)	-	-	(0.00)	-	-	-
84.046A	Perkins Vocational	S046A160030	PERK-099716	7/1/2016	6/30/2017	78,835.84	-	-	23,793.00	-	(0.16)	-	-	-	-	-
Total Special Revenue Fund																
(168,226.21)																
U.S. Department of Agriculture																
Passed-Through State Department of Education																
Enterprise Fund:																
10.555	National School Breakfast Program	1617NJ304N099	N/A	7/1/2017	6/30/2018	38,911.69	(3,653.61)	-	38,911.69	(38,911.69)	-	-	-	-	-	-
10.553	National School Breakfast Program	1616NJ304N099	N/A	7/1/2016	6/30/2017	66,235.00	(3,653.61)	-	3,653.61	(51,910.28)	-	-	(3,500.16)	-	-	-
10.553	National School Lunch Program	171NJ304N1099	N/A	7/1/2017	6/30/2018	51,910.28	(9,346.40)	-	48,410.12	(51,910.28)	-	-	-	-	-	-
10.555	National School Lunch Program	1616NJ304N099	N/A	7/1/2016	6/30/2017	220,076.00	(9,346.40)	-	9,349.40	(198,227.01)	-	-	(10,627.19)	-	-	-
10.555	National School Lunch Program	171NJ304N1099	N/A	7/1/2017	6/30/2018	198,227.01	(13,003.01)	-	187,999.82	(198,227.01)	-	-	(14,127.95)	-	-	-
Total Enterprise Fund																
(289,046.98)																
Total Federal Financial Awards																
(654,905.00)																
0.21																
(690)																
0.21																
(14,127.95)																
(14,127.95)																

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

CUMBERLAND REGIONAL SCHOOL DISTRICT
Schedule of Financial Assistance
For the Fiscal Year Ended June 30, 2018

State Grantor/Program Title	Grant or State Project Number	Grant Period From To	Award Amount	Balance at June 30, 2017			Balance as of 6/30/2018			Memo									
				Accounts Receivable	Unearned Revenue	Due to Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures		Repayment Prior Years' Balances	Deficit/Adjustment	(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures		
State Department of Education																			
General Fund:																			
Equalization Aid	17-486-034-5120-078	7/1/2017	10,276,489	\$	\$	\$	9,310,897.60	\$	\$	\$	(10,276,489.00)							(985,591.50)	10,276,489.00
Special Education Aid	17-486-034-5120-079	7/1/2017	708,459				641,576.91				(708,459.00)							(66,882.09)	708,459.00
Special Education Aid	17-486-034-5120-088	7/1/2017	184,232				164,359.50				(184,232.00)							(17,314.41)	184,232.00
Categorical Security Aid	17-486-034-5120-084	6/30/2018	181,409				164,359.50				(181,409.00)							(17,049.10)	181,409.00
Adjustment Aid	17-486-034-5120-085	6/30/2018	12,940				11,723.88				(12,940.00)							(1,216.12)	12,940.00
PARCC Readiness Aid	17-486-034-5120-101	6/30/2017	12,940				11,723.88				(12,940.00)							(1,216.12)	12,940.00
Per Pupil Growth Aid	17-486-034-5120-087	7/1/2017	12,800				11,587.04				(12,800.00)							(1,212.96)	12,800.00
Professional Learning Community Aid	17-486-034-5120-098	7/1/2017	12,800				11,587.04				(12,800.00)							(1,212.96)	12,800.00
Subtotal State Aid - Public							11,095,046.45				(12,245,936.00)							(1,150,889.55)	12,245,936.00
Transportation Aid	17-486-034-5120-014	7/1/2017	144,916				131,298.55				(144,916.00)							(13,617.45)	144,916.00
Extraordinary Aid	16-100-034-5120-473	7/1/2016	89,274				89,274.00				(89,274.00)							(77,595.00)	89,274.00
Extraordinary Aid	17-100-034-5120-473	7/1/2017	77,595				6,980.00				(77,595.00)							(77,595.00)	77,595.00
Additional non Public Transportation Aid	16-100-034-5120-088	6/30/2017	6,980				6,980.00				(6,980.00)							(12,760.00)	6,980.00
Additional non Public Transportation Aid	17-100-034-5120-088	7/1/2017	12,760				2,734.78				(12,760.00)							(12,760.00)	12,760.00
Learning Assistants' Pension	16-88-46-506	7/1/2017	2,735				2,734.78				(2,734.78)							(2,734.78)	2,734.78
On-Behalf-Teachers' Pension	17-486-034-5120-104	6/30/2018	1,080,854				1,080,854.00				(1,080,854.00)							-	1,080,854.00
On-Behalf-Teachers' Pension and Annuity Fund	17-486-034-5120-002	7/1/2017	698,100				698,100.00				(698,100.00)							-	698,100.00
On-Behalf-Teachers' Pension and Annuity Fund	17-486-034-5120-001	7/1/2017	1,794				1,794.00				(1,794.00)							-	1,794.00
On-Behalf-Teachers' Pension and Annuity Fund	17-486-034-5120-004	7/1/2017	527,257				527,256.84				(527,256.84)							-	527,256.84
Reimbursed TPAF Social Security Contributions	17-486-034-5120-003	7/1/2017	527,257				527,256.84				(527,256.84)							-	527,256.84
Total General Fund							13,653,316.62				(14,791,945.62)							(1,254,867.00)	14,888,183.62
Special Revenue Fund:																			
Department of Agriculture	16-88-46-506	7/1/2017	10,000				10,000.00				(10,000.00)							-	10,000.00
Department of Agriculture	16-88-46-506	4/1/2018	100,000				37,062.00				(100,000.00)							(62,948.00)	31,307.02
Career Pathways	17-88-46-506	4/1/2017	100,000				100,000.00				(66,580.75)							-	100,000.00
Career Pathways	16-88-46-506	4/1/2016	100,000				100,000.00				(100,000.00)							-	99,972.88
Total Special Revenue Fund							271.2				(271.2)							-	271.2
Capital Projects Fund:																			
Education Construction & Financing Act	0997-0320-02-026	Open	7,657				7,657.00				(7,657.00)							-	7,657.00
Education Construction & Financing Act	0997-0320-02-026	Open	4,300,000				1,716,666.67				(4,000,238.40)							(2,563,333.33)	4,000,238.40
School Addition & Renovation	0997-0320-02-026	Open	4,300,000				1,716,666.67				(4,000,238.40)							(2,563,333.33)	4,000,238.40
2004 NUSDA Settlement Agreement							147,652.00				(107,897.77)							-	66,754.23
Total Capital Project Fund							147,652.00				(107,897.77)							-	241,279.90
Debt Service Fund:																			
Debt Service Ad Type II	17-486-034-5120-075	7/1/2017	195,599				195,599.00				(195,599.00)							-	195,599.00
Total Debt Service Fund							195,599.00				(195,599.00)							-	195,599.00
State Department of Agriculture																			
Enterprise Fund:																			
National School Lunch Program (State Share)	17-100-010-350-023	7/1/2016	4,350				203.87				(203.87)							(238.21)	4,349.97
National School Lunch Program (State Share)	16-100-010-350-023	7/1/2017	4,407				4,168.94				(4,407.15)							(238.21)	4,407.15
Total Enterprise Fund							4,372.81				(4,407.15)							(238.21)	8,757.12
Total State Financial Assistance							15,697,007.10				(19,100,081.94)							(3,901,386.54)	19,334,058.04

Less: On-Behalf TPAF Pension System Contributions \$ (1,780,748.00)
 Total for State Financial Assistance-Major Program Determination \$ (17,319,333.94)

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, 2018

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 (\$7,039), for the general fund and (\$15,898) 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	\$ 23,784	\$	14,791,950	\$	(1,780,748)	\$	13,034,986
Special Revenue Fund	504,909		107,888				612,797
Capital Projects Fund	-		4,000,238				4,000,238
Debt Service Fund	-		195,599				195,599
Food Service Fund	289,049		4,407				293,456
	<u>\$ 817,742</u>	\$	<u>19,100,082</u>	\$	<u>(1,780,748)</u>	\$	<u>18,137,076</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, 2018
(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, 2018. 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, 2018.

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, 2018

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:

<u>CFDA Numbers</u>	<u>FAIN#</u>	<u>Name of Federal Program or Cluster</u>
<u>Special Education Cluster</u>		
10.553	171NJ304N1099	School Breakfast Program
10.555	171NJ304N1099	National School Lunch Program

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, 2018
(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:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
0997-0320-02-0926	2004 NJSDA Settlement Agreement

CUMBERLAND REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2018
(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

There were no audit findings in 2017.

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CUMBERLAND REGIONAL SCHOOL DISTRICT

**Auditor's Management Report on Administrative
Findings, Financial, Compliance and Performance
For the Fiscal Year Ended June 30, 2018**

**AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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FORD - SCOTT

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REPORT OF INDEPENDENT AUDITORS

Honorable President and
Members of the Board of Education
Cumberland Regional School District
County of Cumberland, New Jersey

We have audited, in accordance with audit standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Cumberland Regional School District in the County of Cumberland for the year ended June 30, 2018, and have issued our report thereon dated January 25, 2019.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the management of the Cumberland Regional Board of Education, the New Jersey State Department of Education (cognizant audit agency), other state and federal awarding agencies and pass-through entities, and is not intended and should not be used by anyone other than these parties. However, this report is a matter of public record and its distribution is not limited.

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

January 25, 2019

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's CAFR.

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32,18A:13-13)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Bruce D. Harbinson	Business Administrator	\$ 250,000.00

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/School Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium amounts withheld and due to the general fund.

Reserve for Encumbrances, Liability for Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable. No discrepancies were noted.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, a transaction error rate of 0.00% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Financial Planning, Accounting and Reporting - continued

Business Administrator / Board Secretary's Records

The Board Secretary's Records were in satisfactory condition.

Bids received were summarized in the minutes.

Acknowledgement of the Board's receipt of the Board Secretary's reports were included in the minutes.

Budget appropriations were not greater than realized revenues and Board authorized use of surplus.

No budgetary line accounts were over-expended during the fiscal year and at June 30.

Purchase orders were charged to the appropriate line accounts in accordance with State prescribed Uniform Minimum Chart of Accounts (2R2), for New Jersey Public Schools.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2017-18 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also include a review of transportation related contracts and purchases. Based on our review, the district complied with the proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A./NCLB financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. revealed no areas of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on the Schedule A and Schedule B in the CAFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for Special Federal and/or State Projects revealed no areas of noncompliance and/or questioned costs.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Reports for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3 are \$40,000. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is \$19,000 for 2017-18.

The district board of education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Based on the results of my examination, I did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

School Food Service

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

The financial transactions and statistical records of the School Food Services were reviewed and found to be in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions were noted.

Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

The district utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17- 34, and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$15,000. The operating results provision has been not met and therefore the Management Fee in the amount of \$25,000 is due back to the District.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions were noted.

The cash disbursement records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Net cash resources did not exceed three months average expenditures. No exceptions were noted.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Service employees authorized by the Board of Education. No exceptions were noted.

The number of meals claimed for reimbursement were verified against sales and meal count records. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted / certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications and or the list of directly certified students on file times the number of operating days, on a school by school basis. The free and reduced price meal and free milk policy is uniformly administered throughout the school system. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

USDA Food Distribution Program Food & Commodities were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G in the CAFR.

Student Body Activities

During our review of the student activity funds, the records were found to be in satisfactory condition.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2017 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low income and bilingual. We also performed a review of the districts procedures related to its completion. The information on the ASSA was compared to the district workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed state forms or their equivalent.

The district has adequate written procedures for the recording of student enrollment data.

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreements for consistency and recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account, and the awarding of contracts for eligible facilities construction. No exceptions were noted.

Testing for Lead of All Drinking Water in Educational Facilities

The school district adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

Follow-Up on Prior Year Findings

Not Applicable

Acknowledgment

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

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

January 25, 2019

School Food Service

SCHEDULE OF MEAL COUNT ACTIVITY

ANYTOWN SCHOOL DISTRICT/CHARTER SCHOOL

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -Federal

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE (a)	(OVER) UNDER CLAIM (b)
National School Lunch (Regular Rate)	Paid	24,190	24,190	24,190	0	0.33	0.00
National School Lunch (Regular Rate)	Reduced	9,118	9,118	9,118	0	2.85	0.00
National School Lunch (Regular Rate)	Free	49,021	49,021	49,021	0	3.25	0.00
	TOTAL	82,329	82,329	82,329			0.00
National School Lunch	HHFKA - PB Lunch Only	82,329	82,329	82,329	0	0.06	0.00
School Breakfast (Severe Rate)	Paid	1,506	1,506	1,506	0	0.30	0.00
	Reduced	1,677	1,677	1,677	0	1.79	0.00
	Free	23,185	23,185	23,185	0	2.09	0.00
	TOTAL	26,368	26,368	26,368			0.00
Total Net Overclaim							0.00

Auditor Notation:

(a) Reimbursement rates are subject to annual change. Rates indicated in this sample schedule are for illustrative purposes only. Refer to the detailed schedule of reimbursement rates presented on page II-60.27 of this Audit Program. (b) Overclaims or underclaims must be reflected by program on the Schedule of Findings and Questioned Costs (where applicable) and in the AMR. (c) If underclaims are identified and total \$100.00 or more by program, please contact the DOA for requirements to request reimbursement from USDA. Underclaim requests may or may not be approved by USDA for reimbursement. (d) Child and Adult Care Food Program-(CACFP)-At-Risk Dinners

School Food Service

SCHEDULE OF MEAL COUNT ACTIVITY

ANYTOWN SCHOOL DISTRICT/CHARTER SCHOOL

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -STATE

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE (a)	(OVER) UNDER CLAIM (b)
State Reimbursement - National School Lunch (Regular Rate)	Paid	24,190	24,190	24,190	0	0.050	0.00
State Reimbursement - National School Lunch (Regular Rate)	Reduced	9,118	9,118	9,118	0	0.055	0.00
State Reimbursement - National School Lunch (Regular Rate)	Free	49,021	49,021	49,021	0	0.055	0.00
	TOTAL	<u>82,329</u>	<u>82,329</u>	<u>82,329</u>			

Total Net Overclaim

0.00

Auditor Notation:

(a) Reimbursement rates are subject to annual change. Rates indicated in this sample schedule are for illustrative purposes only. Refer to the detailed schedule of reimbursement rates presented on page II-60.27 of this Audit Program. (b) Overclaims or underclaims must be reflected by program on the Schedule of Findings and Questioned Costs (where applicable) and in the AMR. (c) State underclaims identified are not eligible for reimbursement.

NET CASH RESOURCE SCHEDULE

**Net cash resources DID NOT exceed three months of expenditures
Proprietary Funds - Food Service
FYE 2018**

<u>Net Cash Resources:</u>	Food Service B - 4/5	
CAFR		Current Assets
B-4	47,311.03	Cash & Cash Equiv.
B-4	-	Due from Other Gov'ts
B-4	39,365.56	Accounts Receivable
B-4	-	Investments
CAFR		Current Liabilities
B-4	(91,657.34)	Less Accounts Payable
B-4		Less Accruals
B-4	-	Less Due to Other Funds
B-4	-	Less Deferred Revenue
	<u>(4,980.75)</u>	Net Cash Resources
		(A)

Net Adj. Total Operating Expense:

B-5	538,953.07	Tot. Operating Exp.
B-5	<u>(16,098.00)</u>	Less Depreciation
	<u>522,855.07</u>	Adj. Tot. Oper. Exp.
		(B)

Average Monthly Operating Expense:

B / 10	<u>52,285.51</u>	(C)
--------	-------------------------	------------

Three times monthly Average:

3 X C	<u>156,856.52</u>	(D)
-------	--------------------------	------------

TOTAL IN BOX A	<u>\$ (4,980.75)</u>
LESS TOTAL IN BOX D	<u>\$ 156,856.52</u>
NET	<u>\$ (161,837.27)</u>

From above:

**A is greater than D, cash exceeds 3 X average monthly operating expenses.
D is greater than A, cash does not exceed 3 X average monthly operating expenses.**

* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

**CUMBERLAND REGIONAL SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2017**

	2018-2019 Application for State School Aid						Sample for Verification						Private Schools for Disabled									
	Reported on A.S.S.A. On Roll		Workpapers		Errors		Sample Selected from Workpapers		Registers Verified per On Roll		Errors per Registers On Roll		Reported on Private Schools		Workpapers		Sample Verification		Sample Errors			
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared		
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Full Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Full Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
One	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Two	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Three	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Four	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Five	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Six	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Seven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Eight	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Nine	216	-	-	-	-	-	-	50	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ten	221	-	-	-	-	-	-	52	-	-	-	-	-	-	-	-	-	-	-	-	-	
Eleven	219	-	-	-	-	-	-	51	-	-	-	-	-	-	-	-	-	-	-	-	-	
Twelve	248	24	-	-	24	-	-	58	6	-	-	-	-	-	-	-	-	-	-	-	-	
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adult H.S. (1-14+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal	904	24	-	-	904	24	-	211	6	-	-	211	6	-	-	-	-	-	-	-	-	
Special Ed - Elementary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Special Ed - Middle School	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Special Ed - High School	183	9	-	-	183	9	-	43	1	-	-	43	1	-	-	-	-	-	-	-	-	
Subtotal	183	9	-	-	183	9	-	43	1	-	-	43	1	-	-	-	-	-	-	-	-	
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Co. Voc. - FT Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Totals	1,067	33	-	-	1,067	33	-	254	7	-	-	254	7	-	-	-	-	-	-	-	-	
Percentage Error																						0.00%

**CUMBERLAND REGIONAL SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2017**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to LEP Score, Lunch App. and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
One	-	-	-	-	-	-	-	-	-	-	-	-
Two	-	-	-	-	-	-	-	-	-	-	-	-
Three	-	-	-	-	-	-	-	-	-	-	-	-
Four	-	-	-	-	-	-	-	-	-	-	-	-
Five	-	-	-	-	-	-	-	-	-	-	-	-
Six	-	-	-	-	-	-	-	-	-	-	-	-
Seven	-	-	-	-	-	-	-	-	-	-	-	-
Eight	-	-	-	-	-	-	-	-	-	-	-	-
Nine	104.0	104.0	-	39	39	-	-	-	-	-	-	-
Ten	106.0	106.0	-	39	39	-	1	1	-	1	1	-
Eleven	89.0	89.0	-	34	34	-	1	1	-	1	1	-
Twelve	114.5	114.5	-	42	42	-	2	2	-	2	2	-
Post-Graduate Adult H.S. (15+CR)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14+CR)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	413.5	413.5	-	154	154	-	4	4	-	4	4	-
Special Ed - Elementary	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed - Middle School	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed - High School	118.0	118.0	-	43	43	-	1	1	-	1	1	-
Subtotal	118.0	118.0	-	43	43	-	1	1	-	1	1	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. - FT Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	531.5	531.5	-	197	197	-	5	5	-	5	5	-
Percentage Error			0.00%						0.00%			0.00%

	Transportation			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on DTRTS by DOE/Country	Reported on DTRTS by District	Errors	Sample Tested	Verified to Register	Sample Errors	Reported on A.S.S.A as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to LEP Score, Lunch App. and Register	Sample Errors
Reg. - Public Schools, col. 1	741.0	741.0	-	197	197	-	-	-	-	-	-	-
Reg. - Sp Ed, col. 4	135.5	135.5	-	36	36	-	-	-	-	-	-	-
Transported - Non-Public, col. 3	-	-	-	-	-	-	-	-	-	-	-	-
Transported - Non-Public, AIL	44.0	44.0	-	12	12	-	-	-	-	-	-	-
Special Ed Special Needs, col. 6	32.5	32.5	-	9	9	-	-	-	-	-	-	-
Totals	953.00	953.00	-	254	254	-	-	-	-	-	-	-
Percentage Error			0.00%						0.00%			0.00%

(from dtrts) **Reported** **Recalculated**
0.0 0.0
6.9 6.9
15.6 15.6

Reg Avg. (Mileage) = Regular Including Grade PK Students (Part A)
Reg Avg. (Mileage) = Regular Excluding Grade PK Students (Part B)
Spec Avg. = Special Ed with Special Needs

**CUMBERLAND REGIONAL SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2017**

	Resident LEP NOT Low Income		Sample for Verification	
	Reported on A.S.S.A as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Sample Selected from Workpapers	Verified to LEP Score and Register
		Errors		Errors
Half Day Preschool	-	-	-	-
Full Day Preschool	-	-	-	-
Half Day Kindergarten	-	-	-	-
Full Day Kindergarten	-	-	-	-
One	-	-	-	-
Two	-	-	-	-
Three	-	-	-	-
Four	-	-	-	-
Five	-	-	-	-
Six	-	-	-	-
Seven	-	-	-	-
Eight	-	-	-	-
Nine	-	-	-	-
Ten	-	-	-	-
Eleven	-	-	-	-
Twelve	1	1	1	1
Post-Graduate	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-
Adult H.S. (1-14+CR.)	-	-	-	-
Subtotal	1	1	1	1
Special Ed - Elementary	-	-	-	-
Special Ed - Middle School	-	-	-	-
Special Ed - High School	-	-	-	-
Subtotal	-	-	-	-
Co. Voc. - Regular	-	-	-	-
Co. Voc. - FT Post Sec.	-	-	-	-
Totals	1	1	1	1
Percentage Error		0.00%		0.00%

**CUMBERLAND REGIONAL HIGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE YEAR ENDED JUNE 30, 2018**

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2017-18 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>21,911,909.82</u>	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ <u>-</u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ <u>500,000.00</u>	(B1b)
Transfer from General Fund to SRF for Preschool - Regular	\$ <u>-</u>	(B1c)
Transfer from General Fund to SRF for Preschool - Inclusion	\$ <u>-</u>	(B1d)
Decreased By:		
On-Behalf TPAF Pension & Social Security	\$ <u>2,308,004.84</u>	(B2a)
Assets Acquired Under Capital Leases	<u>-</u>	(B2b)
Adjusted 2017-18 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$ <u><u>20,103,904.98</u></u>	(B3)
2% of Adjusted 2017-18 General Fund Expenditures [(B3) times .02]	\$ <u>402,078.10</u>	(B4)
Enter Greater of (B4) or \$250,000	\$ <u>402,078.10</u>	(B5)
Increased by: Allowable Adjustment*	\$ <u>-</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$ <u><u>402,078.10</u></u>	(M)

SECTION 2

Total General Fund - Fund Balances @ 06/30/18 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>5,647,220.51</u>	(C)
Decreased by:		
Year-end Encumbrances	\$ <u>283,191.36</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>-</u>	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>573,057.15</u>	(C3)
Other Restricted Fund Balances ****	\$ <u>3,843,144.00</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	<u>-</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ <u><u>947,828.00</u></u>	(U1)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER - 0 -	\$ <u>545,749.90</u>	(E)
<u>Recapitulation of Excess Surplus as of June 30, 2018:</u>		
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>573,057.15</u>	(C3)
Reserved Excess Surplus ***	\$ <u>545,749.90</u>	(E)
Total [(C3) + (E)]	\$ <u><u>1,118,807.05</u></u>	(D)

**CUMBERLAND REGIONAL HIGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE YEAR ENDED JUNE 30, 2018**

* This adjustment line (as detailed below) is to be utilized for Impact Aid (when applicable), Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10), and Extraordinary Aid, and Additional Nonpublic School Transportation Aid if applicable (Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid).

Detail of Allowable Adjustments

Impact Aid	\$ _____	(H)
Sale & Lease-back	\$ _____	(I)
Extraordinary Aid	\$ _____	(J1)
Additional Nonpublic School Transportation Aid	\$ _____	(J2)
Unbudgeted TPAF Wage Freeze Grant Funding	\$ _____	(J3)
Family Crisis Transportation Aid	\$ _____	(J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 \$ _____	 (K)

** This amount represents the June 30, 2018 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 10025.

*** Amounts must agree to the June 30, 2018 CAFR and the sum of the two lines must agree to Audit Summary Worksheet Line 10024.

**** Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Finance prior to September 30.

Detail of Other Restricted Fund Balance

Statutory restrictions:		
Approved unspent separate proposal	\$ _____	-
Capital outlay for a district with a capital outlay cap waiver	\$ _____	-
Sale/lease-back reserve	\$ _____	-
Capital reserve	\$ 3,043,144.00	
Maintenance reserve	\$ 800,000.00	
Emergency reserve	\$ _____	-
Tuition reserve	\$ _____	-
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ _____	-
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ _____	-
Other state/government mandated reserve	\$ _____	-
 [Other Restricted Fund Balance not noted above] ****	 \$ _____	
 Total Other Restricted Fund Balance	 \$ 3,843,144.00	 (C4)

RECOMMENDATIONS

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

All findings and recommendations were addressed and cleared during Fiscal Year 2018.



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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www.ford-scott.com

January 25, 2019

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

We have audited the financial statements of the Cumberland Regional High School District, New Jersey for the fiscal year ended June 30, 2018, and have issued our report thereon dated January 25, 2019. Professional standards require that we provide you with the following information related to our audit.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

As stated in our engagement letter dated March 15, 2018, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented in all material respects, in conformity 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 prescribed by the Division of Finance, Department of Education, State of New Jersey. Our audit of the financial statements does not relieve you or management of your responsibilities.

OTHER INFORMATION CONTAINED IN AUDITED FINANCIAL STATEMENTS

Management is responsible for the information accompanying the financial statements. Our audit was for the purpose of forming an opinion on the financial statements as a whole. The yellow book reporting section is presented to comply with *Government Auditing Standards*. In addition, the supplemental information is presented in accordance with the requirements of the Division of Finance, Department of Education in the State of New Jersey. Such information has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated March 15, 2018.

SIGNIFICANT AUDIT FINDINGS

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Cumberland Regional High District are described in Note 1 to the financial statements. No new accounting policies were adopted in 2018. There are no significant transactions that have been recognized in the financial statements during the fiscal year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the Operating Budget is based on prior experience and assumptions based on future budgetary goals. In addition, the budget is prepared in accordance with New Jersey State Statutes.

Compensated Absences are based on unused vacation, sick time and administrative time.

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing and completing our audit.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have attached a list of the recommended audit adjustments.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the attached management representation letter dated January 25, 2019.

MANAGEMENT CONSULTATION WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves the application of an accounting principle to the Cumberland Regional School District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all of the relevant facts. To our knowledge there were no such consultations with other accountants.

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

This information is intended solely for the use of the Board of Education and management of the Cumberland Regional School District and is not intended to be and should not be used by anyone other than those specified parties.

Respectfully submitted,

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia

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

CUMBERLAND REGIONAL SCHOOL DISTRICT

COUNTY OF CUMBERLAND, NEW JERSEY

SYNOPSIS OF AUDIT REPORT

FOR YEAR ENDED JUNE 30, 2018

CUMBERLAND REGIONAL SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 4,374,992.32	16,434.52	687,161.72	2,189.92	5,080,778.48
Due from Other Funds		0.37	0.41	4,110.36	4,111.14
Receivables from Other Governments	90,355.00		2,583,333.33		2,673,688.33
Other Receivables	17,361.97				17,361.97
					-
Total Assets	<u>4,482,709.29</u>	<u>16,434.89</u>	<u>3,270,495.46</u>	<u>6,300.28</u>	<u>7,775,939.92</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable			15,743.45		15,743.45
Interfund Payable	0.78		4,110.36		4,111.14
Unearned Revenue		16,434.89			16,434.89
Total Liabilities	<u>0.78</u>	<u>16,434.89</u>	<u>19,853.81</u>	<u>-</u>	<u>36,289.48</u>
Fund Balances:					
Restricted for:					
Excess Surplus - Current Year	545,749.90				545,749.90
Excess Surplus - designated for subsequent year's expenditures	573,057.15				573,057.15
Maintenance Reserve	800,000.00				800,000.00
Capital Reserve	3,043,144.00				3,043,144.00
Committed to:					
Other Purposes	283,191.36		1,778,316.45		2,061,507.81
Assigned to:					
Debt Service				4,111.28	4,111.28
Designated by BOE for subsequent year's expenditures	-			2,189.00	2,189.00
Capital Projects			1,472,325.20		1,472,325.20
Unassigned:					
General Fund	(762,433.90)				(762,433.90)
Total Fund Balances	<u>4,482,708.51</u>	<u>-</u>	<u>3,250,641.65</u>	<u>6,300.28</u>	<u>7,739,650.44</u>
Total Liabilities and Fund Balances	<u>\$ 4,482,709.29</u>	<u>16,434.89</u>	<u>3,270,495.46</u>	<u>6,300.28</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 \$25,856,864.79 and the accumulated depreciation is \$18,863,874.69.	6,992,990.10
Value of Investment in SREC's	60,865.00
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.	(6,684,705.22)
Pension Liabilities Net of Deferred Outflows & Inflows	(5,528,627.00)
Net Position of governmental activities	<u>\$ 2,580,173.32</u>

CUMBERLAND REGIONAL SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 8,848,314.00	\$ -	\$ -	\$ 397,418.00	\$ 9,245,732.00
Transportation Fees	118,694.88				118,694.88
Interest Earned	20,071.24		4,110.36		24,181.60
Miscellaneous	191,290.82	70,891.83			262,182.65
Total Local Sources	9,178,370.94	70,891.83	4,110.36	397,418.00	9,650,791.13
State Sources	16,638,207.62	123,785.51	4,300,000.00	195,599.00	21,257,592.13
Federal Sources	23,784.33	504,909.00			528,693.33
Total Revenues	<u>25,840,362.89</u>	<u>699,586.34</u>	<u>4,304,110.36</u>	<u>593,017.00</u>	<u>31,437,076.59</u>
EXPENDITURES					
Current:					
Regular Instruction	5,813,010.60	439,820.65			6,252,831.25
Special Education Instruction	786,325.25				786,325.25
Other Instruction	669,284.08				669,284.08
Support Services:					
Tuition	1,689,955.50				1,689,955.50
Student & Instruction Related Serv.	1,902,001.23	220,015.14			2,122,016.37
School Administrative Services	792,263.16				792,263.16
General Administrative Services	443,464.75				443,464.75
Central Services	351,272.88				351,272.88
Administration Information Tech	110,073.51				110,073.51
Plant Operation and Maintenance	2,056,850.22				2,056,850.22
Pupil Transportation	1,866,107.37				1,866,107.37
Employee Benefits	6,818,958.38				6,818,958.38
Debt Service:					
Principal				775,000.00	775,000.00
Interest and Other Charges				228,561.26	228,561.26
Capital Outlay	451,561.89	39,750.55	2,229,579.35		2,720,891.79
Total Expenditures	<u>23,751,128.82</u>	<u>699,586.34</u>	<u>2,229,579.35</u>	<u>1,003,561.26</u>	<u>27,683,855.77</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,089,234.07</u>	<u>-</u>	<u>2,074,531.01</u>	<u>(410,544.26)</u>	<u>3,753,220.82</u>
OTHER FINANCING SOURCES/(USES)					
Transfer In			500,000.00	404,110.36	904,110.36
Transfer Out	(525,000.00)		(404,110.36)		(929,110.36)
Total Other Financing Sources	<u>(525,000.00)</u>	<u>-</u>	<u>95,889.64</u>	<u>404,110.36</u>	<u>(25,000.00)</u>
Net Changes in Fund Balance	1,564,234.07	-	2,170,420.65	(6,433.90)	3,728,220.82
Fund Balance - July 1	2,918,474.44	-	1,080,221.00	12,734.18	4,011,429.62
Fund Balance - June 30	<u>\$ 4,482,708.51</u>	<u>\$ -</u>	<u>\$ 3,250,641.65</u>	<u>\$ 6,300.28</u>	<u>\$ 7,739,650.44</u>

RECOMMENDATIONS

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
None
3. School Purchasing Programs
None
4. School Food Service
None
5. Student Body Activities
None
6. Application for State School Aid
None
7. Pupil Transportation
None
8. Facilities and Capital Assets
None
9. Miscellaneous
None
10. Status of Prior Year Audit Findings/Recommendations

All findings and recommendations were addressed and cleared during Fiscal Year 2018.

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

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January 25, 2019

Commissioner of Education
Department of Education
Office of Fiscal Accountability &
Compliance/Special Audits Unit
PO Box 500
Trenton, New Jersey 08625-0500

Commissioner:

Enclosed please find the reporting package for the Cumberland Regional School District for the year ended June 30, 2018, which contains the required documentation as indicated on the enclosed Single Audit Summary.

Should you require additional information, please contact me directly at mgarcia@ford-scott.com, or 609-399-6333, ext. 220.

Very truly yours,

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia

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

Enclosures

Single Audit Summary

For Fiscal Year Ended June 30, 2018

A. GENERAL INFORMATION

District/Charter School/Renaissance School Project Name: Cumberland Regional School District
District/Charter School/Renaissance School Project Code: _____
County: Cumberland **EIN:** 21-6000232
Audit Firm: Ford Scott & Associates LLC

B. AUDIT ITEMS SUBMITTED

Items 2 through 6 are hard copies mailed to the NJDOE and electronically submitted

- | | | |
|---|---------------------------|--------------|
| 1. The School District is required to use a school-based budget | Yes _____ | N/A <u>X</u> |
| 2. Comprehensive Annual Financial Report (2 bound copies) - (3 copies when a school-based budget is required) | Copies | |
| | 2 | |
| 3. Auditor's Management Report | 2 | |
| 4. Cover Letter | 2 | |
| 5. Current Peer Review | 1 | |
| 6. Single Audit Summary | 1 | |
| 7. Audit performed and signed and dated by a CPA/PSA/RMA | Yes <u>X</u> | |
| 8. Type of Auditor's Report: Financial Statements | <u>Unmodified Opinion</u> | |

C. SINGLE AUDIT SECTION

9. Single Audits required according to the Federal and State Expenditures
- | | | | | | |
|---------|----------|-------|----------|-----|-------|
| Federal | <u>X</u> | State | <u>X</u> | N/A | _____ |
|---------|----------|-------|----------|-----|-------|

K-1 Independent Auditor's Report in Accordance with GAS

10. Material weaknesses and/or significant deficiencies noted
- | | |
|-----------|--------------|
| Yes _____ | N/A <u>X</u> |
|-----------|--------------|

K-2 Independent Auditor's Report of Federal and State Programs

11. Material weaknesses and/or significant deficiencies noted
- | | |
|---------------------------------------|--------------|
| Yes _____ | N/A <u>X</u> |
| 12. Type of Auditor's Report: Federal | _____ |
| 13. Type of Auditor's Report: State | _____ |

K-3 Schedule of Expenditures of Federal Awards

14. Total Federal Expenditures	\$817,742.31	
15. Type A/B Threshold	\$750,000.00	18. Due to Grantor
16. DOE Calculated Threshold	\$750,000.00	19. Less: Adjustment
17. Difference	\$0.00	20. Refund Amount
		\$0.00
		21. Repayment
		\$0.00
		22. Remaining Balance Due
		\$0.00

As of June 30, 2018

Single Audit Summary For Fiscal Year Ended June 30, 2018

C. SINGLE AUDIT SECTION (contd)

District/Charter School/Renaissance School Name:

Cumberland Regional School District

County: Cumberland

State Awards

38. List all State Programs or clusters exceeding the Type A Threshold and all Type B Programs determined to be major programs and audited in the current year. Include the applicable GMIS Numbers, classify the Programs as Type A or B and denote the last period(s) audited with an "X" in the specific column(s).

GMIS Number	Name of State Program	Type A or B	Year 3 - 2018	Year 2 - 2017	Year 1 - 2016
	STATE AID PUBLIC CLUSTER:				
17-495-034-5120-089	SPECIAL EDUCATION CATEGORICAL AID	A		X	X
17-495-034-5120-078	EQUALIZATION AID	A		X	X
17-495-034-5120-084	SECURITY AID	A		X	X
17-495-034-5120-085	ADJUSTMENT AID	A		X	X
17-495-034-5120-068	SCHOOL CHOICE AID	A		X	X
17-495-034-5120-098	PARCC READINESS	A		X	X
17-495-034-5120-097	PER PUPIL GROWTH AID	A		X	X
17-495-034-5120-101	PROFESSIONAL LEARNING COMMUNITY AID	A		X	X
0997-0320-02-0926	2004 NJSDA SETTLEMENT AGREEMENT	A	X		

39. Audit Findings contain the required reporting elements

Yes (number of findings) 0

N/A X

40. Questioned Costs

Yes (amount) _____

N/A X

K-8 Schedule of Prior Year Findings and Questioned Costs

41. Prior Period Findings

Fully Corrected

Number N/A

Not Corrected

Number N/A

Partially Corrected

Number N/A

Number N/A

D. Comments (optional)

E. Preparer's Information

Print Name:

Michael S. Garcia

Signature:

Michael S. Garcia 01/25/2019

Email Address:

mgarcia@ford-scott.com

F. Audit Firm Information

Address

Ford, Scott & Associates, L.L.C.

1535 Haven Avenue

Ocean City, NJ 08226

Phone Number

609-399-6333

