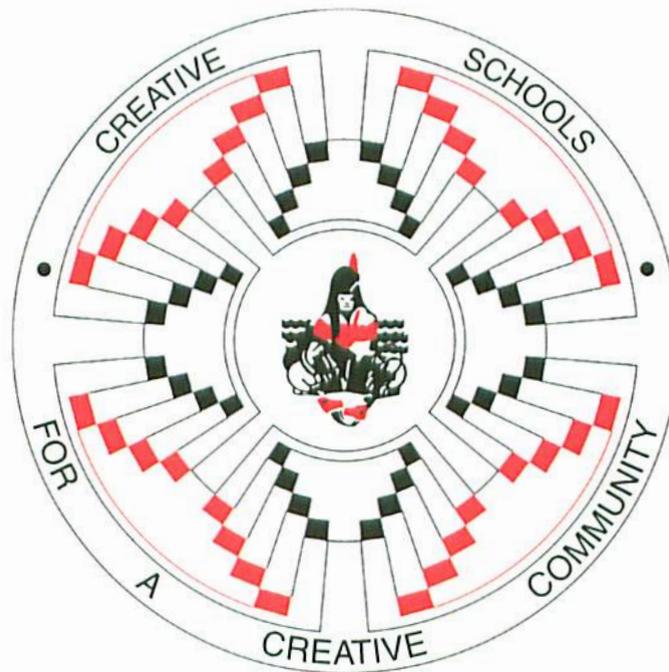


**Board of Education
of
Cinnaminson Township
School District
Cinnaminson, New Jersey**



**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended
JUNE 30, 2012**

Comprehensive Annual Financial Report

of the

**Cinnaminson Board of Education
Cinnaminson, New Jersey**

For the Fiscal Year Ended June 30, 2012

Prepared by

Cinnaminson Board of Education
Finance Department

CINNAMINSON SCHOOL DISTRICT

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Introductory Section



Cinnaminson Township Public Schools

Administrative Offices

P.O. Box 224

Cinnaminson, New Jersey 08077

Tel 856-829-7600 Fax 856-786-9618

October 5, 2012

Honorable President and
Members of the Board of Education
Cinnaminson School District
Cinnaminson, New Jersey 08077

Dear Board Members:

The Comprehensive Annual Financial Report of the Cinnaminson Township Public Schools for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally resented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments," and the state Treasury Circular Letter 04-04 OMB, "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 and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Cinnaminson Township Public School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Cinnaminson Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a comprehensive K through 12 curriculum, including: gifted and talented, special education and basic skills. The current enrollment of 2,354.9 students is 16.3 students more than the previous year. The following details the changes in enrollment over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-12	2,354.9	.69%
2010-11	2,338.6	(1.03%)
2009-10	2,419.8	1.43%
2008-09	2,385.7	(3.11%)
2007-08	2,459.9	(2.49%)
2006-07	2,521.1	(2.17%)
2005-06	2,577.0	0.08%
2004-05	2,556.0	5.75%
2003-04	2,417.0	5.55%
2002-03	2,559.0	1.43%

- 2. ECONOMIC CONDITIONS AND OUTLOOK:** Cinnaminson Township continues to experience a very slow growth. This may change with the continued building of a major development along the Township's riverfront and the building of a third age restricted community along Route 130. It should be noted, however, that assessed property values in the Township continue to decline with significant implications for district finances.

The increased enrollment from the "Riverfront" project has and will continue to have an effect on class size and special program needs. Also the need to address the advanced age of Cinnaminson High School and security upgrades in other district schools are concerns that must be faced sooner rather than later. The number of state and federal unfunded or partially funded mandates has been and will continue to be a serious fiscal burden on our local taxpayer.

Projecting forward a year or two, there is no reason to believe that the school district's financial position is going to move in a positive direction.

MAJOR INITIATIVES: The Cinnaminson Township School district has embarked on a number of new as well as continuing initiatives.

The curriculum mapping process has expanded. In addition to the completed maps for math and science, we have added social studies and technology. As new standards are released by the New Jersey Department of Education, the mapping committees are revising their maps.

At several points during the year, the curriculum maps are reviewed and adjusted to more accurately reflect the instruction and needs of the students. Mapping committees will be functioning as professional learning communities with grade level and department level review of best practices and in-depth analysis of student achievement. As the committees continue to refine the maps, they will be adding a global perspective to each content area. Cross content instruction is also one of our current initiatives.

The Math Curriculum is available as a web based system for staff and the community. Programs at the elementary level use smartboards to enhance learning. New courses at the High School address remediation in the ninth and tenth grades.

The Science Department had updated their curriculum maps. The core standards in science support the use of graphing calculators and computers. All department members use computers for lab activities. We have added AP Environmental Science and Forensic Science as electives.

The writing process is emphasized at every grade including the important steps in revision and editing. The reading program K-12 employs reading specialists in every building to provide ongoing remediation and skill development during the school day, after school and during the summer.

The Social Studies curriculum reinforces a global perspective. The wide array of electives include American Law, Macro-economics, Human Behavior and AP European History. Co-curriculum programs include Debate, Mock Trial, and Model UN.

Courses in computer networking and office technologies lead to certification in those areas. Business Technology course offerings have expanded and economic literacy is included in currently offered courses. A course in Practical Skills is available.

The Visual and Performing Arts program has enhanced connections with other content areas especially Social Studies and Language Arts by doing Reading, Writing, and History related to music and art. Courses explore career opportunities in this field.

The curriculum addresses bullying and harassment prevention, drug and alcohol prevention, suicide prevention, date rape prevention and disease prevention. Fitness, rhythm, strength training, movement skills and lifelong recreation are included in our curriculum.

Spanish is taught in grades K-12, while French is available in grades 6-12. The 6th grade will have a new explanatory course in Spanish and French. Program enhancements include increasing the expectations for oral and written communications.

Students K-8 take technology as part of their regular program culminating in grade 8 with a test in technology literacy. Cinnaminson High School offers numerous technology electives such as Excel/Access, Internet Web Pages, Netprep and Desktop Publishing. Technology enhances all courses.

In order to reach 21st century learners in the most effective manner, we are exploring ways to enhance the use of technology in our classrooms. A committee is currently reviewing our policies on internet use.

Further, we have embarked on a project to review classroom and departmental assessments. The data from such assessments will be analyzed in order to effect improvements in instructional techniques.

It should also be noted that the Board of Education is in the initial planning steps of a major renovation/expansion of the High School.

Whether it be in student accomplishment, staff commitment, rigorous instructional programs, or district governance and operations, we rank among the very best in the South Jersey region. This success was just recently highlighted by the New Jersey Department of Education recognizing Cinnaminson as a "high performing district", its highest ranking.

- 3. INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance

recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure, 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 the voters of the municipality. 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2012.

5. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

6. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

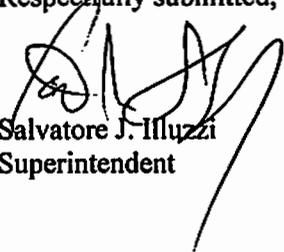
7. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

8. **OTHER INFORMATION: Independent Audit** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso & Stewart, CPA's, was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

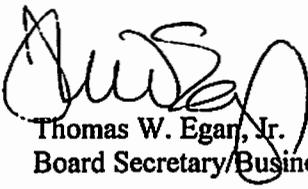
9. **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Cinnaminson School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development

and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

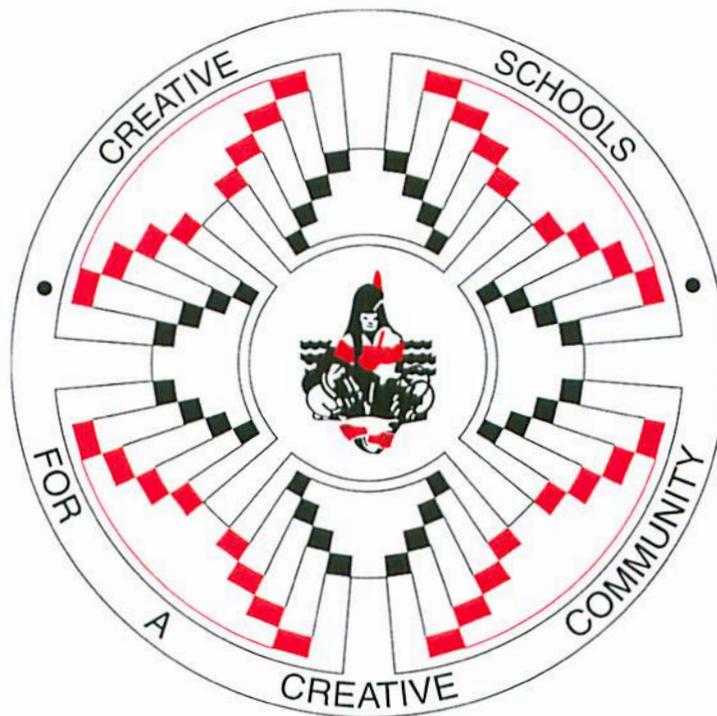
Respectfully submitted,



Salvatore J. Illuzzi
Superintendent



Thomas W. Egan, Jr.
Board Secretary/Business Administrator



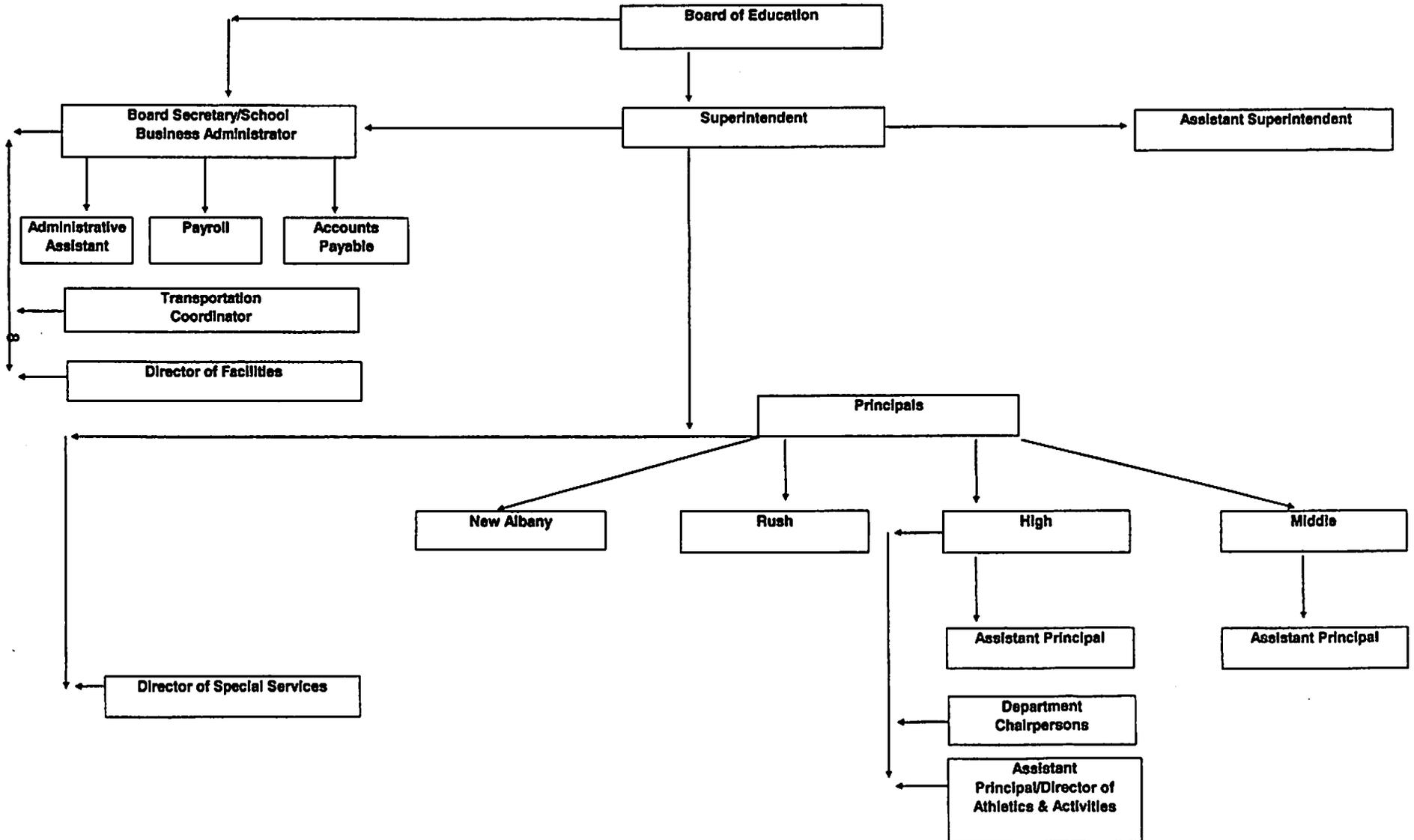
MISSION STATEMENT

The Mission of the Cinnaminson School District is to educate our students and to assist their development into self-motivated, multi-faceted, happy and physically fit individuals who are productive, responsible citizens. It is expected that all students will achieve the Core Curriculum Content Standards at all grade levels.

With national and state program standards as a basis, Cinnaminson students will gain an appreciation of knowledge, a desire to learn, and a respect for themselves and others. In partnership with the family and the community, we will foster achievement and we will model excellence and responsible behavior.

CINNAMINSON BOARD OF EDUCATION

Organization Chart



**CINNAMINSON BOARD OF EDUCATION
CINNAMINSON, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2012**

	<u>Term Expires</u>
Jean M. Cohen, President	2013
Jacqueline Plunkett, Vice-President	2014
Pamela Crepps	2013
Linda DiMassimo	2013
Dr. James A. Herschel	2014
Stephen Kenny	2014
Linda Lamb	2012
James J. McGuckin, Jr.	2012
Dolores Woodington	2012

Other Officials

Salvatore J. Illuzzi, Ph.D., Superintendent
Terry Luxenberg, Assistant Superintendent
Thomas W. Egan, Jr., Business Administrator
Mark Gidjunis, Treasurer
Stephen J. Mushinski, Esq., Solicitor

CINNAMINSON SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

Inverso & Stewart, LLC
12000 Lincoln Drive West
Suite 402
Marlton, NJ 08053

Attorney

Frank Cavallo, Esq.
Stephen J. Mushinski, Esq.
Parker, McCay P.A.
9000 Midlantic Drive
Suite 300
Mount Laurel, NJ 08054

Official Depository

Susquehanna Bank
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Cinnaminson, NJ 08077

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Registered Municipal Accountants**

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-Member of-
American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Cinnaminson Township School District
County of Burlington
Cinnaminson, New Jersey

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 Cinnaminson Township School District, in the County of Burlington, State of New Jersey (School District), as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. 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 in compliance with audit requirements as prescribed by the Division of 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Cinnaminson Township School District, in the County of Burlington, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2012 on our consideration of the Cinnaminson Township School District, in the County of Burlington, State of New Jersey'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cinnaminson Township School District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and State of New Jersey Circular 04-04-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the financial statements. In addition, the introductory section, combining statements and related major fund supporting statements and schedules, and statistical section listed in the table of contents are also presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules of Expenditures of Federal Awards and State Financial Assistance, combining statements and related major fund supporting statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
October 5, 2012

INVERSO & STEWART, LLC

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-Member of-
American Institute of CPAs
New Jersey Society of CPAs

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

The Honorable President and Members
of the Board of Education
Cinnaminson Township School District
County of Burlington
Cinnaminson, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Cinnaminson Township School District (School District), in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements and have issued our report thereon dated October 5, 2012. 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 in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Cinnaminson Township School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Cinnaminson Township School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cinnaminson Township School District's financial statements are free of 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 Division of Finance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of the management of the School District, the Division of Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
October 5, 2012

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Cinnaminson Township School District
For the Fiscal Year Ended June 30, 2012
Management's Discussion and Analysis**

As management of the Board of Education of the Township of Cinnaminson, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$9,933,321 (*net assets*).
- Governmental activities have an unrestricted net assets deficit of \$1,132,236. The accounting treatments in the governmental funds for compensated absences payable, and the last two state aid payments, and the state statute that prohibits school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net assets of the School District increased by \$2,374,969, or a 31.42% increase from the prior fiscal year-end balance.
- Fund balance of the School District's governmental funds increased by \$1,424,122 resulting in an ending fund balance of \$5,143,524. This increase is due to the results of operations in the General Fund. The Debt Service Fund experienced a decrease in fund balance of \$5,879.
- Business-type activities have unrestricted net assets of \$234,570, which may be used to meet the School District's ongoing obligations of the food service operations, school age child care program, and student store.
- The School District's long-term obligations decreased by \$1,227,288 which is the result of the reduction of serial bond debt, capital leases, and compensated absences.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net assets and the statement of activities.

The *statement of net assets* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the School District changed during the current fiscal year. Changes in net assets are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all or most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities consolidate the Food Service Fund, the School Age Child Care Program, and the Student Store.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

The School District's three enterprise funds (Food Service Fund, School Age Child Care Program, and School Store) are listed individually and are considered to be major funds.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements, equipment and vehicles. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2012. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2012.

The assets of the primary government activities exceeded liabilities by \$9,643,466 with an unrestricted deficit balance of \$1,132,236. The net assets of the primary government do not include internal balances.

A net investment of \$5,745,469 in land, improvements, buildings, equipment and vehicles which provide the services to the School District's 2,355 public school students, represents 59.58% of the School District's net assets. Net assets of \$581,025 have been restricted to provide resources for future capital expansion and renovation projects, \$501,569 for maintenance reserve, \$194,922 for emergency reserve, \$3,734,582 has been restricted for future budget appropriations and \$18,135 is reserved for encumbrances.

As mentioned earlier, deficit unrestricted net assets are primarily due to the accounting treatment for compensated absences payable and the last two state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

**Cinnaminson Township School District
Comparative Summary of Net Assets
As of June 30, 2012 and 2011**

	Governmental Activities		Business-Type Activities		District-Wide	
	2012	2011	2012	2011	2012	2011
Assets:						
Current assets	\$ 5,506,455	\$ 4,033,023	\$ 284,277	\$ 159,195	\$ 5,790,732	\$ 4,192,218
Capital assets	<u>13,395,940</u>	<u>13,790,073</u>	<u>55,285</u>	<u>64,170</u>	<u>13,451,225</u>	<u>13,854,243</u>
Total assets	<u>18,902,395</u>	<u>17,823,096</u>	<u>339,562</u>	<u>223,365</u>	<u>19,241,957</u>	<u>18,046,461</u>
Liabilities:						
Current Liabilities	2,054,350	1,949,671	49,707	57,899	2,104,057	2,007,570
Noncurrent Liabilities	<u>7,204,579</u>	<u>8,480,539</u>	<u></u>	<u></u>	<u>7,204,579</u>	<u>8,480,539</u>
Total liabilities	<u>9,258,929</u>	<u>10,430,210</u>	<u>49,707</u>	<u>57,889</u>	<u>9,308,636</u>	<u>10,488,109</u>
Net assets	<u>\$ 9,643,466</u>	<u>\$ 7,392,886</u>	<u>\$ 289,855</u>	<u>\$ 165,466</u>	<u>\$ 9,933,321</u>	<u>\$ 7,558,352</u>
Net assets consist of:						
Invested in capital						
Assets	\$ 5,745,469	\$ 4,986,609	\$ 55,285	\$ 64,170	\$ 5,800,754	\$ 5,050,779
Restricted net assets	5,030,233	3,523,056			5,030,233	3,523,056
Unrestricted net assets	<u>(1,132,236)</u>	<u>(1,116,779)</u>	<u>234,570</u>	<u>101,296</u>	<u>(897,666)</u>	<u>(1,015,483)</u>
Net assets	<u>\$ 9,643,466</u>	<u>\$ 7,392,886</u>	<u>\$ 289,855</u>	<u>\$ 165,466</u>	<u>\$ 9,933,321</u>	<u>\$ 7,558,352</u>

Cinnaminson Township School District
Comparative Schedule of Changes in Net Assets
As of and for the Fiscal Year Ended June 30, 2012 and 2011

	Governmental Activities		Business-Type Activities		District-Wide	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues						
Charges for services			\$ 818,744	\$ 806,155	\$ 818,744	\$ 806,155
Operating grants and Contributions	\$ 4,085,218	\$ 3,850,827	151,826	131,147	4,237,044	3,981,974
General Revenues:						
Property Taxes	29,755,000	29,579,010			29,755,000	29,579,010
Unrestricted Aid	9,252,210	8,788,332			9,252,210	8,788,332
Tuition	94,682	92,044			94,682	92,044
Other Revenues	945,227	778,577	1,928	1,895	947,155	780,472
Total Revenues	44,132,337	43,088,790	972,498	939,197	45,104,835	44,027,987
Expenses:						
Governmental Activities:						
Instruction	16,861,420	16,854,379			16,861,420	16,854,379
Tuition	2,863,718	2,782,561			2,863,718	2,782,561
Related Services	4,365,579	4,376,300			4,365,579	4,376,300
Administrative Services	2,091,285	2,098,991			2,091,285	2,098,991
Operations and Maintenance	3,137,268	2,682,572			3,137,268	2,682,572
Transportation	2,306,343	2,218,903			2,306,343	2,218,903
Central Services	821,461	822,466			821,461	822,466
Employee benefits	9,094,095	8,466,699			9,094,095	8,466,699
Charter schools	27,988	15,919			27,988	15,919
Interest on long-term Debt	243,579	282,809			243,579	282,809
Other	69,021	69,316			69,021	69,316
Business-Type Activities:						
Food Service Operations			574,047	623,309	574,047	623,309
School Store			250,227	22,723	250,227	22,723
School Age Child Care			23,835	301,250	23,835	301,250
Total Expenses	41,881,757	40,670,915	848,109	947,282	42,729,866	41,618,197
Increase in net assets Before Special Items	2,250,580	2,417,975	124,389	(8,085)	2,374,969	2,409,790
Retirement of Assets						
Changes in net assets	2,250,580	2,417,975	124,389	(8,085)	2,374,969	2,409,790
Net assets, July 1,	7,392,886	4,975,011	165,466	173,551	7,558,352	5,148,562
Net assets, June 30,	\$ 9,643,466	\$ 7,392,986	\$ 289,855	\$ 165,466	\$ 9,933,321	\$ 7,558,352

Governmental Activities

Governmental activities increased the net assets of the School District by \$2,250,580 during the current fiscal year. Key elements of the increase in net assets for governmental activities are as follows:

- General obligation bonds decreased by \$1,465,000.

Business-type Activities

Business-type activities increased the School District's net assets by \$124,389. Key elements of the increase in net assets for governmental activities are as follows:

- The School Age Child Care Program had a net gain of \$57,652, the Food Service Fund had a net gain of \$64,572 and School Store had a net gain of \$2,165.

Financial Analysis of the Governmental Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$5,143,524, an increase of \$1,424,122 in comparison with the prior year. This increase is due to the results of operations in the General Fund.

The unassigned fund balance for the School District at the end of the fiscal year includes unassigned fund balance for the General Fund of \$113,291. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) as restricted cash reserved for future capital outlay expenditures of \$581,025, 2) \$501,569 maintenance reserve, 3) \$194,922 emergency reserve, 4) \$1,486,000 appropriated as a revenue source in the subsequent year's budget, 5) \$18,135 reserved for encumbrances, and 6) \$2,248,582 excess surplus which is reserved for future budget appropriation in accordance with state statute.

The general fund is the chief operating fund of the School District. As discussed earlier, the balance in the unreserved fund balance is due, primarily, to the accounting treatment of the last two state aid payments and state statutes that prohibit New Jersey school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$338,906 or an increase of .86%. The increase to the budget included reserve for encumbrances, appropriation of maintenance reserve and an additional appropriation for Education Jobs Fund.

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$881,876 while total fund balance (budgetary basis) was \$5,912,109. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$40,642,266. Unreserved fund balance (budgetary basis) represents 2.17% of expenditures while total fund balance (budgetary basis) represents 14.55% of that same amount.

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2012, totaled \$13,451,224 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was \$403,019 or a 2.19% decrease. The decrease is primarily due to depreciation.

Capital Assets (net of accumulated depreciation) June 30, 2012 and 2011

	Governmental Activities		Business-Type Activities		District-Wide	
	2012	2011	2012	2011	2012	2011
Land	\$ 4,252,300	\$ 4,252,300			\$ 4,252,300	\$ 4,252,300
Construction in Progress	230,262	56,487			230,262	56,487
Buildings and Building Improvements	7,538,324	8,065,245			7,538,324	8,065,245
Equipment	1,375,054	1,416,041	\$ 55,284	\$ 64,170	1,430,338	1,480,211
Net assets	<u>\$ 13,395,940</u>	<u>\$ 13,790,073</u>	<u>\$ 55,284</u>	<u>\$ 64,170</u>	<u>\$ 13,451,224</u>	<u>\$ 13,854,243</u>

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Long-term debt – During the fiscal year ended June 30, 2012, the School District had \$6,915,000 in serial bonds payable, \$735,471 in capital leases, and \$1,232,773 in compensated absences.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$77,445,586. The available amount as of June 30, 2012 is \$70,530,586.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District's budget for the 2012-13 fiscal year.

- For the 2012-13 fiscal year the School District will be receiving an increase in state aid. The local tax levy in the General Fund increased by \$373,496 or a 1.31% increase. The 2012-13 General Fund Budget is \$904,790 greater than the previous year.
- The tax rate for 2012 is \$1.538, which is an increase of 2.4 cents per \$100 over the previous year.

For the Future

The Cinnaminson Township Public School District is in very good financial condition presently. However, a major concern is maintaining aging buildings of the district with an increased reliance on local property taxes as state aid has remained stagnant. Cinnaminson Township is primarily a residential community, with very few large ratables; thus the burden is focused on homeowners to share the tax burden.

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

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Cinnaminson School District Business Administrator, PO Box 224, Cinnaminson, New Jersey, 08077.

Basic Financial Statements

District-Wide Financial Statements

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Statement of Net Assets
June 30, 2012

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$3,824,428	\$204,418	\$4,028,846
Receivables, net	1,013,894	62,087	1,075,981
Inventory		15,779	15,779
Internal balances	(1,993)	1,993	
Restricted assets:			
Capital reserve account	581,025		581,025
Deferred bond issuance costs - net	89,101		89,101
Capital assets, net (Note 5)	<u>13,395,940</u>	<u>55,285</u>	<u>13,451,225</u>
Total assets	<u>18,902,395</u>	<u>339,562</u>	<u>19,241,957</u>
LIABILITIES:			
Accounts payable	210,279	26,812	237,091
Intergovernmental payable:			
State	28,810		28,810
Deferred revenue	34,741	22,895	57,636
Accrued interest due within one year	101,855		101,855
Noncurrent liabilities (Note 7):			
Due within one year	1,678,665		1,678,665
Due beyond one year	<u>7,204,579</u>		<u>7,204,579</u>
Total liabilities	<u>9,258,929</u>	<u>49,707</u>	<u>9,308,636</u>
NET ASSETS:			
Invested in capital assets, net of related debt	5,745,469	55,285	5,800,754
Restricted for:			
Capital Projects	581,025		581,025
Other purposes	4,449,208		4,449,208
Unrestricted	<u>(1,132,236)</u>	<u>234,570</u>	<u>(897,666)</u>
Total net assets	<u>\$9,643,466</u>	<u>\$289,855</u>	<u>\$9,933,321</u>

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

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction:						
Regular	\$11,210,740		\$157,366	(\$11,053,374)		(\$11,053,374)
Special education	2,725,307		264,941	(2,460,366)		(2,460,366)
Other instruction	2,925,373			(2,925,373)		(2,925,373)
Support Services:						
Tuition	2,863,718			(2,863,718)		(2,863,718)
Student & instruction related services	4,365,579		435,419	(3,930,160)		(3,930,160)
General administrative services	680,530			(680,530)		(680,530)
School administrative services	1,410,755			(1,410,755)		(1,410,755)
Central and technology adm. services	821,461			(821,461)		(821,461)
Plant operations and maintenance	3,137,268			(3,137,268)		(3,137,268)
Pupil transportation	2,306,343			(2,306,343)		(2,306,343)
Employee benefits	9,094,095		2,800,248	(6,293,847)		(6,293,847)
Charter schools	27,988			(27,988)		(27,988)
Interest on long-term debt	243,579		427,244	183,665		183,665
Unallocated depreciation and amortization	69,021			(69,021)		(69,021)
Total governmental activities	41,881,757		4,085,218	(37,796,539)		(37,796,539)
Business-type activities:						
Food service program	574,047	\$486,018	151,826		\$63,797	63,797
School age child care program	250,227	306,881			56,654	56,654
School store	23,835	25,845			2,010	2,010
Total business-type activities	848,109	818,744	151,826		122,461	122,461
Total primary government	\$42,729,866	\$818,744	\$4,237,044	(\$37,796,539)	\$122,461	(\$37,674,078)
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net				28,462,848		28,462,848
Taxes levied for debt service				1,292,152		1,292,152
Federal and state aid not restricted				9,252,210		9,252,210
Tuition revenue				94,682		94,682
Transportation revenue				744,284		744,284
Miscellaneous revenue				200,943	1,928	202,871
Total general revenues, special items, and transfers				40,047,119	1,928	40,049,047
Change in Net Assets				2,250,580	124,389	2,374,969
Net Assets--July 1				7,392,886	165,466	7,558,352
Net Assets--June 30				\$9,643,466	\$289,855	\$9,933,321

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

Fund Financial Statements

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2012

ASSETS	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and cash equivalents	\$3,824,428				\$3,824,428
Receivables, net	921,750	\$71,799			993,549
Interfund receivable	30,828				30,828
Restricted cash and cash equivalents	<u>581,025</u>				<u>581,025</u>
Total assets	<u>\$5,358,031</u>	<u>\$71,799</u>			<u>\$5,429,830</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	185,249	25,030			\$210,279
Intergovernmental payable:					
State		28,810			28,810
Interfund payables	1,993	10,483			12,476
Deferred revenues	<u>27,265</u>	<u>7,476</u>			<u>34,741</u>
Total liabilities	<u>214,507</u>	<u>71,799</u>			<u>286,306</u>
Fund Balances:					
Restricted for:					
Excess surplus	2,248,582				2,248,582
Excess surplus - designated for subsequent year's expenditures	1,282,332				1,282,332
Maintenance reserve	501,569				501,569
Capital reserve	581,025				581,025
Emergency reserve	194,922				194,922
Assigned to:					
Year-end encumbrances	18,135				18,135
Subsequent year's expenditures	203,668				203,668
Unassigned	<u>113,291</u>				<u>113,291</u>
Total fund balances	<u>5,143,524</u>				<u>5,143,524</u>
Total liabilities and fund balances	<u>\$5,358,031</u>	<u>\$71,799</u>	<u>-</u>	<u>-</u>	

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

The cost associated with the issues of various bonds are expensed in the governmental funds in the year the bonds are issued, but are capitalized in the Statement of Net Assets. The bond issuance costs are \$456,314 and the accumulated amortization is \$367,213.	89,101
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$36,966,595 and the accumulated depreciation is \$23,570,655.	13,395,940
Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds.	(101,855)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(8,883,244)
Net assets of governmental activities	<u>\$9,643,466</u>

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

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
for the Fiscal Year Ended June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$28,462,848			\$1,292,152	\$29,755,000
Tuition charges	94,682				94,682
Transportation fees	744,284				744,284
Capital reserve interest	331				331
Other restricted revenues	25,670				25,670
Miscellaneous	174,942				174,942
Total revenues-local sources	29,502,757			1,292,152	30,794,909
Local sources		\$25,074			25,074
State sources	11,875,231	112,284		427,244	12,414,759
Federal sources	169,279	728,316			897,595
Total revenues	41,547,267	865,674		1,719,396	44,132,337
EXPENDITURES:					
Current expense:					
Regular instruction	10,340,280	157,366			10,497,646
Special education instruction	2,460,366	264,941			2,725,307
Other instruction	2,925,373				2,925,373
Support services and undistributed costs:					
Tuition	2,863,718				2,863,718
Student & instruction related services	3,930,160	435,419			4,365,579
General administrative services	680,530				680,530
School administrative services	1,410,755				1,410,755
Central services	510,239				510,239
Administrative technology services	311,222				311,222
Plant operations and maintenance	3,078,190				3,078,190
Pupil transportation	2,169,457				2,169,457
Employee benefits	9,086,147	7,948			9,094,095
Charter Schools	27,988				27,988
Capital outlay	847,841				847,841
Debt service:					
Principal				1,465,000	1,465,000
Interest and other charges				260,275	260,275
Total expenditures	40,642,266	865,674		1,725,275	43,233,215
Excess (deficiency) of revenues over (under) expenditures	905,001			(5,879)	899,122
Other Financing Sources (Uses):					
Capital Leases	525,000				525,000
Total other financing sources (uses)	525,000				525,000
Net change in fund balance	1,430,001			(5,879)	1,424,122
Fund balances, July 1	3,713,523			5,879	3,719,402
Fund balances, June 30	\$5,143,524	-	-	-	\$5,143,524

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

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
for the Fiscal Year Ended June 30, 2012

Total net change in fund balances - governmental funds (from B-2)		\$1,424,122
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p style="margin-left: 40px;">Capital outlays are reported in the 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 depreciation exceeded capital outlay in the current fiscal year.</p>		
Depreciation expense	(\$912,570)	
Capital outlay	518,437	(394,133)
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 reported in the statement of activities.		1,465,000
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is reported in the statement of activities.		212,993
The issuance of capital lease debt increases long-term liabilities, however has no effect on net assets.		(525,000)
Bond issuance costs are reported in the governmental fund as expenditures in year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.		(23,393)
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		16,696
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) 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 (+).		74,295
Change in net assets of governmental activities		\$2,250,580

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

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-type Activities			Total
	Enterprise Funds			
	Food Service Fund	School Age Child Care Program	School Store	
ASSETS:				
Current assets:				
Cash and cash equivalents	\$58,680	\$134,608	\$11,130	\$204,418
Accounts receivable	62,087			62,087
Interfund receivable	1,993			1,993
Inventories	9,886		5,893	15,779
Total current assets	132,646	134,608	17,023	284,277
Noncurrent assets:				
Equipment	425,786	29,123		454,909
Less accumulated depreciation	(390,159)	(9,465)		(399,624)
Total noncurrent assets	35,627	19,658		55,285
Total assets	\$168,273	\$154,266	\$17,023	\$339,562
LIABILITIES:				
Current liabilities:				
Accounts payable	\$26,783		\$29	\$26,812
Prepaid program fees		\$22,895		22,895
Total liabilities	26,783	22,895	29	49,707
NET ASSETS:				
Invested in capital assets net of related debt	35,627	19,658		55,285
Unrestricted	105,863	111,713	16,994	234,570
Total net assets	\$141,490	\$131,371	\$16,994	\$289,855

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

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
for the Fiscal Year Ended June 30, 2012

	Business-type Activities			Total
	Enterprise Funds			
	Food Service Fund	School Age Child Care Program	School Store	
Operating revenues:				
Charges for services:				
Daily sales-reimbursable programs	\$307,124			\$307,124
Daily sales-non-reimbursable programs	126,514			126,514
Special Functions	47,070			47,070
Sales			\$25,845	25,845
Program fees		\$306,881		306,881
Miscellaneous	5,310			5,310
Total operating revenue	486,018	306,881	25,845	818,744
Operating expenses:				
Salaries	222,909	177,612		400,521
Employee benefits	53,286	38,340		91,626
Supplies and materials	28,209	1,275		29,484
Depreciation	7,430	1,456		8,886
Direct expenses	4,793			4,793
Other purchased services	28,614	839		29,453
Cost of sales	205,900	4,930	23,835	234,665
Building usage		18,000		18,000
Other	22,906	7,775		30,681
Total operating expenses	574,047	250,227	23,835	848,109
Operating income (loss)	(88,029)	56,654	2,010	(29,365)
Nonoperating revenues (expenses):				
State sources:				
State school lunch program	6,676			6,676
Federal sources:				
National school lunch program	119,876			119,876
Special milk program	2,331			2,331
U.S.D.A. commodities	22,943			22,943
Local sources:				
Interest revenue	775	998	155	1,928
Total nonoperating revenues (expenses)	152,601	998	155	153,754
Excess (deficiency) of revenues over (under) expenditures	64,572	57,652	2,165	124,389
Other Financing Sources (Uses):				
Change in net assets	64,572	57,652	2,165	124,389
Total net assets - July 1	76,918	73,719	14,829	165,466
Total net assets - June 30	\$141,490	\$131,371	\$16,994	\$289,855

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

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
for the Fiscal Year Ended June 30, 2012

	Business-type Activities			Total
	Enterprise Funds			
	Food Service Fund	School Age Child Care Program	Student Store	
Cash flows from operating activities:				
Receipts from customers	\$486,693	\$304,051	\$25,911	\$816,655
Payments to employees for services	(257,902)	(215,951)		(473,853)
Payments to suppliers	(308,230)	(32,820)	(22,652)	(363,702)
Net cash used for operating activities	<u>(79,439)</u>	<u>55,280</u>	<u>3,259</u>	<u>(20,900)</u>
Cash flows from noncapital financing activities:				
Donations				
Cash received from federal and state sources	129,038			129,038
Net cash provided by non-capital financing activities	<u>129,038</u>			<u>129,038</u>
Cash flows from capital activities:				
Purchases of fixed assets				
Cash flows from investing activities:				
Interest and dividends	775	998	155	1,928
Net cash provided by investing activities	<u>775</u>	<u>998</u>	<u>155</u>	<u>1,928</u>
Net increase in cash and cash equivalents	50,374	56,278	3,414	110,066
Balances - July 1	<u>8,306</u>	<u>78,330</u>	<u>7,716</u>	<u>94,352</u>
Balances - June 30	<u>\$58,680</u>	<u>\$134,608</u>	<u>\$11,130</u>	<u>\$204,418</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:				
Operating income (loss)	(\$88,029)	\$56,654	\$2,010	(\$29,365)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	7,430	1,456		8,886
Federal commodities	22,943			22,943
(Increase) decrease in accounts receivable	(25,460)		64	(25,396)
(Increase) decrease in inventory	8,429		1,796	10,225
Increase (decrease) in prepaid program fees		(2,830)	(611)	(3,441)
Increase (decrease) in accounts payable	(4,752)			(4,752)
Total adjustments	<u>8,590</u>	<u>(1,374)</u>	<u>1,249</u>	<u>8,465</u>
Net cash provided by (used for) operating activities	<u>(\$79,439)</u>	<u>\$55,280</u>	<u>\$3,259</u>	<u>(\$20,900)</u>

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

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	<u>Private Purpose Trusts</u>	<u>Flexible Benefits Account</u>	<u>Unemployment Compensation Insurance Trust</u>	<u>Agency Funds</u>
ASSETS:				
Cash and cash equivalents	\$65,614	\$26,857	\$180,696	\$1,396,832
Other accounts receivable				
Interfund receivable				
Total assets	<u>65,614</u>	<u>26,857</u>	<u>180,696</u>	<u>1,396,832</u>
LIABILITIES:				
Accounts payable			34,010	
Payroll deductions and withholdings				285,217
Due to Cinnaminson Education Assoc.				4,012
Due to employees				818,273
Interfund payable		10,000		10,345
Due to student groups				278,985
Total liabilities		<u>10,000</u>	<u>34,010</u>	<u>\$1,396,832</u>
NET ASSETS:				
Reserved for private purpose trusts	<u>\$65,614</u>			
Held in trust for unemployment claims			<u>\$146,686</u>	
Held in trust for flexible benefit expenditures		<u>\$16,857</u>		

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

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2012

	Private Purpose Trust Funds		Flexible Benefit Trust	Unemployment Compensation Insurance Trust
	Scholarship Fund	Organ Repair Fund		
ADDITIONS:				
Donations	\$6,678			
Board contribution				\$50,000
Employee withholdings			\$63,200	35,751
Total Contributions	<u>6,678</u>		<u>63,200</u>	<u>85,751</u>
Investment earnings:				
Interest	567	\$139	19	1,836
Net investment earnings	<u>567</u>	<u>139</u>	<u>19</u>	<u>1,836</u>
Total additions	<u>7,245</u>	<u>139</u>	<u>63,219</u>	<u>87,587</u>
DEDUCTIONS:				
Unemployment claims				96,648
Flexible Benefit payments			46,362	
Scholarships awarded	11,125			
Total deductions	<u>11,125</u>		<u>46,362</u>	<u>96,648</u>
Change in net assets	(3,880)	139	16,857	(9,061)
Net assets - July 1	<u>55,484</u>	<u>13,871</u>		<u>155,747</u>
Net assets - June 30	<u>\$51,604</u>	<u>\$14,010</u>	<u>\$16,857</u>	<u>\$146,686</u>

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

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

The Cinnaminson Township School District (District) is a Type II school district located in Burlington County, New Jersey and covers an area of approximately 7.5 miles. As a Type II school district, it functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for all of Cinnaminson's students in grades K through 12. The Cinnaminson Township School District has an approximate enrollment at June 30, 2012 of 2,355 students.

The primary criteria for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School district over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

The basic financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (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. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 to its governmental and business-type activities and to its proprietary funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

The School District's basic financial statements consists of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Statements - The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net assets presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those which 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.

In addition to the capital outlay sub-fund, the School District is accountable for an additional sub-fund, the Education Jobs Fund ("Ed Jobs"), resulting from federal legislation signed into law on August 10, 2010. The Ed Jobs program was created to provide funding assistance to states in order to save or create education jobs for the period from the September 30, 2010 through September 30, 2012. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education. Ed Jobs revenues and expenditures are recorded in the general fund (fund 18) on a reimbursement basis. As such, revenue is not included in the fiscal year surplus, and no portion of general fund balance at June 30, 2012 is considered to be attributable to Ed Jobs. Ed Jobs expenditures are included as a component of overall general fund expenditures, and are also included in general fund expenditures for purposes of the excess surplus calculation.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenues sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Funds - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

Enterprise Funds – The enterprise 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 School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The School District's enterprise funds are:

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

Student Store - This fund accounts for all revenues and expenses pertaining to the operations of the student store.

School Age Child Care - This fund accounts for all revenues and expenses pertaining to the operations of the before and after school program sponsored by the District.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net assets) is segregated into investment in capital assets, net of related debt, and unrestricted net assets, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into two classifications: trust funds and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has five fiduciary funds; an unemployment compensation trust fund, a private purpose scholarship fund, a flexible spending account, a student activity fund, and a payroll fund.

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e. revenues) and decreases (i.e. expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School 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. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; tuition, grants, fees, and rentals.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as deferred revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets/Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for their approval. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23A-16.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances – governmental funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the one or more June state aid payments.

Encumbrances - Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected in the balance sheet as deferred revenues at fiscal year end.

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

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, 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. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. 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. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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.

Tuition Receivable - Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2012 and 2011 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

Inventories - Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out basis.

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed, and is not recorded since any amounts are considered immaterial to the basic financial statements.

Inventories recorded in the government-wide financial statements and in the proprietary fund types are recorded as expenditures when consumed rather than when purchased.

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Deferred Expenditures - Deferred expenditures are disbursements that are made in one period, but are more accurately reflected as an expenditure/expense in the next fiscal period. Unlike prepaid expenses, deferred expenditures are not regularly recurring cost of operations.

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and the proprietary fund statement of net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

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

Accrued Salaries and Wages - Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2012, the amounts earned by these held by the District in a separate bank account.

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 School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance - The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2012.

Restricted - This fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - This fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, which for the School District is the Board of Education. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action imposing the commitment.

Assigned - This fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the Business Administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

Unassigned - This fund balance classification is the residual classification for the General Fund. It represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the School District's policy to spend restricted fund balances first. Likewise, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program, tuition fees for the school age child care program and sales for the School Store. Non-operating revenues principally consist of interest income earned on various interest bearing accounts and federal and state subsidy reimbursements for the food service program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses.

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

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17.9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. Banks that qualify as public depositories under New Jersey statutes hold cash deposits, with bank balances totaling \$6,936,482 at June 30, 2012.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

3. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Balance – July 1, 2011		\$	510,142
Increased by:			
Interest earned	\$		331
Board resolution			300,000
Return of unspent funds			45,552
			345,883
			856,025
Decreased by:			
Budget withdrawal			275,000
			275,000
Balance – June 30, 2012			\$581,025

The June 30, 2012 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

The withdrawals from the capital reserve were utilized to fund facilities projects approved by the New Jersey Department of Education, consistent with the School District's LRFP.

4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2012 consisted of tuition fees charged other governmental units and governmental grants. All receivables are considered collectible in full due to the stable condition of the other governmental units, State programs and the current fiscal year guarantee of federal funds.

Accounts receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Proprietary Funds	Total
State Aid	\$ 693,973		\$ 244	\$ 694,217
Federal Aid	60,047	\$ 71,799	4,785	136,631
Transportation fees	117,223			117,223
Tuition fees	41,935			41,935
Other	8,572		57,058	65,630
Total	\$ 921,750	\$ 71,799	\$ 62,087	\$ 1,055,636

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2012</u>
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Land	\$4,252,300			\$4,252,300
Construction in progress	56,487	\$230,262	\$56,487	230,262
Total capital assets, not being Depreciated	<u>4,308,787</u>	<u>230,262</u>	<u>56,487</u>	<u>4,482,562</u>
<i>Capital Assets, being depreciated:</i>				
Building and Building Improvements	26,240,506	87,679	29,123	26,299,062
Equipment	6,010,874	278,097	104,000	6,184,971
Totals at historical cost	<u>32,251,380</u>	<u>365,776</u>	<u>133,123</u>	<u>32,484,033</u>
<i>Less Accumulated Depreciation:</i>				
Building and Building Improvements	(18,175,261)	(593,486)	(8,009)	(18,760,738)
Equipment	(4,594,833)	(319,083)	(104,000)	(4,809,917)
Totals accumulated depreciation	<u>(22,770,094)</u>	<u>(912,570)</u>	<u>(112,009)</u>	<u>(23,570,655)</u>
Total Capital Assets, being depreciated, net	<u>9,481,286</u>	<u>(546,794)</u>	<u>21,114</u>	<u>8,913,378</u>
Governmental Activities Capital Assets, Net	<u>\$13,790,073</u>	<u>(\$316,532)</u>	<u>\$77,601</u>	<u>\$13,395,940</u>
Business-Type Activities:				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$464,308		(\$9,400)	\$454,908
Less accumulated depreciation	(400,138)	(\$8,886)	9,400	(399,624)
Business-Type Activities Capital Assets, Net	<u>\$64,170</u>	<u>(\$8,886)</u>	<u>-</u>	<u>\$55,284</u>

Depreciation expense in the amount of \$912,570 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Instruction	\$638,799
Plant Operations and Maintenance	91,257
Transportation	136,886
Unallocated	<u>45,628</u>
Total	<u>\$912,570</u>

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

6. INVENTORY

Inventory in the Proprietary Funds at June 30, 2012 consisted of the following:

	<u>Food Service</u>	<u>School Store</u>
Food	\$7,557	
Supplies	2,329	\$5,893
	\$9,886	\$5,893

7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2012, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2012</u>	<u>Amounts Due Within One Year</u>
General Obligation Bonds	\$8,380,000		\$1,465,000	\$6,915,000	\$1,440,000
Capital Leases Payable	423,464	\$525,000	212,993	735,471	238,665
Compensated Absences	1,307,068		74,295	1,232,773	
	\$10,110,532	\$525,000	\$1,752,288	\$8,883,244	\$1,678,665

Bonds Payable - Bonds and loans are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are as follows:

2005 Refunding Bonds dated January 1, 2000 in the amount of \$5,565,000 due in annual installments through January 15, 2019 bearing interest rates ranging from 3.00% - 4.00%.

2010 Refunding Bonds dated March 24, 2010 in the amount of \$1,355,000 due in annual installments through July 15, 2014 bearing interest rates ranging from 2.00% - 3.00%.

Principal and interest due on bonds outstanding is as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$1,470,000	\$217,689	\$1,687,689
2014	1,260,000	174,347	1,434,347
2015	1,205,000	137,249	1,342,249
2016	755,000	100,713	855,713
2017	755,000	72,400	827,400
2018-2019	1,470,000	58,027	1,528,027
	\$6,915,000	\$760,425	\$7,675,425

As of June 30, 2012 the District had no authorized but not issued bonds.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

7. LONG-TERM OBLIGATIONS (CONT'D)

Compensated Absences

Compensated absences will be paid from the fund from which the employees' salaries are paid.

Long-Term Debt Defeasance

On February 25, 2005, the District issued refunding bonds in the amount of \$9,455,000. The bonds, which were approved by the New Jersey Local Finance Board, were issued to refund \$2,042,000 of its September 1, 1997, \$515,000 of its November 1, 1998 Bond Issue, \$6,085,000 of its August 1, 2000 Bond Issue and pay issuance costs. The refunding bonds bear an interest rate of 1.05% to 4.00% with principal maturities due from January 2005 through January 2019.

As a result of the above transaction, the \$2,042,000 of the 1997 Bond Issue, \$515,000 of the 1998 Bond Issue, and \$6,085,000 of the 2000 Bond Issue are considered to be defeased and the liability for this debt has been removed from the records. The refunding program decreased total debt service by \$430,726 and resulted in a net present value economic savings of \$350,210. The economic savings is the difference between the present values of the debt service payments on the old and new debt.

On April 7, 2010, the District issued refunding bonds in the amount of \$2,725,000. The bonds, which were approved by the New Jersey Local Finance Board, were issued to refund \$2,760,000 of its July 15, 2008 Bond Issue and pay issuance costs. The refunding bonds bear an interest rate of 2.00% to 3.00% with principal maturities due from January 2010 through January 2014.

As a result of the above transaction, the \$2,760,000 of the 1998 Bond Issue is considered to be defeased and the liability for this debt has been removed from the records. The refunding program decreased total debt service by \$118,697 and resulted in a net present value economic savings of \$115,749. The economic savings is the difference between the present values of the debt service payments on the old and new debt.

Capital Leases

The District is leasing thirteen school buses, one van, two tractors, three lawnmowers, and four trucks totaling \$1,172,280 under capital leases. The following is a schedule of the future minimum lease payments under these capital lease agreements:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$238,665	\$15,068	\$253,733
2014	191,501	12,086	203,587
2015	140,514	6,665	147,179
2016	106,790	3,304	110,094
2017	58,001	1,034	59,035
	<u>\$735,471</u>	<u>\$38,157</u>	<u>\$773,628</u>

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

8. OPERATING LEASES

At June 30, 2012, the District had operating lease agreements in effect for the following:

Copiers
Mail Machine

Total operating lease payments made during the year ended June 30, 2012, and 2011 were \$129,451 and \$127,092 respectively. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2013	\$126,203
June 30, 2014	106,912
June 30, 2015	16,852
June 30, 2016	<u>6,886</u>
Total future minimum lease payments	<u>\$256,853</u>

9. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits. P.O. Box 295, Trenton, New Jersey, 08625-0295.

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund is a cost-sharing contributory defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS)

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Public Employees Retirement System</u>						
<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Non-Contrib Group Life Insurance</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Paid by District</u>
2012	\$172,884	\$345,768	\$33,044	\$551,696		\$551,696
2011	180,601	287,775	35,573	503,949		503,949
2010	153,107	196,725	48,514	398,346		398,346

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on 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), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. 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. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. The employee contributions along with the School District's contribution for each pay period are 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's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Year</u>	<u>Total Liability</u>	<u>Paid by District</u>
2012	\$638	\$638
2011	314	314
2010	-0-	-0-

Related Party Investments – The Division of Pensions and Benefits does not invest in securities issued by the School District.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

10. POST-RETIREMENT BENEFITS

The School District contributes to the New Jersey State Health Benefits Program (SHBP), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP was established to provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011 there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2011.

The State establishes the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contribution to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the year ended June 30, 2012 was \$1,074,865, which equaled the required contributions. The State's contribution to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2012, the School District has recognized as revenues and expenditures \$534,691 of on-behalf payments made by the State of New Jersey for normal retirement costs related to TPAF and \$1,182,744 for employer's share of social security contributions for TPAF members, as calculated on their base salaries.

12. RISK MANAGEMENT

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

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

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

12. RISK MANAGEMENT (Continued)

Joint Insurance Pool - The School District is a member of the School Alliance Insurance Fund. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report which can be obtained at: School Alliance Insurance Fund, c/o PEGAS, 51 Everett Drive, Lawrenceville, New Jersey, 08648.

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Business Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The following is a summary of School District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous four years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012	\$50,000	\$35,751	\$1,836	\$96,648	\$146,686
2010-2011	100,000	36,655	2,619	177,329	155,747
2009-2010	40,000	37,232	1,887	112,007	193,802
2008-2009		37,035	3,406	47,201	226,690
2007-2008	10,000	35,633	7,181	14,485	233,450

13. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, available to all permanent School District employees, permit participants to defer a portion of their current salary to future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and are administered by a third party therefore they are not reflected on the financial statements of the School District.

14. COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2012, the liability for compensated absences in the governmental activities was \$1,232,773.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

15. INTERFUND BALANCES AND TRANSFERS

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2013. The following interfund balances were recorded on the various balance sheets as of June 30, 2012:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 30,828	\$ 1,993
Special Revenue		10,483
Proprietary	1,993	
Fiduciary		20,345
	<u>\$ 32,821</u>	<u>\$ 32,821</u>

16. CONTINGENCIES

The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government.

At June 30, 2012, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, deferred revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

17. FLEXIBLE BENEFITS PROGRAM

The School District offers its employees a Flexible Benefits Program. The purpose of the program is to provide a tax incentive for plan participants incurring dependent care expenses and medical, dental or prescription expenses not covered by other insurance. The School District, who is the plan administrator, has contracted with Flex Facts to act as its agent to furnish reimbursement services. The plan participants redirect a prescribed amount of their gross pay (tax-free) into a reimbursement account and then in-turn submit claims to Flex Facts for repayment. Because of Internal Revenue Service regulations, if at the end of any plan year unexpended funds remain, these funds will be forfeited by the participants and returned to the School District.

The following is a summary of School District contributions, employee contributions, reimbursements to the plan participants for benefits paid and the ending balance of the School District's fiduciary fund for the current and prior two years.

<u>Fiscal Year</u>	<u>Interest Earnings</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012	\$ 19	\$ 63,200	\$ 46,362	\$ 16,857
2010-2011				
2009-2010				

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

18. DEFICIT UNRESTRICTED NET ASSETS

As of June 30, 2012, a deficit of \$1,132,236 existed in the Unrestricted Net Assets of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Assets reported on Exhibited A-1 as follows:

Balances June 30, 2012	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds):	
Fund Balance – Unassigned	\$ 113,291
Add – Unamortized Bond Issuance Costs	
Liabilities:	89,101
Accrued interest Payable	(101,855)
Compensated Absences	<u>(1,232,773)</u>
Unrestricted Net Assets (Deficit)	<u>\$ (1,132,236)</u>

19. FUND BALANCES

The School District has classified its fund balances with the following hierarchy:

Nonspendable – The School District does not have any nonspendable funds.

Spendable – The School District has classified the spendable fund balances as *Restricted, Assigned and Unassigned* and considered each to have been spent when expenditures are incurred. The School District currently has no funds classified as *Committed*.

Restricted Items:

Capital Reserve – As of June 30, 2012, the balance in the capital reserve account is \$581,025 which is restricted for future capital outlay expenditures for capital projects in the School District’s approved Long Range Facilities Plan.

Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict 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, 2012 is \$2,248,582. In addition, \$1,282,332 has been appropriated and included as anticipated revenue for the year ending June 30, 2012. Of this amount \$150,000 has been designated for use in the 2012-2013 budget.

Maintenance Reserve Account – As of June 30, 2012, the balance in the maintenance reserve account is \$501,569. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Of this amount \$50,000 has been designated for use in the 2012-2013 budget.

Emergency Reserve – As of June 30, 2012, the balance in the emergency reserve is \$194,922. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a through and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

19. FUND BALANCES (CONTINUED)

Assigned:

Year-end Encumbrances – At June 30, 2012 a total of \$18,135 in the General Fund is committed to meet contractual obligations. The School District has purchase orders outstanding with vendors in this amount and expects the vendors to deliver the goods and services in the upcoming year.

Designated for Subsequent Year's Expenditures – The School District has assigned a total of \$203,668 for appropriation of existing General Fund unassigned fund balance at year-end to eliminate a deficit in the upcoming 2012-2013 budget.

Unassigned items - Represents the remainder of the School District's equity in governmental fund type balances. The balance at June 30, 2012 in the General Fund is \$113,291.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$28,462,848		\$28,462,848	\$28,462,848	
Tuition from Individuals				5,735	\$5,735
Tuition from other LEAs	50,000		50,000	88,947	38,947
Transportation fees from other LEAs	550,000		550,000	744,284	194,284
Capital reserve interest	100		100	331	231
Other restricted revenues	25,500		25,500	25,670	170
Unrestricted miscellaneous revenue	100,000		100,000	174,942	74,942
Total local sources	29,188,448		29,188,448	29,502,757	314,309
State sources:					
Extraordinary Aid	500,000		500,000	617,735	117,735
Categorical Special Education Aid	1,255,835		1,255,835	1,255,835	
Equalization Aid	6,894,442		6,894,442	7,269,999	375,557
Security Aid				11,505	11,505
Anti Bullying				2,409	2,409
Additional Non-Public Transportation Aid				17,642	17,642
On-behalf TPAF Non Contr. Insurance (non-budgeted)				534,691	534,691
On-behalf TPAF Medical contributions (non-budgeted)				1,074,865	1,074,865
Reimbursed TPAF social security contributions (non-budgeted)				1,182,744	1,182,744
Total state sources	8,650,277		8,650,277	11,967,425	3,317,148
Federal sources:					
Education Jobs Fund	123,000	\$9,125	132,125	154,355	22,230
Medicaid reimbursement	13,592		13,592	14,924	1,332
Total federal sources	136,592	9,125	145,717	169,279	23,562
TOTAL REVENUES	37,975,317	9,125	37,984,442	41,639,461	3,655,019
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	207,877	3,995	211,872	209,112	2,760
Grades 1-5	3,219,906	28,948	3,248,854	3,239,338	9,516
Grades 6-8	2,630,127	61,989	2,692,116	2,671,298	20,818
Grades 9-12	3,814,599	(178,723)	3,635,876	3,576,027	59,849
Total Instruction	9,872,509	(83,791)	9,788,718	9,695,775	92,943
Regular Programs - Home Instruction:					
Salaries of teachers	50,000	(24,684)	25,316	18,281	7,035
Purchased professional - educ services	5,000	5,000	10,000	7,960	2,040
Total Home Instruction	55,000	(19,684)	35,316	26,241	9,075
Regular Programs - Undistributed Instruction:					
Purchased professional - educ services	13,710		13,710	5,440	8,270
Other purchased services	188,056	\$981	189,037	160,975	28,062
General supplies	407,361	8,102	415,463	370,252	45,211
Textbooks	60,000	12,307	72,307	72,269	38
Other objects	14,686		14,686	9,328	5,358
Total Undistributed Instruction	683,813	21,390	705,203	618,264	86,939
Total - Regular Programs - Instruction	10,611,322	(82,085)	10,529,237	10,340,280	188,957

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Educ Instruction: Learning/Lang.					
Salaries of teachers	\$242,551	(\$58,893)	\$183,658	\$183,403	\$255
Other salaries for instruction	74,031	960	74,991	66,282	8,709
General supplies	7,600	580	8,180	7,365	815
Textbooks					
<u>Total Learning/Language Disabilities</u>	<u>324,182</u>	<u>(57,353)</u>	<u>266,829</u>	<u>257,050</u>	<u>9,779</u>
Special Educ Instruction: Multiple Disabilities					
Salaries of teachers	120,750	3,892	124,642	124,642	
Other salaries for instruction	41,000	(2,784)	38,216	37,234	982
General supplies	2,850		2,850	2,532	318
Textbooks	150		150		150
<u>Total Multiple Disabilities</u>	<u>164,750</u>	<u>1,108</u>	<u>165,858</u>	<u>164,408</u>	<u>1,450</u>
Special Educ Instruction: Res. Room/Res. Center					
Salaries of teachers	1,723,656	6,099	1,729,755	1,721,271	8,484
Other salaries for instruction	103,228	6,100	109,328	103,364	5,964
General supplies	21,904	982	22,886	17,014	5,872
Textbooks	1,532		1,532	1,067	465
<u>Total Resource Room/Resource Center</u>	<u>1,850,320</u>	<u>13,181</u>	<u>1,863,501</u>	<u>1,842,716</u>	<u>20,785</u>
Special Educ Instruction: Preschool Disabilities - PT					
Salaries of teachers	59,050	1,698	60,748	60,748	
Other salaries for instruction	25,501	12,462	37,963	37,963	
General supplies	1,100	7	1,107	1,072	35
<u>Total Preschool Disabilities - Part-Time</u>	<u>85,651</u>	<u>14,167</u>	<u>99,818</u>	<u>99,783</u>	<u>35</u>
Special Educ Instruction: Home Instruction					
Salaries of teachers	75,000	(30,000)	45,000	44,269	731
Purchased professional - educ services	12,500	40,000	52,500	52,140	360
General Supplies	500		500		500
<u>Total Home Instruction</u>	<u>88,000</u>	<u>10,000</u>	<u>98,000</u>	<u>96,409</u>	<u>1,591</u>
<u>Total Special Education - Instruction</u>	<u>2,512,903</u>	<u>(18,897)</u>	<u>2,494,006</u>	<u>2,460,366</u>	<u>33,640</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	1,352,814	88,856	1,441,670	1,440,393	1,277
Other salaries for instruction	202,437	(4,162)	198,275	191,439	6,836
Purchased professional - educ services	5,500	427	5,927	3,447	2,480
Miscellaneous purch. Serv.	440		440		440
General supplies	14,100	(427)	13,673	12,933	740
<u>Total Basic Skills/Remedial - Instruction</u>	<u>1,575,291</u>	<u>84,694</u>	<u>1,659,985</u>	<u>1,648,212</u>	<u>11,773</u>
Bilingual Education - Instruction					
Salaries of teachers	63,500	954	64,454	64,453	1
Other purchased services	1,200		1,200	253	947
General supplies	1,600		1,600	1,266	334
<u>Total Bilingual Education - Instruction</u>	<u>66,300</u>	<u>954</u>	<u>67,254</u>	<u>65,972</u>	<u>1,282</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Cocurricular Act - Inst.					
Salaries	\$250,040	\$1,810	\$251,850	\$224,558	\$27,292
Purchased services	29,550	(1,885)	27,665	21,767	5,898
Supplies and materials	18,920	1,265	20,185	14,402	5,783
Other objects	1,272		1,272	300	972
Total School-Sponsored Cocurr. Act. - Inst.	299,782	1,190	300,972	261,027	39,945
School-Sponsored Athletics - Inst.					
Salaries	689,728	7,660	697,388	689,132	8,256
Purchased services	104,373	1,600	105,973	87,274	18,699
Supplies and materials	119,424	12,329	131,753	117,998	13,755
Other objects	35,032		35,032	30,309	4,723
Total School-Sponsored Athletics - Inst.	948,557	21,589	970,146	924,713	45,433
Other Instructional Programs - Instruction					
Salaries	21,500	(3,669)	17,831	17,830	1
Purchased prof ed services	3,500	4,119	7,619	7,619	
Supplies and materials	500	(450)	50		50
Total Other Instructional Programs - Inst.	25,500		25,500	25,449	51
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - regular	49,269		49,269	11,528	37,741
Tuition to other LEAs within the state - special	145,860	(720)	145,140	129,882	15,258
Tuition county voc. school dist. - regular	28,800	(3,872)	22,928	22,928	
Tuition county voc. school dist. - special	23,450	(3,232)	20,218	20,062	156
Tuition to CSSD & reg. day schools	1,119,544	(36,525)	1,083,019	998,474	84,545
Tuition to priv. sch. for the disabled w/ state	1,618,664	181,386	1,800,050	1,593,225	206,825
Tuition to priv. sch. disabled & other LEAs - Spl, O/S	228,358	(187,110)	41,248	41,248	
Tuition - other	45,651	720	46,371	46,371	
Total Undistributed Expenditures - Instruction	3,257,596	(49,353)	3,208,243	2,863,718	344,525
Undistributed Expenditures - Attendance & Social Work					
Salaries	142,008	2,245	144,253	144,251	2
Purchased services	12,000		12,000	9,616	2,384
Supplies and materials	510		510	510	
Total Undistributed Expenditures - Attendance & Soc.	154,518	2,245	156,763	154,377	2,386
Undistributed Expenditures - Health Services					
Salaries	350,888	2,751	353,639	344,972	8,667
Purchased Professional and Technical Services	16,500		16,500	16,500	
Other purchased services	9,845		9,845	9,520	325
Supplies and materials	10,646		10,646	7,179	3,467
Other objects	435		435	209	226
Total Undistributed Expenditures - Health Svcs.	388,314	2,751	391,065	378,380	12,685
Undist. Expend. - Speech, OT, PT & Rel. Serv.					
Salaries	206,396	1,422	207,818	207,611	207
Purchased professional - educ services	158,327	5,800	164,127	153,973	10,154
Supplies and materials	1,500	346	1,846	1,510	336
Total Undist. Expend. - OT, PT & Rel. Serv.	366,223	7,568	373,791	363,094	10,697

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Other Supp. Serv. Stud. - Extra					
Salaries	\$225,313	\$69,955	\$295,268	\$277,741	\$17,527
Purchased professional - educ services	895,336	3,000	898,336	696,312	202,024
Supplies and materials	7,500	(3,000)	4,500	1,981	2,519
Total Undst. Expend. - Other Supp. Serv. Stud. - Extra	1,128,149	69,955	1,198,104	976,034	222,070
Undist. Expend. - Guidance					
Salaries of other professional staff	460,068	1,902	461,970	459,016	2,954
Salaries of secretarial and clerical assistants	147,077	26,778	173,855	171,211	2,644
Other purchased services	3,566		3,566	2,213	1,353
Supplies and materials	3,112		3,112	2,459	653
Other objects	3,790		3,790	3,045	745
Total Undst. Expend. - Guidance	617,613	28,680	646,293	637,944	8,349
Undist. Expend. - Child Study Team					
Salaries of other professional staff	500,900	(36,428)	464,472	459,993	4,479
Salaries of secretarial and clerical assistants	118,023		118,023	116,981	1,042
Other purchased prof. and tech. services	90,000		90,000	49,357	40,643
Other purchased services	6,100		6,100	4,448	1,652
Misc Purchased Services	15,500		15,500	9,238	6,262
Supplies and materials	9,330	(207)	9,123	7,455	1,668
Other objects	1,200	207	1,407	1,407	
Total Undst. Expend. - Child Study Team	741,053	(36,428)	704,625	648,879	55,746
Undist. Expend. - Improvement of Instr. Services					
Salaries of supervisor of instruction	189,843	82,702	272,545	272,541	4
Salaries of other professional staff	18,000		18,000	16,087	1,913
Salaries of secretarial and clerical assistants	65,128	1	65,129	63,778	1,351
Purchased professional - educ services	2,500		2,500	2,500	
Other purchased services	11,700		11,700	3,378	8,322
Supplies and materials	4,500		4,500	3,466	1,034
Other objects	3,050		3,050	1,949	1,101
Total Undst. Expend. - Improvement of Instr. Services	294,721	82,703	377,424	363,699	13,725
Undist. Expend. - Educ. Media Serv./Sch. Library					
Salaries	298,034	(37,182)	260,852	250,559	10,293
Other purchased services	12,475	(4,182)	8,293	7,562	731
Supplies and materials	40,863	4,182	45,045	42,758	2,287
Other objects					
Total Undst. Expend. - Educ. Media Serv./Sch. Library	351,372	(37,182)	314,190	300,879	13,311
Undist. Expend. - Instructional Staff Training Services					
Salaries of supervisor of instruction	79,082		79,082	79,081	1
Salaries of secretarial and clerical assistants	23,401	467	23,868	23,868	
Other purchased services	4,500		4,500	3,925	575
Total Undst. Expend. - Instructional Staff Training Svcs.	106,983	467	107,450	106,874	576

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Supp. Serv. General Admin.					
Salaries	\$346,898	\$4,000	\$350,898	\$344,508	\$6,390
Legal services	55,000		55,000	37,098	17,902
Audit fees	26,300		26,300	26,300	
Other purchased professional services	25,000	2,500	27,500	4,795	22,705
Communications / telephone	121,850	822	122,672	107,568	15,104
BOE - Other purchased services	6,000		6,000	2,421	3,579
Other purchased services	114,500	(5,725)	108,775	86,088	22,687
General supplies	7,350	8	7,358	6,506	852
Judgements		42,249	42,249	42,248	1
Miscellaneous expenditures	6,000		6,000	4,656	1,344
BOE Membership dues and fees	19,500		19,500	18,342	1,158
Total Undst. Expend. - Supp. Serv. General Admin.	728,398	43,854	772,252	680,530	91,722
Undist. Expend. - Supp. Serv. School Admin.					
Salaries of principals/assist. principals	714,050	18,872	732,922	731,642	1,280
Salaries of other professional staff	131,249	1,888	133,137	130,392	2,745
Salaries of secretarial and clerical assistants	465,007	18,025	483,032	477,363	5,669
Other purchased services	18,201		18,201	12,790	5,411
Supplies and materials	46,978	1,564	48,542	44,455	4,087
Other objects	21,926		21,926	14,113	7,813
Total Undst. Expend. - Supp. Serv. School Admin.	1,397,411	40,349	1,437,760	1,410,755	27,005
Undist. Expend. - Central Services					
Salaries	421,779	6,000	427,779	424,376	3,403
Purchased professional services	43,000		43,000	39,486	3,514
Miscellaneous purchased services	19,921	514	20,435	18,653	1,782
Supplies and materials	21,000	(348)	20,652	20,375	277
Miscellaneous expenditures	9,250		9,250	7,349	1,901
Total Undst. Expend. - Central services	514,950	6,166	521,116	510,239	10,877
Undist. Expend. - Admin. Info. Tech.					
Salaries	293,218	4,300	297,518	297,429	89
Other purchased property services	10,310	36	10,346	7,793	2,553
Supplies and materials	6,000		6,000	6,000	
Total Undst. Expend. - Admin. Info. Tech.	309,528	4,336	313,864	311,222	2,642
Undist. Expend. - Required Maint. Sch. Facilities					
Salaries	217,519	484	218,003	217,702	301
Cleaning, repair, and maintenance services	53,500	104,000	157,500	152,373	5,127
General supplies	98,000	(41,000)	57,000	32,303	24,697
Total Undst. Expend. - Required Maint. Sch. Facilities	369,019	63,484	432,503	402,378	30,125
Undist. Expend. - Custodial Services					
Salaries	925,592	(3,934)	921,658	900,481	21,177
Purchased professional & tech. services	9,000	12,500	21,500	21,415	85
Cleaning, repair, and maintenance services	60,500	3,745	64,245	46,425	17,820
Other purchased property services	418,000	(34,217)	383,783	374,977	8,806
Insurance	165,933		165,933	165,933	
Miscellaneous purchased services	44,500	8,184	52,684	50,252	2,432
General supplies	159,000	2,592	161,592	160,679	913
Energy (electricity)	680,000	130,836	810,836	573,713	237,123
Other objects	3,500	1,304	4,804	4,747	57
Salaries of Non-Instructional Aides	114,041	(39,198)	74,843	73,389	1,454
Energy (natural gas)	380,000	45,245	425,245	176,139	249,106
Total Undst. Expend. - Other oper. & Maint. of Plant	2,960,066	127,057	3,087,123	2,548,150	538,973

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	\$112,033	\$3,450	\$115,483	\$115,478	\$5
Total Undst. Expend. - Care & Upkeep of Grounds	112,033	3,450	115,483	115,478	5
Undist. Expend. - Security					
General supplies	15,000		15,000	12,184	2,816
Total Undst. Expend. - Security	15,000		15,000	12,184	2,816
Total Undst. Expend. - Oper. & Maint. of Plant Services	3,456,118	193,991	3,650,109	3,078,190	571,919
Undist. Expend. - Student Transportation Services					
Salaries of non-instructional aides	207,000		207,000	188,075	18,925
Salaries for pupil trans. (bet home & sch) - reg.	650,554		650,554	603,782	46,772
Salaries for pupil trans. (bet home & sch) - spec ed.	394,000		394,000	359,954	34,046
Salaries for pupil trans. (other than bet home & sch)	90,841		90,841	76,606	14,235
Salaries for pupil trans. (bet h&s) - nonpublic sch	56,915		56,915	56,915	
Purchased professional and technical services	4,000		4,000	2,105	1,895
Cleaning, repair, and maintenance services	45,000	(10,000)	35,000	21,403	13,597
Lease purchase payments - school buses	198,100		198,100	198,100	
Contr. serv. (bet. home & sch.) - vendors	90,000		90,000	88,430	570
Contr. serv. (other than bet. home & sch.) - vendors	7,250		7,250	1,150	6,100
Contr. serv. (bet home & sch) - joint agreements	20,000	(12,000)	8,000	1,853	6,147
Contr. serv. (sp ed stds) - vendors	25,000	(25,000)			
Contr. serv. (sp ed stds) - joint agreements	40,000	(28,200)	11,800	9,824	1,976
Contr. serv. (sp ed stds) - ESCs & CTASAs	45,000		45,000	27,786	17,214
Contr. serv. - aid in lieu of payments	80,000		80,000	78,244	1,756
Miscellaneous purchased services - transportation	22,336	(3,000)	19,336	18,182	1,154
Transportation Supplies	365,500	75,200	440,700	432,441	8,259
Other objects	4,000		4,000	3,607	393
Total Undst. Expend. - Student Transportation Services	2,345,496	(3,000)	2,342,496	2,169,457	173,039
Operation and Maintenance of Plant Services - Employee Benefits					
Workers Compensation	50,000		50,000	50,000	
Total Operation and Maintenance of Plant Service	50,000		50,000	50,000	
Student Transportation Services - Employee Benefits					
Social security contributions	110,000		110,000	68,768	41,232
Workmen's compensation	62,000		62,000	62,000	
Health benefits	291,000		291,000	276,281	14,719
Total Student Transportation Services - Employee Ben.	463,000		463,000	407,049	55,951
Unallocated Benefits - Employee Benefits					
Social security contributions	499,659	21,288	520,947	497,911	23,036
Other retirement contributions - PERS	585,000	(33,300)	551,700	551,696	4
Unemployment compensation	50,000		50,000	50,000	
Workmen's compensation	180,000	(19,745)	160,255	160,214	41
Health benefits	4,610,250	(9,500)	4,600,750	4,372,778	227,972
Tuition reimbursement	45,000		45,000	41,000	4,000
Other employee benefits	187,000		187,000	163,199	23,801
Total Unallocated Benefits - Employee Benefits	6,156,909	(41,257)	6,115,652	5,836,798	278,854

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
On-behalf TPAF Non Contr. Insurance (non-budgeted)				\$534,691	(\$534,691)
On-behalf TPAF Medical contributions (non-budgeted)				1,074,865	(1,074,865)
Reimbursed TPAF social security contributions (non-budgeted)				1,182,744	(1,182,744)
Total Undistributed Expenditures - TPAF				2,792,300	(2,792,300)
Total Undistributed Expenditures	\$22,828,352	\$315,845	\$23,144,197	\$24,040,418	(\$896,221)
Total General Current Expense	38,868,007	323,290	39,191,297	39,766,437	(575,140)
CAPITAL OUTLAY:					
Equipment:					
Grades 1-5	28,050	(24,063)	3,987	3,987	
Grades 6-8	14,025	(14,025)			
Grades 9-12	14,025	42,075	56,100	56,100	
School-sponsored and other instructional programs	6,500		6,500	5,098	1,402
Undist. expend. - admin info tech	9,900		9,900	8,534	1,366
Non Instructional Equipment		3,000	3,000	2,175	825
Total Equipment	72,500	6,987	79,487	75,894	3,593
Facilities acquisition and construction services:					
Legal Services	2,500		2,500		2,500
Architectural/Engineering Services	27,500		27,500	24,235	3,265
Other purchased professional and technical services	10,000		10,000		10,000
Construction services	235,000		235,000	222,712	12,288
Lease Purchase Agreements - Principal					
Other objects	252		252		252
Total Facilities acquisition and construction services	275,252		275,252	246,947	28,305
Assets acquired under capital leases (non-budgeted):					
Equipment					
Transportation vehicles				525,000	(525,000)
Total Facilities Acquisition and Construction Services				525,000	(525,000)
Total Capital Outlay	347,752	6,987	354,739	847,841	(493,102)
Transfer of Funds to Charter Schools	34,458	8,629	43,087	27,988	15,099
Total Expenditures	39,250,217	338,906	39,589,123	40,642,266	(1,053,143)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures:	(1,274,900)	(329,781)	(1,604,681)	997,195	2,601,876
Other Financing Sources (Uses):					
Capital leases				525,000	525,000
Total Other Financing Sources				525,000	525,000

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

(Continued from prior page)	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(\$1,274,900)	(\$329,781)	(\$1,604,681)	\$1,522,195	\$3,126,876
Fund Balance, July 1	<u>4,389,914</u>	<u> </u>	<u>4,389,914</u>	<u>4,389,914</u>	<u> </u>
Fund Balance, June 30	<u>\$3,115,014</u>	<u>(\$329,781)</u>	<u>\$2,785,233</u>	<u>\$5,912,109</u>	<u>\$3,126,876</u>
Recapitulation of fund balance:					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Years Expenditures				\$1,282,332	
Reserve for Excess Surplus				2,248,582	
Maintenance Reserve				501,569	
Capital Reserve				581,025	
Emergency Reserve				194,922	
Assigned Fund Balance					
Year-end Encumbrances				18,135	
Designated for Subsequent Year's Expenditures				203,668	
Unassigned Fund Balance				<u>881,876</u>	
				5,912,109	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(768,585)</u>	
Fund balance per Governmental Funds (GAAP)				<u>\$5,143,524</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

**CINNAMINSON TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 Education Jobs Fund Program
 Fiscal Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal sources:					
Education Jobs Fund Program	<u>\$123,000</u>	<u>\$31,355</u>	<u>\$154,355</u>	<u>\$154,355</u>	
Total Revenues	<u>123,000</u>	<u>31,355</u>	<u>154,355</u>	<u>154,355</u>	
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Grades 6-8	37,600	(37,600)			
Grades 9-12	<u>69,400</u>	<u>6,324</u>	<u>75,724</u>	<u>75,724</u>	
Total Regular Programs - Instruction	<u>107,000</u>	<u>(31,276)</u>	<u>75,724</u>	<u>75,724</u>	
Special Education Instruction:					
Learning and/or Language Disabilities					
Salaries of teachers		41,343	41,343	41,343	
Total Special Education - Instruction		<u>41,343</u>	<u>41,343</u>	<u>41,343</u>	
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	16,000	21,288	37,288	37,288	
Total Unallocated Benefits	<u>16,000</u>	<u>21,288</u>	<u>37,288</u>	<u>37,288</u>	
Total Expenditures	<u>123,000</u>	<u>31,355</u>	<u>154,355</u>	<u>154,355</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Fund Balance, July 1					
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
REVENUES:					
Local sources	\$20,000	\$12,541	\$32,541	\$25,074	(\$7,467)
State sources	136,750	4,853	141,603	112,284	(29,319)
Federal sources	644,000	229,271	873,271	707,305	(165,966)
Total revenues	800,750	246,665	1,047,415	844,663	(202,752)
EXPENDITURES:					
Instruction:					
Salaries of teachers	50,000	25,851	75,851	62,692	13,159
Purchased professional - educ. services		150	150	150	
Purchased professional - tech. services					
Tuition	250,000	7,574	257,574	234,421	23,153
Other purchased services		25,398	25,398	25,398	0
General supplies	10,000	44,728	54,728	37,646	17,082
Textbooks	18,500	(463)	18,037	17,722	315
Miscellaneous	20,000	10,510	30,510	24,554	5,956
Total instruction	348,500	113,748	462,248	402,583	59,665
Support services:					
Salaries - Support Staff		10,495	10,495	2,837	7,658
Other salaries					
Personal services - employee benefits	3,725	6,711	10,436	7,948	2,488
Purchased professional - educ. services					
Purchased professional and technical services	310,205	79,576	389,781	331,313	58,468
Other purchased services	138,320	21,530	159,850	95,024	64,826
Supplies and materials		14,605	14,605	4,958	9,647
Total support services	452,250	132,917	585,167	442,080	143,087
Facilities acquisition and construction services:					
Construction services					
Supplies and materials					
Instructional equipment					
Total facilities acq. and const. services					
Total expenditures	800,750	246,665	1,047,415	844,663	202,752
Total outflows	800,750	246,665	1,047,415	844,663	202,752
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)					

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 41,637,468	\$ 844,663
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		21,011
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	676,391	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(768,585)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 41,545,274</u>	<u>\$ 865,674</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 40,642,266	\$ 844,663
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>21,011</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 40,642,266</u>	<u>\$ 865,674</u>

Other Supplementary Information

**Special Revenue Fund
Detail Statements**

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2012
(With comparative totals for June 30, 2011)

	Brought Forward (Exh. E-1B)	Brought Forward (Exh. E-1C)	Brought Forward (Exh. E-1D)	Brought Forward (Exh. E-1E)	Totals	
					2012	2011
REVENUES:						
State sources	\$67,432			\$44,852	\$112,284	\$115,666
Federal sources		\$140,718	\$566,587		707,305	922,763
Local sources	3,961		520	20,593	25,074	31,366
Total Revenues	71,393	140,718	567,107	65,445	844,663	1,069,795
EXPENDITURES:						
Instruction:						
Salaries of teachers		62,692			62,692	55,038
Professional education services				150	150	125
Other purchased services			24,898	500	25,398	213,191
General supplies		32,989	3,941	716	37,646	43,497
Tuition			234,421		234,421	275,878
Textbooks				17,722	17,722	21,648
Miscellaneous	3,961			20,593	24,554	26,177
Total Instruction	3,961	95,681	263,260	39,681	402,583	635,554
Support services:						
Salaries - Other Support Staff		2,837			2,837	4,172
Personal services-employee benefits		7,948			7,948	4,172
Purchased professional and technical services		9,000	296,549	25,764	331,313	323,757
Other purchased services	67,432	24,466	3,126		95,024	99,155
Supplies and materials		786	4,172		4,958	7,157
Miscellaneous						
Total support services	67,432	45,037	303,847	25,764	442,080	438,413
Facilities acquisition and const. serv.:						
Construction services						
Instructional equipment						
Supplies and materials						
Total facilities acquisition and const. serv.:						
Total Expenditures	71,393	140,718	567,107	65,445	844,663	1,073,967
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)						

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2012

	Chapter 192	Chapter 193 - Handicapped Services			H/S Home and School Real Time Data	Inclusive Schools Climate Initiative	Carried Forward (Exh. E-1A)
	Auxiliary Services Comp. Education	Exam & Classification	Corrective Speech	Suppl. Instruction			
REVENUES:							
State sources	\$20,541	\$24,305	\$16,904	\$5,682			\$67,432
Federal sources							
Local sources					\$1,464	\$2,497	3,961
Total Revenues	20,541	24,305	16,904	5,682	1,464	2,497	71,393
EXPENDITURES:							
Instruction:							
Salaries of teachers							
Other salaries for instruction							
Professional education services							
Purchased professional and technical services							
Other purchased services							
General supplies							
Tuition							
Miscellaneous					1,464	2,497	3,961
Total Instruction					1,464	2,497	3,961
Support services:							
Personal services-employee benefits							
Purchased prof. and educational services							
Purchased professional and technical services							
Other purchased services (400-500)	20,541	24,305	16,904	5,682			67,432
Tuition							
Supplies and materials							
Miscellaneous							
Total support services	20,541	24,305	16,904	5,682			67,432
Facilities acquisition and const. serv.:							
Construction services							
Instructional equipment							
Non-instructional equipment							
Total facilities acquisition and const. serv.:							
Total Expenditures	20,541	24,305	16,904	5,682	1,464	2,497	71,393
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)							

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenue and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2012

	E.S.E.A. as amended by No Child Left Behind (N.C.L.B.)				Totals
	Title I	Title I	Title II - Part A	Title II - Part A	
	Current Yr.	Prior Yr.	Current Yr.	Prior Yr.	
REVENUES:					
State sources					
Federal sources	\$52,969	\$14,336	\$56,184	\$17,229	\$140,718
Local sources					
Total Revenues	52,969	14,336	56,184	17,229	140,718
EXPENDITURES:					
Instruction:					
Salaries of teachers	7,298	10,940	31,010	13,444	62,692
Other salaries for instruction					
Professional education services					
Purchased professional and technical services					
Other purchased services					
General supplies	32,923	66			32,989
Tuition					
Textbooks					
Total Instruction	40,221	11,006	31,010	13,444	95,681
Support services:					
Salaries - Other Support Staff		2,249	343	245	2,837
Personal services-employee benefits	558	1,009	5,334	1,047	7,948
Purchased prof. and educational services					
Purchased professional and technical services	9,000				9,000
Other purchased services	3,001		19,045	2,420	24,466
Rentals					
Transportation					
Supplies and materials	189	72	452	73	786
Miscellaneous					
Total support services	12,748	3,330	25,174	3,785	45,037
Facilities acquisition and const. serv.:					
Construction services					
Instructional equipment					
Non-Instructional equipment					
Total facilities acquisition and const. serv.:					
Total Expenditures	52,969	14,336	56,184	17,229	140,718
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)					

**CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2012**

	IDEA - Part B			B101 Music Makers Grant	High School Home and School Grant	Totals
	Basic Current Yr.	ARRA - Basic Current Yr.	Preschool Current Yr.			
REVENUES:						
State sources						
Federal sources	\$522,058	\$24,898	\$19,631			566,587
Local sources				\$95	\$425	520
Total Revenues	522,058	24,898	19,631	95	425	567,107
EXPENDITURES:						
Instruction:						
Salaries of teachers						
Other salaries for instruction						
Professional education services						
Purchased professional and technical services		24,898				24,898
Other purchased services						
General supplies	3,421			95	425	3,941
Tuition	234,421					234,421
Textbooks						
Total instruction	237,842	24,898		95	425	263,260
Support services:						
Personal services-employee benefits						
Purchased prof. and educational services						
Purchased professional and technical services	276,918		19,631			296,549
Other purchased services.	3,126					3,126
Tuition						
Supplies and materials	4,172					4,172
Miscellaneous						
Total support services	284,216		19,631			303,847
Facilities acquisition and const. serv.:						
Construction services						
Instructional equipment						
Supplies and materials						
Total facilities acquisition and const. serv.:						
Total Expenditures	522,058	24,898	19,631	95	425	567,107
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)						

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2012

	Nonpublic Nursing	Nonpublic Textbook	NJ Wet Project	Cinnaminson Education Foundation Grant	U Got Brains Champion Grant	Walmart Grant	Totals
REVENUES:							
State sources	\$25,764	\$17,722	\$1,366				\$44,852
Federal sources							
Local sources				\$19,523	\$715	\$355	20,593
Total Revenues	25,764	17,722	1,366	19,523	715	355	65,445
EXPENDITURES:							
Instruction:							
Salaries of teachers							
Other salaries for instruction							
Professional education services			150				150
Purchased professional and technical services							
Other purchased services			500				500
General supplies			716				716
Tuition							
Textbooks		17,722					17,722
Miscellaneous				19,523	715	355	20,593
Total instruction		17,722	1,366	19,523	715	355	39,681
Support services:							
Personal services-employee benefits							
Purchased prof. and educational services							
Purchased professional and technical services	25,764						25,764
Other purchased services (400-500)							
Tuition							
Supplies and materials							
Miscellaneous							
Total support services	25,764						25,764
Facilities acquisition and const. serv.:							
Construction services							
Non-instructional equipment							
Supplies and Materials							
Total facilities acquisition and const. serv.:							
Due to Charter School							
Total Expenditures	25,764	17,722	1,366	19,523	715	355	65,445
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)							

Proprietary Funds

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Net Assets
as of June 30, 2012 and 2011

	Food Service Fund	School Age Child Care Program	School Store	2012	2011
ASSETS:					
Current assets:					
Cash and cash equivalents	\$58,680	\$134,608	\$11,130	\$204,418	\$94,352
Accounts receivable:					
State	245			245	347
Federal	4,785			4,785	4,838
Other	57,057			57,057	33,654
Interfund	1,993			1,993	
Inventories	9,886		5,893	15,779	26,004
Total current assets	132,646	134,608	17,023	284,277	159,195
Fixed assets:					
Equipment	425,786	29,123		454,909	464,309
Less Accumulated depreciation	(390,159)	(9,465)		(399,624)	(400,139)
Total fixed assets	35,627	19,658		55,285	64,170
Total assets	\$168,273	\$154,266	\$17,023	\$339,562	\$223,365
LIABILITIES					
Current liabilities:					
Accounts payable	\$26,783		\$29	\$26,812	\$32,174
Prepaid program fees		\$22,895		22,895	25,725
Total current liabilities	26,783	22,895	29	49,707	57,899
NET ASSETS					
Invested in capital assets net of related debt	35,627	19,658		55,285	64,170
Unrestricted	105,863	111,713	16,994	234,570	101,296
Total net assets	\$141,490	\$131,371	\$16,994	\$289,855	\$165,466

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Comparative Statement of Revenues, Expenses and Changes in Fund Net Assets
for the Fiscal Years ended June 30, 2012 and 2011

	Food Service Fund	School Age Child Care Program	School Store	2012	2011
OPERATING REVENUES:					
Local sources:					
Daily sales-reimbursable programs:					
School lunch program	\$307,124			\$307,124	319,227
Total-daily sales-reimbursable programs	307,124			307,124	319,227
Daily sales non-reimbursable programs:					
Adult and AlaCarte meals	126,514			126,514	120,077
Special functions	47,070			47,070	40,264
Sales			\$25,845	25,845	20,974
Program fees		\$306,881		306,881	304,613
Miscellaneous	5,310			5,310	1,000
Total operating revenue	486,018	306,881	25,845	818,744	806,155
OPERATING EXPENSES:					
Salaries	222,909	177,612		400,521	453,731
Employee benefits	53,286	38,340		91,626	115,279
Supplies and materials	28,209	1,275		29,484	26,535
Depreciation	7,430	1,456		8,886	9,105
Management fee				0	28,491
Direct expenses	4,793			4,793	12,114
Other purchased services	28,614	839		29,453	19,383
Cost of sales	205,900	4,930	23,835	234,665	250,024
Building usage		18,000		18,000	18,000
Other	22,906	7,775		30,681	14,620
Total operating expenses	574,047	250,227	23,835	848,109	947,282
Operating income (loss)	(88,029)	56,654	2,010	(29,365)	(141,127)
Non-operating revenues:					
State sources:					
State school lunch program	6,676			6,676	7,075
Federal sources:					
National school lunch program	119,876			119,876	102,728
Special milk program	2,331			2,331	2,133
U.S.D.A. commodities	22,943			22,943	19,211
Contributed equipment					
Interest revenue	775	998	155	1,928	1,895
Total non-operating revenues	152,601	998	155	153,754	133,042
Excess (deficiency) of revenues over (under) expenditures	64,572	57,652	2,165	124,389	(8,085)
Other Financing Sources (Uses):					
Retirement of Fixed assets					
Net change in Net assets	64,572	57,652	2,165	124,389	(8,085)
Net assets - July 1	76,918	73,719	14,829	165,466	173,551
Net assets - June 30	\$141,490	\$131,371	\$16,994	\$289,855	\$165,466

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
for the Fiscal Years ended June 30, 2012 and 2011

	Food Service Fund	School Age Child Care Program	School Store	2012	2011
Cash flows from operating activities:					
Cash receipts from customers	\$486,693	\$304,051	\$25,911	\$816,655	\$815,098
Cash payments to employees for services	(257,902)	(215,951)		(473,853)	(551,594)
Cash payments to suppliers for goods and services	(308,230)	(32,820)	(22,652)	(363,702)	(464,822)
Net cash used by operating activities	(79,439)	55,280	3,259	(20,900)	(201,318)
Cash flows from noncapital financing activities:					
Donations					
Cash received from state and federal reimbursements	129,038			129,038	113,672
Net cash provided by noncapital financing activities	129,038			129,038	113,672
Cash flows from capital financing activities:					
Purchases of fixed assets					
Net cash used by capital financing activities					
Cash flows from investing activities:					
Interest on investments	775	998	155	1,928	1,895
Net cash provided by investing activities	775	998	155	1,928	1,895
Net increase (decrease) in cash and cash equivalents	50,374	56,278	3,414	110,066	(85,751)
Cash and cash equivalents, July 1	8,306	78,330	7,716	94,352	180,103
Cash and cash equivalents, June 30	\$58,680	\$134,608	\$11,130	\$204,418	\$94,352
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	(\$88,029)	\$56,654	\$2,010	(\$29,365)	(\$141,127)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:					
Depreciation	7,430	1,456		8,886	9,105
Federal commodities	22,943			22,943	19,211
Change in assets and liabilities:					
(Increase)/decrease in accounts receivable	(25,460)		64	(25,396)	(19,754)
(Increase)/decrease in inventory	8,429		1,796	10,225	(9,759)
Increase/(decrease) in accounts payable	(4,752)		(611)	(5,363)	(54,327)
Increase/(decrease) in prepaid program fees		(2,830)		(2,830)	(4,667)
Net cash used by operating activities	(\$79,439)	\$55,280	\$3,259	(\$20,900)	(\$201,318)

Fiduciary Funds

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Net Assets
June 30, 2012
(With comparative totals for June 30, 2011)

	Agency Funds		Private Purpose Trust Funds		Trust Funds		Totals	
	Student Activity	Payroll	Scholarship Fund	Organ Repair Fund	Flexible Benefits Program	Unemployment Compensation Insurance Trust		
	ASSETS							
Cash and cash equivalents	\$278,985	\$1,117,847	\$51,604	\$14,010	\$26,857	\$180,696	\$1,669,999	\$1,500,149
Other accounts receivable								
Interfund receivable								
Total assets	\$278,985	\$1,117,847	\$51,604	\$14,010	\$26,857	\$180,696	\$1,669,999	\$1,500,149
LIABILITIES								
LIABILITIES:								
Accounts payable						34,010	34,010	19,496
Payroll deductions and withholdings		285,217					285,217	203,148
Due to Cinnaminson Education Assoc.		4,012					4,012	4,282
Due to employees		818,273					818,273	785,049
Interfund payable		10,345			10,000		20,345	3,485
Due to student groups	278,985						278,985	259,587
Total liabilities	278,985	1,117,847			10,000	34,010	1,440,842	1,275,047
NET ASSETS								
Reserved for private purpose trusts			51,604	14,010			65,614	69,355
Reserved for unemployment claims						146,686	146,686	155,747
Reserved for flexible benefits					16,857		16,857	
Total net assets	---	---	\$51,604	\$14,010	\$16,857	\$146,686	\$229,157	\$69,355

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Fiduciary Fund
 Comparative Statement of Changes in Fiduciary Net Assets
 for the Fiscal Years ended June 30, 2012 and 2011

	Private Purpose Trust Fund		Trust Funds		Totals	
	Scholarship Fund	Organ Repair Fund	Flexible Benefits Program	Unemployment Compensation Insurance Trust Fund	2012	2011
REVENUES:						
Local sources:						
Donations	\$6,678				\$6,678	\$14,700
Board contribution				\$50,000	50,000	100,000
Employee withholdings			\$63,200	35,751	98,951	36,655
Interest on Investments	567	\$139	19	1,836	2,561	3,585
Total Revenues	7,245	139	63,219	87,587	158,190	154,940
EXPENDITURES:						
Current Expense:						
Undistributed Expenditures:						
Unemployment claims				96,648	96,648	177,329
Flexible benefit payments			46,362		46,362	
Organ Repair						2,645
Scholarship payments	11,125				11,125	31,751
Total Expenditures	11,125		46,362	96,648	154,135	211,725
Excess (deficiency) of revenues over (under) expenditures	(3,880)	139	16,857	(9,061)	4,055	(56,785)
Net Assets July 1	55,484	13,871		155,747	225,102	281,887
Net Assets June 30	\$51,604	\$14,010	\$16,857	\$146,686	\$229,157	\$225,102

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2012

	<u>Balance July 1, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable June 30, 2012</u>	<u>Balance June 30, 2012</u>
JUNIOR/SENIOR HIGH SCHOOLS:					
Cinnaminson:					
Activities	\$212,674	\$577,968	\$570,024		\$220,618
Athletic	<u>46,913</u>	<u>67,204</u>	<u>55,750</u>		<u>58,367</u>
Total	<u>\$259,587</u>	<u>\$645,172</u>	<u>\$625,774</u>	---	<u>\$278,985</u>

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2012

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
ASSETS:				
Cash and cash equivalents	\$995,964	\$31,265,522	\$31,143,639	\$1,117,847
Interfund receivable				
Total assets	<u>\$995,964</u>	<u>\$31,265,522</u>	<u>\$31,143,639</u>	<u>\$1,117,847</u>
LIABILITIES:				
Payroll deductions and withholdings	203,148	15,240,463	15,158,394	285,217
Net payroll		14,978,502	14,978,502	
Due to employees	785,049	1,034,933	1,001,709	818,273
Due to Cinnaminson Education Assoc.	4,282	4,764	5,034	4,012
Interfund payable	3,485	6,860		10,345
Total liabilities	<u>\$995,964</u>	<u>\$31,265,522</u>	<u>\$31,143,639</u>	<u>\$1,117,847</u>

Long-Term Debt Schedules

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Serial Bonds
June 30, 2012

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Rate of Interest</u>	<u>Balance July 1, 2011</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2012</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds	01/15/04	\$9,455,000	08/01/12	\$1,015,000	3.15%	\$6,585,000		\$1,025,000	\$5,560,000
			08/01/13	815,000	3.40%				
			08/01/14	750,000	3.55%				
			08/01/15	755,000	3.70%				
			08/01/16	755,000	3.80%				
			08/01/17	745,000	3.90%				
			08/01/18	725,000	4.00%				
Refunding Bonds	04/07/09	2,725,000	7/15/12	455,000	3.00%	1,795,000		440,000	1,355,000
			7/15/13	445,000	3.00%				
			7/15/14	455,000	2.75%				
						<u>\$8,380,000</u>	<u>-</u>	<u>\$1,465,000</u>	<u>\$6,915,000</u>

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Obligations Under Capital Leases
June 30, 2012

Series	Interest Rate Payable	Amount of Original Issue	Amount Outstanding July 1, 2011	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2012
2 School Buses and 1 Truck	4.350%	\$164,508	\$34,271		\$34,271	
1 (9) Passenger School Bus, 2 (54) Passenger School Buses, 1 2008 Ford 350	3.500%	225,000	93,225		45,777	\$47,448
1 (9) Passenger School Bus, 2 (54) Passenger School Buses, 1 2008 Ford 350	3.85%	255,000	156,688		50,220	106,468
2 School Buses and 1 Dump Truck	3.17%	167,280	139,280		34,725	104,555
2 School Buses and 1 Dump Truck	2.52%	240,000		\$240,000	48,000	192,000
3 Buses, 1 Lawnmower, and 1 Gator	1.78%	285,000		285,000		285,000
			<u>\$423,464</u>	<u>\$525,000</u>	<u>\$212,993</u>	<u>\$735,471</u>

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$1,292,152		\$1,292,152	\$1,292,152	
Miscellaneous					
Total revenues - local sources	<u>1,292,152</u>		<u>1,292,152</u>	<u>1,292,152</u>	
State sources:					
Debt service aid type II	427,244		427,244	427,244	
Total revenues - state sources	<u>427,244</u>		<u>427,244</u>	<u>427,244</u>	
Total Revenues	<u>1,719,396</u>		<u>1,719,396</u>	<u>1,719,396</u>	
EXPENDITURES:					
Regular debt service:					
Interest	260,275		260,275	260,275	
Redemption of principal	1,465,000		1,465,000	1,465,000	
Total Expenditures	<u>1,725,275</u>		<u>1,725,275</u>	<u>1,725,275</u>	
Excess (Deficiency) of revenues over (under) expenditures	(5,879)		(5,879)	(5,879)	
Other Financing Sources (Uses):					
Total Other Financing Sources (Uses)					
Excess (Deficiency) of revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(5,879)		(5,879)	(5,879)	
Fund Balances, July 1	5,879		5,879	5,879	
Fund Balances, June 30	<u>-</u>		<u>-</u>	<u>-</u>	
Recapitulation of Excess (Deficiency) or revenues over (under) expenditures					
Budgeted Fund Balance	<u>(\$5,879)</u>		<u>(\$5,879)</u>	<u>(\$5,879)</u>	

Statistical Section

Cinnaminson Township School District
 Net Assets by Component,
 Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
Invested in capital assets, net of related debt	\$ (1,498,953)	\$ (796,590)	\$ 324,910	\$ 658,716	\$ 1,109,713	\$ 1,905,765	\$ 2,730,965	\$ 3,963,662	\$ 4,988,609	\$ 5,745,469
Restricted for:										
Special Revenue	(4,890)									
Capital projects	1,585,688	273,136	98,488	32,163	40,947	113,733	114,822	315,135	510,142	581,025
Debt service	1,416	(245,566)	(219,963)	(239,431)	(234,750)	(206,088)	(143,866)	(115,838)	(112,672)	-
Other purposes	181,806	675,086	1,498,591	1,890,157	2,852,322	2,601,779	2,939,974	1,639,161	3,007,035	4,449,208
Unrestricted	(1,241,796)	(1,310,369)	(4,450,661)	(621,859)	(973,173)	(808,163)	(758,962)	(827,109)	(998,228)	(1,132,236)
Total governmental activities net assets	\$ (978,728)	\$ (1,404,303)	\$ (2,748,837)	\$ 1,719,746	\$ 2,795,059	\$ 3,607,026	\$ 4,882,933	\$ 4,975,011	\$ 7,392,886	\$ 9,643,466
Business-type activities:										
Invested in capital assets, net of related debt	\$ 96,141	\$ 83,624	\$ 73,282	\$ 70,105	\$ 75,537	\$ 128,920	\$ 82,360	\$ 73,275	\$ 64,170	\$ 55,285
Unrestricted	371,894	352,457	333,341	275,089	204,684	92,869	97,912	100,278	101,296	234,570
Total business-type activities net assets	\$ 468,035	\$ 436,081	\$ 406,623	\$ 345,194	\$ 280,221	\$ 221,789	\$ 180,292	\$ 173,551	\$ 165,466	\$ 269,855
District-wide:										
Invested in capital assets, net of related debt	\$ (1,402,812)	\$ (712,966)	\$ 398,192	\$ 728,821	\$ 1,185,250	\$ 2,034,685	\$ 2,813,345	\$ 4,036,937	\$ 5,050,779	\$ 5,800,754
Restricted:										
Special Revenue	(4,890)									
Capital projects	1,585,688	273,136	98,488	32,163	40,947	113,733	114,822	315,135	510,142	581,025
Debt service	1,416	(245,566)	(219,963)	(239,431)	(234,750)	(206,088)	(143,866)	(115,838)	(112,672)	-
Other purposes	181,806	675,086	1,498,591	1,890,157	2,852,322	2,601,779	2,939,974	1,639,161	3,007,035	4,449,208
Unrestricted	(869,902)	(957,912)	(4,117,520)	(348,770)	(768,489)	(715,284)	(661,050)	(726,833)	(896,932)	(897,666)
Total district net assets	\$ (508,684)	\$ (968,222)	\$ (2,342,214)	\$ 2,064,940	\$ 3,075,280	\$ 3,828,815	\$ 5,063,225	\$ 5,148,562	\$ 7,558,352	\$ 9,933,321

Cinnaminson Township School District
 Changes in Net Assets, Last Ten Fiscal Years
 (accrual basis of accounting)

Exhibit J-2

Fiscal Year Ending June 30,

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 12,532,064	\$ 13,221,058	\$ 14,271,988	\$ 8,439,738	\$ 11,488,390	\$ 11,630,460	\$ 11,607,549	\$ 11,656,571	\$ 11,064,621	\$ 11,210,740
Special education	2,876,366	2,741,280	3,197,722	2,116,818	2,775,407	2,679,369	2,974,615	3,003,294	2,968,563	2,725,307
Other instruction	2,133,415	2,416,846	2,703,919	1,900,416	2,218,640	2,476,863	2,738,623	2,702,239	2,621,195	2,925,373
Support Services:										
Tuition	1,651,285	2,102,181	2,218,308	2,204,333	2,588,590	2,568,556	3,060,967	2,935,790	2,782,561	2,663,718
Student & instruction related services	3,603,624	3,693,200	4,472,255	3,351,741	3,432,282	4,145,179	4,243,068	4,750,680	4,376,300	4,385,579
School administrative services	1,469,297	1,471,703	1,932,043	1,322,934	1,604,915	1,645,622	1,458,109	1,500,461	1,431,621	1,410,755
General and business administrative services	1,616,342	1,754,014	2,035,023	1,262,443	1,436,843	1,498,613	1,501,287	1,566,765	1,489,836	1,501,991
Plant operations and maintenance	2,887,637	3,243,975	3,628,019	2,635,451	2,895,385	2,754,206	2,604,075	3,091,632	2,682,572	3,137,268
Pupil transportation	1,540,690	1,669,504	1,588,915	1,777,213	1,601,481	1,910,558	1,906,611	2,068,603	2,218,903	2,306,343
Unallocated employee benefits				6,720,418	8,131,124	8,836,787	7,378,067	8,328,943	8,466,699	9,094,095
Special schools	8,796	12,380	13,368	16,687	18,349	21,507	22,942	25,599	460	
Charter Schools									15,459	27,988
Interest on long-term debt	834,678	770,509	664,993	587,065	551,091	484,536	395,548	323,647	282,809	243,579
Unallocated depreciation	16,678	75,070	93,060	98,267	74,774	77,293	75,901	87,883	69,316	69,021
Total governmental activities expenses	31,270,932	33,391,720	36,817,613	32,433,524	39,085,271	40,729,549	39,987,562	42,041,307	40,670,915	41,681,757
Business-type activities:										
Food service	540,140	605,728	601,582	622,458	676,104	748,401	671,924	654,289	623,309	674,047
School age child care program	276,374	288,895	300,207	330,662	318,503	321,452	341,590	329,504	301,250	250,227
Employment orientation program/School store	75,252	94,848	75,539	57,061	58,473	51,782	37,304	48,895	22,723	23,835
Total business-type activities expense	891,766	989,471	977,328	1,010,171	1,051,080	1,121,635	1,050,818	1,032,688	947,282	848,109
Total district expenses	\$ 32,162,698	\$ 34,381,191	\$ 37,794,941	\$ 33,443,695	\$ 40,136,351	\$ 41,851,184	\$ 41,038,380	\$ 43,073,995	\$ 41,618,197	\$ 42,729,866
Program Revenues:										
Governmental activities:										
Operating grants and contributions	3,207,191	\$ 3,548,849	\$ 3,746,970	4,071,041	5,212,946	5,166,028	3,761,287	4,128,634	3,650,827	4,085,218
Total governmental activities program revenues	3,207,191	3,548,849	3,746,970	4,071,041	5,212,946	5,166,028	3,761,287	4,128,634	3,650,827	4,085,218
Business-type activities:										
Charges for services:										
Food service	482,433	482,363	457,994	473,788	501,618	521,561	527,779	495,958	479,568	486,018
School age child care program	308,087	279,102	280,270	274,927	282,222	329,352	335,176	333,518	305,613	306,881
School store	83,524	99,231	75,191	51,012	56,742	60,792	35,394	35,345	20,974	25,845
Operating grants and contributions	80,498	104,604	124,723	133,277	116,308	130,018	136,801	159,302	131,147	151,826
Capital grants and contributions										
Total business type activities program revenues	954,542	976,300	938,178	933,002	956,890	1,041,723	1,035,150	1,024,123	937,302	970,570
Total district program revenues	\$ 4,161,733	\$ 4,524,149	\$ 4,685,148	\$ 5,004,043	\$ 6,169,836	\$ 6,207,751	\$ 4,796,437	\$ 5,152,957	\$ 4,788,129	\$ 5,055,788
Net (Expense)/Revenue:										
Governmental activities	\$ (28,063,741)	\$ (29,842,871)	\$ (33,070,643)	\$ (28,362,483)	\$ (33,872,325)	\$ (35,563,521)	\$ (36,226,275)	\$ (37,912,473)	\$ (36,620,088)	\$ (37,796,539)
Business-type activities	62,776	(14,171)	(39,150)	(77,169)	(94,190)	(79,912)	(15,668)	(8,565)	(9,980)	122,461
Total district-wide net expense	\$ (28,000,965)	\$ (29,857,042)	\$ (33,109,793)	\$ (28,439,652)	\$ (33,966,515)	\$ (35,643,433)	\$ (36,241,943)	\$ (37,921,038)	\$ (36,630,068)	\$ (37,674,078)

(Continued)

Cinnaminson Township School District
 Changes In Net Assets, Last Ten Fiscal Years
 (accrual basis of accounting)

Exhibit J-2

Fiscal Year Ending June 30,

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes In Net Assets:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 16,955,182	\$ 19,250,740	\$ 20,927,472	\$ 21,907,043	\$ 23,024,030	\$ 25,112,488	\$ 25,470,077	\$ 26,735,855	\$ 28,233,854	\$ 28,482,948
Taxes levied for debt service	1,234,045	1,381,073	1,336,032	1,273,421	1,300,569	1,333,387	1,330,560	1,311,807	1,345,156	1,292,152
Unrestricted grants and contributions	7,788,116	8,718,217	8,878,356	8,849,731	8,683,694	9,150,859	9,660,671	9,042,887	8,788,322	9,252,210
State aid restricted for capital projects	-	-	-	-	-	-	-	-	-	-
Tuition revenue	88,128	42,641	111,960	206,194	171,961	61,264	61,629	115,415	92,044	94,682
Transportation revenue	259,948	206,641	281,335	342,358	376,193	488,650	542,856	561,603	563,503	744,284
Miscellaneous revenue	213,578	197,776	182,954	252,319	311,191	230,842	236,589	236,084	215,074	200,943
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	26,536,997	29,777,088	31,726,109	32,831,066	34,947,638	36,375,488	37,502,182	38,004,551	39,237,953	40,047,119
Business-type activities:										
Miscellaneous income	-	5,488	9,691	15,740	29,217	21,480	2,170	1,824	1,895	1,928
Contributed equipment	-	-	-	-	-	-	29,123	-	-	-
Retirement of Fixed Assets	-	-	-	-	-	-	(57,122)	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	-	5,488	9,691	15,740	29,217	21,480	(25,829)	1,824	1,895	1,928
Total district-wide	\$ 26,536,997	\$ 29,782,576	\$ 31,735,800	\$ 32,846,806	\$ 34,976,855	\$ 36,396,968	\$ 37,476,353	\$ 38,006,375	\$ 39,239,848	\$ 40,049,047
Change In Net Assets:										
Governmental activities	\$ (1,526,744)	\$ (65,783)	\$ (1,344,534)	\$ 4,468,583	\$ 1,075,313	\$ 811,967	\$ 1,275,907	\$ 92,078	\$ 2,417,866	\$ 2,250,580
Business-type activities	62,776	(8,683)	(29,459)	(61,429)	(84,973)	(58,432)	(41,497)	(6,741)	(8,065)	124,389
Total district-wide	\$ (1,463,968)	\$ (74,466)	\$ (1,373,993)	\$ 4,407,154	\$ 1,010,340	\$ 753,535	\$ 1,234,410	\$ 85,337	\$ 2,409,780	\$ 2,374,969

Cinnaminson Township School District
Fund Balances, Governmental Funds,
Last Ten Years
(modified accrual basis of accounting)

Exhibit J-3

Fiscal Year Ending June 30,

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:										
Reserved for:										
Encumbrances	\$ 181,806	\$ 295,360	\$ 308,841	\$ 379,368	\$ 301,165	\$ 117,008	\$ 92,341	\$ 61,796	\$ 279,781	\$ 18,135
Legally restricted		62,348	7,988	7,988	-	-	-	-	-	-
Capital reserve	5,345	5,398	5,516	5,740	12,599	113,733	114,822	315,135	510,142	581,025
Maintenance reserve								100,000	250,000	501,569
Emergency reserve								300,000	184,922	184,922
Excess surplus		317,380	519,049	912,303	1,465,776	868,681	1,247,633	109,575	1,282,332	2,248,582
Excess surplus - designated for subsequent year's expenditures			317,379	519,049	912,303	1,465,776	874,057	794,709	109,575	1,282,332
Unreserved										
Undesignated	434,226	437,976	315,334	343,120	366,133	478,831	725,943	273,081	166,346	203,668
Designated for subsequent year's expenditures			235,291	71,449	173,078	150,316	315,226	455,409	880,425	113,261
Total general fund	\$ 621,377	\$ 1,118,458	\$ 1,709,398	\$ 2,239,017	\$ 3,261,054	\$ 3,194,343	\$ 3,370,022	\$ 2,409,705	\$ 3,713,523	\$ 5,143,524
All Other Governmental Funds										
Reserved:										
Encumbrances										
Unreserved, reported in:										
Special revenue fund	\$ (4,890)		\$ 92,970	\$ 26,423	\$ 28,348	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects fund	1,580,343	\$ 267,740	\$ 62,880	\$ 10,034	\$ 1,708	\$ 1,631	\$ 1,140	\$ 20,179	\$ 5,879	\$ -
Debt service fund	1,416	62,880	61,401	10,034	1,708	1,631	1,140	20,179	5,879	-
Total all other governmental funds	\$ 1,576,869	\$ 330,620	\$ 154,371	\$ 36,457	\$ 30,056	\$ 1,631	\$ 1,140	\$ 20,179	\$ 5,879	\$ -

Cinnaminson Township School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-4

Fiscal Year Ending June 30,

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Tax levy	\$ 18,189,227	\$ 20,611,813	\$ 22,263,504	\$ 23,180,464	\$ 25,224,599	\$ 26,445,873	\$ 26,800,637	\$ 28,047,662	\$ 29,579,010	\$ 29,755,000
Tuition charges	86,128	42,641	111,960	206,194	171,961	61,264	61,629	115,415	92,044	94,682
Transportation charges	259,948	206,641	281,335	342,358	376,193	486,650	542,656	561,603	563,503	744,284
Interest earnings	33,078	30,924	76,057	225	233,889	146,009	67,787	56,842	58,601	60,976
Miscellaneous	180,500	151,793	132,550	280,414	102,427	100,074	190,590	211,923	187,839	165,041
State sources	10,443,702	11,558,059	11,853,394	12,114,956	13,251,661	13,596,709	12,891,144	10,685,343	11,515,277	12,414,759
Federal sources	551,605	709,007	754,280	777,496	799,854	704,937	709,026	2,454,597	1,092,516	897,595
Total revenue	29,744,188	33,310,878	35,473,030	36,902,107	40,160,584	41,541,516	41,263,469	42,133,385	43,088,790	44,132,337
Expenditures										
Instruction										
Regular instruction	9,514,892	9,500,137	9,950,112	10,291,097	10,484,061	10,870,632	10,803,638	11,116,491	10,310,362	10,497,646
Special education instruction	2,324,367	2,204,291	2,342,676	2,303,565	2,775,407	2,679,369	2,974,615	3,010,571	2,968,563	2,725,307
Other instruction	1,723,995	1,943,410	1,980,912	2,087,163	2,218,640	2,476,863	2,738,823	2,702,239	2,821,195	2,925,373
Support Services:										
Tuition	1,651,285	2,102,181	2,218,308	2,204,333	2,586,590	2,568,556	3,080,967	2,935,790	2,782,561	2,863,718
Student & instruction related services	2,912,058	3,091,321	3,276,409	3,538,488	3,432,282	4,145,179	4,243,068	4,743,603	4,376,300	4,365,579
School administrative services	1,161,091	1,183,411	728,164	1,509,681	1,604,915	1,645,622	1,458,109	1,500,461	1,431,621	1,410,755
General and business admin. services	1,201,209	1,410,421	2,178,942	1,449,190	1,436,843	1,498,613	1,411,731	1,565,765	1,489,836	1,501,991
Plant operations and maintenance	2,246,071	2,486,443	2,555,940	2,721,119	2,826,199	3,016,472	3,057,149	3,093,434	3,009,577	3,078,190
Pupil transportation	1,479,117	1,629,040	1,488,313	1,668,199	1,714,178	1,818,216	1,906,611	1,916,397	2,081,134	2,169,457
Employee benefits	4,431,763	5,150,745	5,808,544	6,720,418	8,131,124	8,836,787	7,378,067	8,328,843	8,466,699	9,094,095
Special Schools	6,796	12,380	13,368	16,687	18,349	21,507	22,942	25,599	460	
Charter school									15,459	27,988
Capital outlay	914,371	1,956,993	634,626	284,998	567,262	340,070	359,299	557,934	412,510	847,841
Debt service:										
Principal	1,230,000	1,050,000	1,190,000	1,255,000	1,285,000	1,370,000	1,420,000	1,500,000	1,500,000	1,465,000
Interest and other charges	934,678	893,428	692,075	618,964	564,098	513,275	525,169	332,536	300,275	260,275
Total expenditures	31,733,693	34,614,201	35,058,389	36,668,902	39,644,948	41,801,161	41,380,188	43,329,663	41,966,552	43,233,215

Continued

Cinnaminson Township School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-4

	Fiscal Year Ending June 30,									
Excess (Deficiency) of revenues over (under) expenditures	(1,989,505)	(1,303,323)	414,691	233,205	515,636	(259,645)	(116,719)	(1,196,278)	1,122,238	899,122
Other Financing sources (uses)										
Proceeds from borrowing	-	9,427,464	-	-	-	-	2,776,180	-	-	-
Payment to refunding bond escrow	-	(9,357,890)	-	-	-	-	(2,709,273)	-	-	-
Contracts payable cancelled	-	15,059	-	-	-	-	-	-	-	-
Capital leases	-	-	-	178,500	500,000	164,508	225,000	255,000	167,280	525,000
Transfers in	238,718	469,522	99,222	3,217	8,072	29,487	-	-	-	-
Transfers out	(44,068)	-	(99,222)	(3,217)	(8,072)	(29,487)	-	-	-	-
Total other financing sources (uses)	<u>194,650</u>	<u>554,155</u>	<u>-</u>	<u>178,500</u>	<u>500,000</u>	<u>164,508</u>	<u>291,907</u>	<u>255,000</u>	<u>167,280</u>	<u>525,000</u>
Net change in fund balances	<u>\$ (1,794,855)</u>	<u>\$ (749,168)</u>	<u>\$ 414,691</u>	<u>\$ 411,705</u>	<u>\$ 1,015,636</u>	<u>\$ (95,137)</u>	<u>\$ 175,188</u>	<u>\$ (941,278)</u>	<u>\$ 1,289,518</u>	<u>\$ 1,424,122</u>
Debt service as a percentage of noncapital expenditures	7.02%	5.95%	5.47%	5.15%	4.73%	4.54%	4.74%	4.28%	4.33%	4.07%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Cinnaminson Township School District
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-5

86

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Program</u> <u>Fees</u>	<u>Tuition</u>	<u>Transportation</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Other</u> <u>Refunds</u>	<u>Rentals</u>	<u>Technology</u> <u>Services</u>	<u>Miscellaneous</u>	<u>Total</u>
2003	\$ 33,078		\$ 86,128	\$ 259,948	\$ 6,678	\$ 111,612	\$ 15,000		\$ 28,137	\$ 540,581
2004	30,924	13,260	42,641	206,641	13,866	49,413	16,500		31,857	405,102
2005	76,057	35,090	111,960	281,335	10,761	30,447	17,400		9,267	572,317
2006	164,513	39,148	206,194	342,358	7,360	5,387	18,825		13,869	797,654
2007	225,354	41,739	171,961	376,193	2,446	6,618	18,625		6,412	849,348
2008	144,870	43,385	61,264	486,650	12,791	2,666	19,505		6,486	777,617
2009	67,787	43,069	61,629	542,656	36,319	54,699	21,632		13,083	840,874
2010	56,528	48,280	115,415	561,603	57,325	24,980	19,000	\$ 18,626	11,931	913,688
2011	58,601	19,870	92,044	563,503	28,983	61,193	19,600	17,528	9,299	870,621
2012	60,976	25,670	94,682	744,284	30,394	24,452	19,800	25,393	13,927	1,039,578
	<u>\$ 918,688</u>	<u>\$ 309,511</u>	<u>\$ 1,043,918</u>	<u>\$ 4,365,171</u>	<u>\$ 206,923</u>	<u>\$ 371,467</u>	<u>\$ 185,887</u>	<u>\$ 61,547</u>	<u>\$ 144,268</u>	<u>\$ 7,607,380</u>

Source: District records

**Cinnaminson Township School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years**

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate^b	Estimated Actual (County Equalized) Value
2003	\$ 13,261,100	\$ 719,033,950	\$ 482,300	\$ 51,050	\$ 88,134,600	\$ 70,154,500	\$ 95,200	\$ 891,212,700	\$ 3,896,280	\$ 895,108,980	\$ 56,000,500	2.303	\$ 1,136,992,911
2004	10,144,300	733,470,550	482,300	51,050	98,399,300	70,074,100	95,200	912,716,800	3,501,542	916,218,342	55,045,300	2.430	1,234,160,469
2005	12,343,000	742,946,850	482,300	51,050	98,271,200	69,599,500	95,200	923,791,100	3,018,420	926,809,520	55,070,500	2.502	1,409,495,933
2006	12,911,900	781,331,950	482,300	51,050	99,062,700	66,178,100	95,200	940,113,200	2,553,211	942,666,411	56,821,500	2.676	1,584,827,637
2007	10,257,600	785,962,750	582,700	95,400	104,312,900	64,783,100	95,200	946,069,650	2,379,656	948,449,306	56,711,700	2.789	1,755,630,558
2008 ^r	27,748,600	1,602,469,900	1,740,700	96,600	197,864,400	129,724,100	167,600	1,959,631,900	4,261,200	1,963,893,100	113,086,600	1.365	1,844,075,346
2009	29,059,800	1,606,252,700	1,740,700	99,400	197,062,000	129,004,100	167,600	1,963,386,300	4,348,334	1,967,734,634	123,655,800	1.425	2,014,147,220
2010	26,962,500	1,620,131,100	1,740,700	99,400	199,498,700	128,545,000	167,600	1,977,145,000	4,411,918	1,981,556,918	138,962,200	1.493	2,025,084,518
2011	27,842,700	1,620,167,000	1,228,300	99,400	193,249,100	118,277,300	167,600	1,961,031,400	3,977,202	1,965,008,602	143,657,300	1.514	1,965,008,602
2012	26,201,200	1,615,500,000	1,082,600	99,400	188,598,200	117,756,700	4,478,600	1,853,716,800	3,898,491	1,857,615,391	144,779,100	1.538	1,912,252,925

Source: Municipal Tax Assessor

Notes:

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

r - Reassessment occurs when ordered by the County Board of Taxation.

a Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100.

c Information not available.

**Cinnaminson Township School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)**

Exhibit J-7

Fiscal Year Ended June 30,	Cinnaminson School District Direct Rate			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Township of Cinnaminson	Municipal Open Space	Fire District	Burlington County	
2003	\$ 2.289	\$ 0.014	\$ 2.303	\$ 0.549	\$ -	\$ 0.647	\$ 0.131	\$ 3.630
2004	2.415	0.015	2.430	0.542	-	0.631	0.149	3.752
2005	2.488	0.014	2.502	0.542	0.017	0.695	0.194	3.950
2006	2.662	0.014	2.676	0.570	0.017	0.210	0.744	4.217
2007	2.775	0.014	2.789	0.588	0.017	0.255	0.776	4.425
2008	c 1.297	0.068	1.365	0.327	0.017	0.134	0.374	2.217
2009	1.358	0.067	1.425	0.350	0.017	0.140	0.389	2.321
2010	1.425	0.068	1.493	0.397	0.017	0.139	0.388	2.434
2011	1.448	0.066	1.514	0.411	0.017	0.140	0.369	2.451
2012	1.473	0.065	1.538	0.429	0.017	0.141	0.369	2.494

Source: Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

b Rates for debt service are based on each year's requirements.

**Cinnaminson Township School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

Exhibit J-8

101

Taxpayer	2011-2012	
	Taxable Assessed Value	% of Total District Net Assessed Value
National Keystone Property	\$ 26,851,400	1.37%
Whitesell Enterprises et al	15,418,500	0.79%
Cindel Dr Assoc., LLC	10,884,900	0.56%
Midlantic Dr Assoc	9,480,300	0.48%
K-Land 57, LLC	8,394,300	0.43%
Progida, LLC	8,071,800	0.41%
Hovbros Cinnaminson Urban Renew, LLC	7,040,100	0.36%
New Plan Cinna URB Renewal	7,015,100	0.36%
Hoeganaes Corp.	6,820,200	0.35%
1 SEA BOX DRIVE, LLC	6,494,100	0.33%
Total	\$ 106,470,700	5.44%

Taxpayer	2001-2002	
	Taxable Assessed Value	% of Total District Net Assessed Value
Whitesell Enterprises	\$12,389,800	1.40%
N.J. Float Glass Company	7,004,700	0.79%
Hoeganaes Sponge Iron Company	5,881,100	0.66%
Riverton Country Club	4,725,300	0.53%
Mall Associates	3,700,000	0.42%
First New Jersey Corp.	2,991,900	0.34%
J.C.I. Data Processing	2,500,000	0.28%
Cheskin Rheta	2,193,400	0.25%
Triboro	2,121,600	0.24%
Health Resources of Cinnaminson	1,973,900	0.22%
Total	\$ 45,481,700	5.13%

Source: Municipal Tax Assessor

**Cinnaminson Township School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$ 18,189,227	\$ 18,189,227	100.00%	-
2004	20,611,813	20,611,813	100.00%	-
2005	22,263,504	22,263,504	100.00%	-
2006	23,180,464	23,180,464	100.00%	-
2007	25,244,599	25,244,599	100.00%	-
2008	26,445,873	26,445,873	100.00%	-
2009	26,800,637	26,800,637	100.00%	-
2010	28,047,662	28,047,662	100.00%	-
2011	29,579,010	29,579,010	100.00%	-
2012	29,755,000	29,755,000	100.00%	-

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

- a** School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Cinnaminson Township School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^b
	General Obligation Bonds	Unfunded Pension Liability	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2003	\$ 18,082,000	-	\$ 467,726	-	-	\$ 18,549,726	3.27%	1,242
2004	17,845,000	-	664,694	-	-	18,509,694	3.12%	1,233
2005	16,655,000	-	460,520	-	-	17,115,520	2.80%	1,141
2006	15,400,000	-	423,680	-	-	15,823,680	2.38%	1,033
2007	14,115,000	-	681,706	-	-	14,796,706	2.14%	972
2008	12,745,000	-	590,684	-	-	13,335,684	1.82%	869
2009	11,380,000	-	553,894	-	-	11,933,894	1.65%	769
2010	9,880,000	-	344,751	-	-	10,224,751	1.38%	656
2011	8,380,000	-	284,185	-	-	8,664,185	c	557
2012	6,915,000	-	735,471	-	-	7,650,471	c	c

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

- a Based on Per Capita Income for Burlington County.
- b Based on School District Population as of July 1.
- c Not available

Cinnaminson Township School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2003	\$ 18,082,000	-	\$ 18,082,000	2.02%	1,211
2004	17,845,000	-	17,845,000	1.95%	1,189
2005	16,655,000	-	16,655,000	1.80%	1,110
2006	15,400,000	-	15,400,000	1.63%	1,005
2007	14,115,000	-	14,115,000	1.49%	928
2008	12,745,000	-	12,745,000	0.65%	830
2009	11,380,000	-	11,380,000	0.58%	733
2010	9,880,000	-	9,880,000	0.50%	634
2011	8,380,000	-	8,380,000	0.43%	537
2012	6,915,000	-	6,915,000	0.35%	c

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

a See Exhibit J-6 for property tax data.

b Population data can be found in Exhibit J-14.

**Cinnaminson Township School District
 Ratios of Overlapping Governmental Activities Debt
 As of December 31, 2011**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Township of Cinnaminson	\$ 12,696,786	100.00%	\$ 12,696,786
Burlington County General Obligation Debt	375,374,050	3.838%	<u>14,406,856</u>
Subtotal, overlapping debt			27,103,642
Cinnaminson Township School District Direct Debt			<u>6,915,000</u>
Total direct and overlapping debt			<u><u>\$ 34,018,642</u></u>

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

Note: Debt outstanding data provided by each governmental unit.
 Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District.
 This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Cinnaminson. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

Cinnaminson Township School District
Legal Debt Margin Information,
Last Ten Fiscal Years
(dollars in thousands)

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2012

	Equalized valuation basis
	2011 \$ 1,900,408,373
	2010 1,914,724,966
	2009 1,993,285,584
	<u>[A] \$ 5,808,418,923</u>
Average equalized valuation of taxable property	[A/3] \$ 1,936,139,641
Debt limit (4% of average equalized valuation)	[B] 77,445,586 ^a
Net bonded school debt	[C] 6,915,000
Legal debt margin	<u>[B-C] \$ 70,530,586</u>

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 40,534,134	\$ 43,831,872	\$ 49,074,063	\$ 54,856,983	\$ 62,040,392	\$ 68,380,818	\$ 74,372,857	\$ 77,873,320	\$ 77,878,320	\$ 77,445,586
Total net debt applicable to limit	<u>18,082,000</u>	<u>17,845,000</u>	<u>16,655,000</u>	<u>15,400,000</u>	<u>14,115,000</u>	<u>12,745,000</u>	<u>11,380,000</u>	<u>9,880,000</u>	<u>8,380,000</u>	<u>6,915,000</u>
Legal debt margin	<u>\$ 22,452,134</u>	<u>\$ 25,986,872</u>	<u>\$ 32,419,063</u>	<u>\$ 39,456,983</u>	<u>\$ 47,925,392</u>	<u>\$ 55,635,818</u>	<u>\$ 62,992,857</u>	<u>\$ 67,993,320</u>	<u>\$ 69,498,320</u>	<u>\$ 70,530,586</u>
Total net debt applicable to the limit as a percentage of debt limit	44.61%	40.71%	33.94%	28.07%	22.75%	18.64%	15.30%	12.69%	10.76%	8.93%

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

^a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

**Cinnaminson Township School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2003	14,936	567,299,152	37,982	3.3%
2004	15,011	593,174,676	39,516	4.0%
2005	15,005	610,493,430	40,686	3.8%
2006	15,319	664,308,435	43,365	4.1%
2007	15,217	691,156,140	45,420	3.7%
2008	15,351	731,828,223	47,673	5.1%
2009	15,524	721,803,904	46,496	8.8%
2010	15,582	738,446,562	47,391	9.4%
2011	15,599	e	e	9.1%
2012	e	e	e	e

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income for Cinnaminson Township.
- ^c Per Capita for Burlington County.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development
- ^e Not available.

**Cinnaminson Township School District
Full-time Equivalent District Employees by Function/Program,
Last Eight Fiscal Years**

Exhibit J-16

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012
Instruction								
Regular	199.0	184.5	191.1	190.9	187.5	174.4	169.9	173.6
Special education	56.1	55.9	54.5	55.3	57.2	54.9	41.6	39.6
Other special education	14.0	19.6	23.6	22.6	22.6	22.6	20.4	22.4
Vocational								
Other instruction								
Nonpublic school programs								
Adult/continuing education programs								
Support Services:								
Student & instruction related services	31.6	31.1	32.0	31.5	32.5	33.4	28.9	28.2
School administrative services	25.0	27.3	28.7	25.9	26.4	24.4	23.1	21.0
General administrative services	3.4	4.4	3.4	4.4	4.4	4.0	3.1	3.1
Plant operations and maintenance	40.0	40.0	30.0	40.0	40.0	46.0	39.9	30.0
Pupil transportation	49.0	49.0	48.0	47.0	47.0	52.0	55.5	59.0
Business and other support services	14.0	13.3	14.5	14.5	14.5	12.4	12.4	12.4
Special Schools								
Food Service								
Child Care	15.5	13.7	23.0	21.0	19.0	21.0	15.0	17.0
Total	447.6	438.8	448.8	453.1	451.1	445.1	409.8	406.3

Source: District Personnel Records

This schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

Cinnaminson Township School District
 Operating Statistics,
 Last Eight Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2005	2,525	\$ 32,541,688	\$ 12,888	-	220	1:12	1:11	1:12	2,556.0	2,432.0	5.75%	95.15%
2006	2,577	34,509,940	13,392	4.00%	220	1:12	1:11	1:12	2,577.0	2,450.0	0.08%	95.07%
2007	2,525	37,228,588	14,744	1.03%	227	1:12	1:9	1:12	2,521.1	2,391.2	-2.16%	94.85%
2008	2,469	39,577,816	16,030	8.72%	227	1:11	1:10	1:11	2,459.9	2,337.7	-2.43%	95.03%
2009	2,420	39,075,720	16,147	0.73%	211	1:11	1:9	1:11	2,385.7	2,272.1	-2.43%	95.24%
2010	2,407	40,939,193	17,008	5.33%	208	1:12	1:10	1:12	2,419.8	2,299.5	1.43%	95.03%
2011	2,326	39,753,767	17,091	0.48%	211	1:12	1:10	1:12	2,338.6	2,241.3	-3.36%	95.84%
2012	2,350	40,660,099	17,302	1.23%	213	1:12	1:10	1:12	2,354.9	2,261.4	0.70%	96.03%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

**Cinnaminson Township School District
School Building Information
Last Eight Fiscal Years**

Exhibit J-18

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>District Building</u>								
<u>Elementary</u>								
New Albany Elementary (1966)								
Square Feet	47,966	47,966	47,966	47,966	47,966	47,966	47,966	47,966
Capacity (students)	470	470	470	470	470	470	470	470
Enrollment	478	546	530	527	487	517	513	503
Rush Elementary (1962)								
Square Feet	50,248	50,248	50,248	50,248	50,248	50,248	50,248	50,248
Capacity (students)	505	505	505	505	505	505	505	505
Enrollment	503	493	504	507	531	544	538	537
Middle School (1968)								
Square Feet	118,434	118,434	118,434	118,434	118,434	118,434	118,434	118,434
Capacity (students)	704	704	704	704	704	704	704	704
Enrollment	660	657	567	554	516	536	555	580
High School (1961)								
Square Feet	148,668	148,668	148,668	148,668	148,668	148,668	148,668	148,668
Capacity (students)	810	810	810	810	810	810	810	810
Enrollment	881	881	920	872	852	823	733	735
<u>Other</u>								
Central Administration (1959)								
Square Feet	27,965	27,965	27,965	27,965	27,965	27,965	27,965	27,965
Number of Schools at June 30, 2006								
Elementary = 2								
Middle School = 1								
Senior High School = 1								
Other = 1								

Source: District Facilities Office

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

This schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

**Cinnaminson Township School District
 Schedule of Required Maintenance
 Last Ten Years**

Exhibit J-19

**UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-xxx**

* School Facilities	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
Cinnaminson School District											
New Albany Elementary	\$ 45,828	\$ 52,061	\$ 48,557	\$ 51,356	\$ 53,537	\$ 55,640	\$ 61,109	\$ 62,926	\$ 50,486	\$ 49,080	\$ 530,580
Rush Intermediate	46,739	48,012	49,133	53,091	53,604	56,650	54,475	55,707	53,318	50,074	520,803
Middle School	66,762	69,781	72,160	76,248	83,111	79,418	77,941	87,148	75,042	80,965	768,576
High School	101,108	112,597	103,885	114,300	114,103	118,756	110,102	122,049	111,503	116,516	1,124,919
Central Office	46,824	52,962	53,628	46,866	61,969	70,406	47,590	56,811	41,491	105,743	584,290
Total School Facilities	\$ 307,261	\$ 335,413	\$ 327,363	\$ 341,861	\$ 366,324	\$ 380,870	\$ 351,217	\$ 384,641	\$ 331,840	\$ 402,378	\$ 3,529,168

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

Source: District records

**Cinnaminson Township School District
Insurance Schedule
June 30, 2012**

Exhibit J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - School Alliance Insurance Fund		
Property - Blanket Buildings and Contents	\$ 71,339,249	\$ 1,000
Liability (General and Auto)	15,000,000	1,000
Aggregate Excess Liability	10,000,000	1,000
Pollution Liability	1,000,000	5,000
Crime Coverage - Employee Dishonesty	50,000	1,000
School Board Legal Liability (1)	15,000,000	5,000
Workers Compensation (1)	Statutory	
Excess Liability (1)	10,000,000	
Student Accident - Guarantee Trust Life (2)	1,000,000	
Surety Bonds (3)		
Treasurer	300,000	
Board Secretary	100,000	

- (1) School Alliance Insurance Fund.
- (2) AIG Life Insurance
- (3) Selective Insurance Company.

Source: District records

Single Audit Section

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

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New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

The Honorable President and Members
of the Board of Education
Cinnaminson Township School District
County of Burlington
Cinnaminson, New Jersey

Compliance

We have audited Cinnaminson Township School District (School District), in the County of Burlington, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2012. The 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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 Circular A-133 *Audits of State, Local Governments, and Non-Profit Organizations*; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and State of New Jersey Circular 04-04-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with those requirements.

In our opinion, the Cinnaminson Township School District, in the County of Burlington, State of New Jersey complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012.

Internal Control Over Compliance

Management of the Cinnaminson Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the management of the School District, the Division of Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Public School Accountant

Marlton, New Jersey
October 5, 2012

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2012

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period	Balance at June 30, 2011			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balance	Adjustment	Balance at June 30, 2012		
					Deferred Revenue (Accts. Receivable)	Due to Grantor	Carryover (Walkover) Amount					(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education														
<u>General Fund:</u>														
Education Jobs Fund	84.410	N/A	\$321,341	7/1/10-9/30/12	(\$57,579)			\$155,744	(\$154,355)			(\$56,190)		
Medical Assistance Program (SEMI)	83.778	N/A	14,924	7/1/11-6/30/12				11,066	(14,924)			(3,958)		
Medical Assistance Program (SEMI)	83.778	N/A	13,711	7/1/10-6/30/11	(6,713)			6,713						
Total General Fund					(64,292)		---	173,523	(169,279)			(60,048)		
<u>Special Revenue Fund:</u>														
<u>No Child Left Behind (N.C.L.B.)</u>														
Title I - Current Year	84.010	NCLB-0840-12	88,771	9/1/11 - 8/31/12				40,956	(52,969)			(12,013)		
Title I - Prior Year	84.010	NCLB-0840-11	80,544	9/1/10 - 8/31/11	(68,113)			82,449	(14,336)					
Title I - Prior Year	84.010	NCLB-0840-10	75,723	9/1/09 - 8/31/10	(12,865)			12,865						
Title II - A - Current Year	84.367	NCLB-0840-12	83,658	9/1/11 - 8/31/12				52,920	(56,184)			(3,264)		
Title II - A - Prior Year	84.367	NCLB-0840-11	61,679	9/1/10 - 8/31/11	(46,651)			63,880	(17,229)					
Title II - A - Prior Year	84.367	NCLB-0840-10	60,840	9/1/09 - 8/31/10	(12,531)			12,531						
Title II - D - Prior Year	84.318	NCLB-0840-11	192	9/1/10 - 8/31/11	(171)			171						
Title IV - Prior Year	84.186A	NCLB-0840-11	628	9/1/10 - 8/31/11	(528)			528						
<u>Individuals With Disabilities Act (I.D.E.A.)</u>														
Part B - Basic Current Year	84.027	FT-0840-12	590,036	9/1/11 - 8/31/12				465,535	(522,058)			(56,523)		
Part B - Basic Prior Year	84.027	FT-0840-11	563,882	9/1/10 - 8/31/11	(535,524)			535,524						
Part B - Basic ARRA	84.391	ARRA-0840-10	601,628	7/1/09 - 6/30/11	(53,462)			78,360	(24,898)					
Part B - Preschool Current Year	84.173	PS-0840-12	19,631	9/1/11 - 8/31/12				19,631	(19,631)					
Part B - Preschool Prior Year	84.173	PS-0840-11	24,306	9/1/10 - 8/31/11	(20,079)			20,079						
Total Special Revenue Fund					(749,924)		---	1,385,429	(707,305)			(71,800)		
U.S. Department of Agriculture														
<u>Enterprise Fund:</u>														
Food Distribution Program	10.550	N/A	22,943	9/1/11 - 6/30/12				22,943	(22,943)					
National School Lunch Program	10.555	N/A	119,876	9/1/11 - 6/30/12				115,232	(119,876)			(4,644)		
National School Lunch Program	10.555	N/A	102,727	9/1/10 - 6/30/11	(4,695)			4,695						
Special Milk Program	10.556	N/A	2,331	9/1/11 - 6/30/12				2,190	(2,331)			(141)		
Special Milk Program	10.556	N/A	2,133	9/1/10 - 6/30/11	(143)			143						
Total Enterprise Fund					(4,838)	---	---	145,203	(145,150)			(4,785)	---	---
Total Federal Awards					(\$819,054)	---	---	\$1,704,155	(\$1,021,734)	---	---	(\$136,833)	---	---

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

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2012

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	Balance at June 30, 2011		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2012		
				Deferred Revenue (Accts. Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
State Department of Education												
<u>General Fund:</u>												
Nonpublic Transportation Aid	12-103190	\$17,642	7/1/11 - 6/30/12					(\$17,642)		(\$17,642)		
Nonpublic Transportation Aid	11-103190	15,733	7/1/10 - 6/30/11	(\$15,733)			\$15,733					
Extraordinary Aid	12-495-034-5093-007	617,735	7/1/11 - 6/30/12					(617,735)		(617,735)		
Extraordinary Aid	11-495-034-5093-007	625,225	7/1/10 - 6/30/11	(625,225)			625,225					
Equalization Aid	12-495-034-5120-078	7,269,999	7/1/11 - 6/30/12				6,615,508	(7,269,999)		(654,491)		
Equalization Aid	11-495-034-5120-078	6,507,381	7/1/10 - 6/30/11	(566,973)			566,973					
Special Education Categorical Aid	12-495-034-5120-089	1,255,835	7/1/11 - 6/30/12				1,142,777	(1,255,835)		(113,058)		
Special Education Categorical Aid	11-495-034-5120-089	1,255,835	7/1/10 - 6/30/11	(109,418)			109,418					
Security Aid	12-495-034-5120-085	11,505	7/1/11 - 6/30/12				10,469	(11,505)		(1,036)		
Anti Bullying Grant	N/A	2,409	7/1/11 - 6/30/12				2,409	(2,409)				
On Behalf TPAF Pension Contributions	12-495-034-5095-006	534,691	7/1/11 - 6/30/12				534,691	(534,691)				
On Behalf TPAF Post Retirement Medical	12-495-034-5095-001	1,074,865	7/1/11 - 6/30/12				1,074,865	(1,074,865)				
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	1,182,744	7/1/11 - 6/30/12				1,124,178	(1,182,744)		(58,566)		
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	1,210,459	7/1/10 - 6/30/11	(60,263)			60,263					
Total General Fund				(1,377,612)	---	---	11,882,509	(11,967,425)	---	(1,482,528)	---	---
<u>Special Revenue Fund:</u>												
<u>N.J. Nonpublic Aid:</u>												
Textbook Aid	12-100-034-5120-064	18,037	7/1/11 - 6/30/12				18,037	(17,722)				\$315
Textbook Aid	11-100-034-5120-064	21,713	7/1/10 - 6/30/11		\$65				(\$65)			
Nursing Aid	12-100-034-5120-070	25,764	7/1/11 - 6/30/12				25,764	(25,764)				
<u>Auxiliary Services:</u>												
Compensatory Education	12-100-034-5120-067	29,584	7/1/11 - 6/30/12				29,587	(20,541)				9,046
Compensatory Education	11-100-034-5120-067	52,748	7/1/10 - 6/30/11		23,945				(23,945)			
<u>Handicapped Services:</u>												
Examination & Classification	12-100-034-5120-066	28,175	7/1/11 - 6/30/12				28,172	(24,305)				3,867
Examination & Classification	11-100-034-5120-066	17,543	7/1/10 - 6/30/11		2,075				(2,075)			
Corrective Speech	12-100-034-5120-066	27,645	7/1/11 - 6/30/12				27,645	(16,904)				10,741
Corrective Speech	11-100-034-5120-066	29,728	7/1/10 - 6/30/11		14,004				(14,004)			
Supplemental Instruction	12-100-034-5120-066	10,523	7/1/11 - 6/30/12				10,523	(5,682)				4,841
Supplemental Instruction	11-100-034-5120-066	13,202	7/1/10 - 6/30/11		5,907				(5,907)			
State Department of Environmental Protection												
N.J. Wet Grant	NJ03084003	1,375	7/1/11 - 6/30/12				1,375	(1,366)			\$9	
Total Special Revenue Fund					45,996	---	141,103	(112,284)	(45,996)		9	28,810

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2012

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	Balance at June 30, 2011		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2012		
				Deferred Revenue (Accts Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
<u>Debt Service Fund</u>												
Debt Service Aid Type II	12-100-034-5120-017	\$427,244	7/1/11 - 6/30/12	---	---	---	\$427,244	(\$427,244)	---	---	---	---
<u>State Department of Agriculture</u>												
Enterprise Fund:												
State School Lunch Program	12-100-010-3350-023	6,676	9/1/11 - 6/30/12				\$6,432	(\$6,676)		(\$244)		
State School Lunch Program	11-100-010-3350-023	7,075	9/1/10 - 6/30/11	(\$347)			347					
Total Enterprise Fund				(347)	---	---	6,779	(6,676)	---	(244)	---	---
Total State Financial Assistance				(\$1,377,959)	\$45,996	---	\$12,457,635	(\$12,513,629)	(\$45,996)	(\$1,462,772)	\$9	\$28,810

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

**Cinnaminson Township School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2012**

1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Cinnaminson Township School District ("School District"). The School District is defined in Note 1 to the School District's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is (\$92,194) for the general fund and \$21,011 for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures are reported in the School District's basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$169,279	\$11,875,231	\$12,044,510
Special Revenue Fund	728,316	112,284	840,600
Debt Service Fund		427,244	427,244
Food Service Fund	<u>145,150</u>	<u>6,676</u>	<u>151,826</u>
Total Awards & Financial Assistance	<u>\$1,042,745</u>	<u>\$12,421,435</u>	<u>\$13,464,180</u>

**Cinnaminson Township School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2012
(Continued)**

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.

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the State for the School District's share of social security contributions for TPAF members for the year ended June 30, 2012.

6. MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**CINNAMINSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Section 2 -- Schedule of Financial Statement Findings

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

No findings identified.

**CINNAMINSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**Section 3 -- Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal and State programs, as required by OMB Circular A-133 and New Jersey Circular Letter 04-04.

FEDERAL AWARDS:

No findings and/or questioned costs identified.

STATE AWARDS:

No findings and/or questioned costs identified.

**CINNAMINSON TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, OMB Circular A-133 and State of New Jersey OMB's Circular 04-04.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings

FEDERAL AWARDS

There were no prior year audit findings.

STATE AWARDS

There were no prior year audit findings.