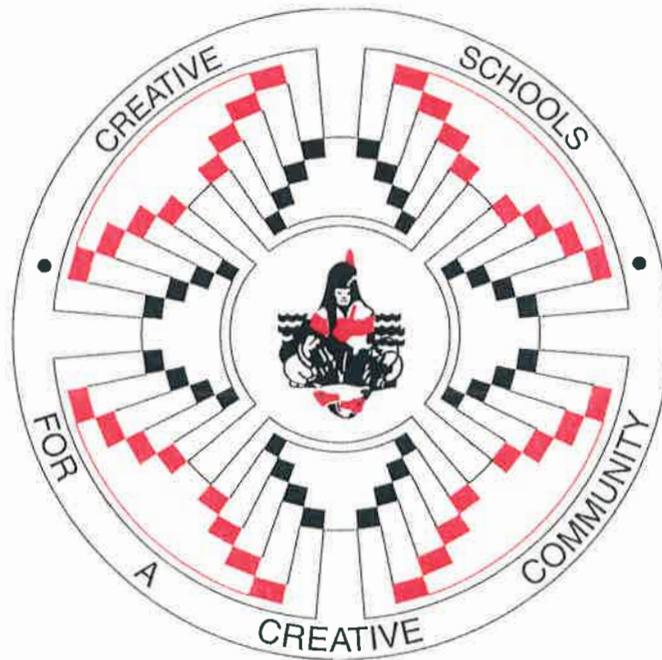


**Board of Education
of
Cinnaminson Township
School District
Cinnaminson, New Jersey**



**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended
JUNE 30, 2015**

**Comprehensive Annual
Financial Report**

of the

**Cinnaminson Township
Board of Education**

Cinnaminson, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by
Cinnaminson Township Board of Education
Finance Department

CINNAMINSON TOWNSHIP 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

November 27, 2015

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, 2015, 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 presented 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 and/or 98-15 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 Pre- K through 12 curriculum, including: gifted and talented, special education and basic skills. The current enrollment of 2,412.64 students is 49.54 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>
2014-15	2,412.64	2.10%
2013-14	2,363.1	.12%
2012-13	2,360.2	.2%
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%

- 2. ECONOMIC CONDITIONS AND OUTLOOK:** Cinnaminson Township continues to be a desirable, high-performing district. Families from surrounding communities continue to move in with school age children. State aid has remained flat and has provided the necessary funds to maintain current staff levels and a recognized quality instructional program. These funds had made a difference as ratables in our Township saw a slight increase of 3.6 million. 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. The increased enrollment from the “Riverfront” project continues to have an effect on class size and special program needs.

The renovation and expansion of the Cinnaminson High School is a plan improvement and a major capital project that had been approved by the community in a referendum vote on September 30, 2014. Secured vestibule front entrance improvements are planned for the District’s High School, Middle School, Rush Intermediate and New Albany Elementary Schools, and a new gymnasium, additional classrooms, and an upgraded infrastructure is planned for the High School.

As for planning for the future, the district is hopeful that the Township assessed values will eventually level off and with the student growth from the Riverfront properties will be able to maintain the same level of aid for 2016-17. Employees are in the fifth year of the Public Law 2011, Chapter 78 during the 2015-16 school year. Again we have managed to maintain low increases to employee benefits because of the employee contributions and low experience ratings from the Southern New Jersey HIF. The district had entered into a shared service arrangement with the Township for a school resource officer and is planning on maintaining the officer in the 2015-16 and 2016-17 school years.

- 3. MAJOR INITIATIVES:** The Cinnaminson Township School District has embarked on a number of new as well as continuing initiatives.

Continued State support has provided the necessary funds to maintain current staff and the quality of instructional programs offered to the students of Cinnaminson and to what is expected from the community. The current state aid continues to make a difference as ratables in our Township have seemed to level off after years of declining assessments which alone caused significant tax increases with the decline of property values. Budgeted funds continue to address the curriculum refinement to support the Common Core, the Atlas Rubicon Curriculum Mapping system, instructional materials that align to the Common Core, and staff training to focus on the elements of the Common Core that require new approaches to instruction through technology and new methodologies. The district remains confident that personnel, as we move forward with PARCC assessments, will be able to handle existing programs and manage the levels of students in grades Pre-kindergarten through 12th grade.

The continued funding levels from the State have provided funds to assist with the creation of a Multiple Disability Program for the High School, and the hiring and training of District ABA technicians to support the ever growing needs of students, and acquisition of additional laptop carts to assist with the implementation of PARCC testing. The MD class at the high school allows us to continue to save by keeping the students in district. The creation of an integrated preschool and kindergarten program last year is still place. The district continues to evaluate its technology infrastructure to accommodate the movement closer to the new PARCC assessments. The passing of the 2014 referendum will continue the district's efforts to upgrade the wireless network with additional access points and switches. The improvements supports the District's Bring Your Own Device pilot program. The District has completed its Office 2013 upgrade and has moved toward a virtual desk top system (Citrix Xen) throughout the buildings in order to expand the life of existing computers and monitors.

In order to build professionalism, district funds are allocated for continued training in the core standards and preparation for PARCC. Training will be delivered in a variety of ways including webinars, out of district workshops, in district workshops, building, department and grade level meetings, and review of online and hard copy documents. The District formed a District Evaluation Advisory Committee, which meets regularly and the Cinnaminson School District responded to the state teacher evaluation initiative. The District uses a developed Danielson based format as the evaluation tool. The district continues to offer ongoing in-house, building and department level, web-based and outside training for administrators and teachers. Assessments are continued to be analyzed by supervisors/principals as they collaborate in developing meaningful SGO's. The processes are in place for the district to move forward with the adoption and integration of the next generation science standards.

The Math Curriculum is available on the district website for staff and the community. Programs at the elementary level use Smart Boards to enhance learning. The curriculum is aligned to the Common Core Standards. All sixth graders at the Middle School have double periods of Math. Algebra I is offered at the Middle School. AP courses in Calculus and Statistics are available at the HS.

The Science Department updated their curriculum maps to focus on STEM initiatives. The core standards in science support the use of graphing calculators and computers. The department will spend the 15-16 school year revising curriculum to meet the Next Generation Science Standards. All department members use computers for lab activities. The Forensic Science elective remains well subscribed. AP courses are available in Environmental Science, Biology, Chemistry, Physics 1 and Physics C.

The curriculum is aligned with the Common Core Standards. 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. Teachers in the primary schools have been trained or will be trained in Orton Gillingham, Wilson, or Linda Mood Bell programs. Electives in Journalism, Creative Writing, Mass Media, Literature of the Holocaust and the Monsters Among and Within Us are popular with students.

The Social Studies curriculum reinforces a global perspective. New textbooks for the World History course at the high school will be ordered for the 15-16 year. The new purchase moves away from a Euro-centric perspective. AP courses Include Psychology, United States History, and European History. The Social Studies department uses authentic documents/primary source documents as a major focus of study. The use of these documents mirrors the Research Simulation Task initiative in the English Language Arts area. The wide array of electives includes America Law, Macroeconomics, Human Behavior, Herstory, Contemporary World Issues, and Sports in Society.

In today's global economy, students need to be lifelong learners who have the knowledge and skills to adapt to an evolving workplace and world. Cinnaminson Schools infuse 21st Century Life & Career Skills (Career Ready Practices) are integrated into the content areas in all content areas. A chart is available on our district website which shows the cross-walk of the content areas with the standards. Personal Financial Literacy is incorporated in several classes in the high school. Additionally, a stand-alone Financial Literacy course has been created. 21st century Career Awareness, Exploration and Preparation is addressed in the two school to work class at the high school.

The Visual and Performing Arts program has enhanced connections with other content areas especially Social Studies and English Language Arts by doing Reading, Writing, and History related to music and art. Courses explore career opportunities in this field. Benchmark assessments have been developed for all courses in Visual and Performing Arts.

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 students all take an exploratory course in Spanish and French. Enhanced Spanish I and French I classes will be added to the High School during the 15-16 school year. Program enhancements include increasing the expectations for oral and written communications. AP Spanish is offered at the HS. Additional honors courses in both Spanish and French will be offered during the 15-16 school year. A conversational/culture German course will be added to the high school for the 15-16 school year.

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. 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. A Bring Your Own Technology is offered in several departments including Social Studies, English, Science, Music and Math. A full year web design course will be offered.

Whether it be in student accomplishments, 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. The Cinnaminson Township High School has the highest graduation rate in Burlington County at 97.98%.

- 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, 2015.

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.

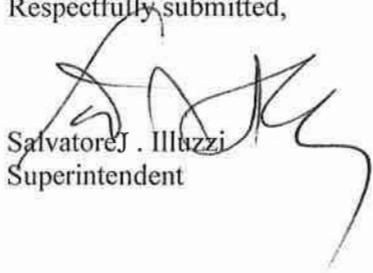
6. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the 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.

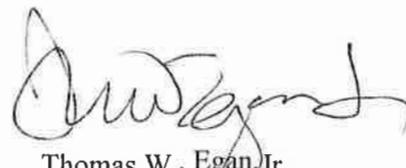
7. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

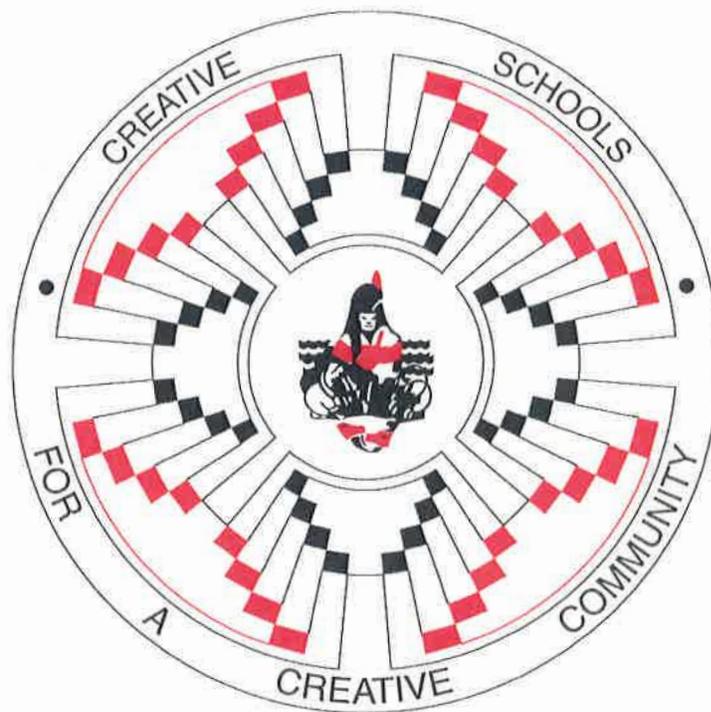
8. OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso & Stewart, CPA's, was selected by the Board's finance committee. In addition to meeting the requirements set 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 and/or 98-15 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



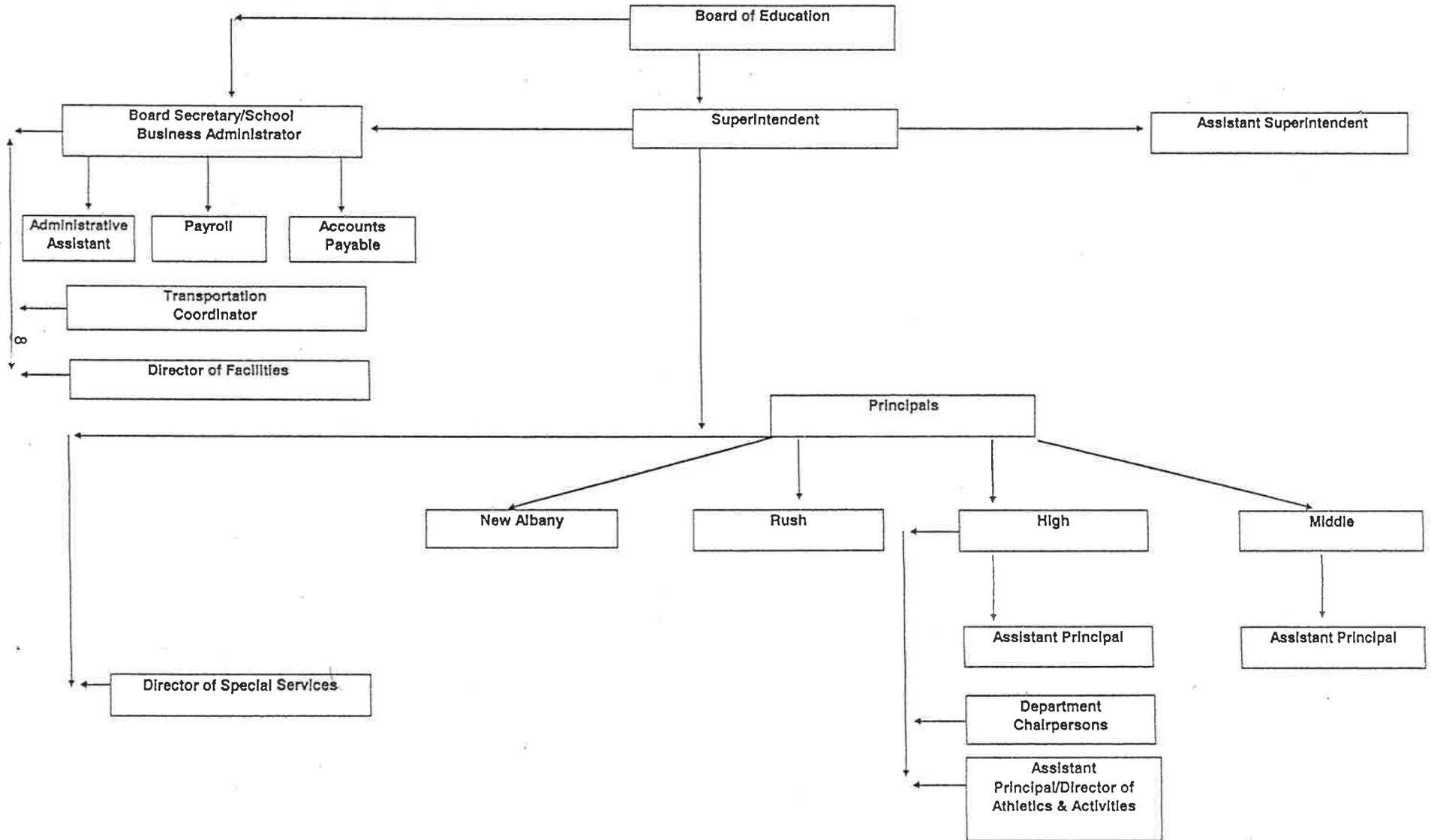
MISSION STATEMENT

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, 2015**

	<u>Term Expires</u>
Jean M. Cohen, President	2016
James J. McGuckin, Jr., Vice-President	2015
Laura J. Fitzwater	2015
Therese Garbett	2017
Dennis Hassis	2017
Jacqueline Plunkett	2017
Harry E. Shea II	2016
Christine Turner	2015
Dolores Woodington	2015

Other Officials

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

**CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors**

Audit Firm

Inverso & Stewart, LLC
651 Route 73 North, Suite 402
Marlton, NJ 08053

Attorney

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

Architect

Garrison Architects
713 Creek Road
Bellmawr, NJ 08031

Official Depository

Susquehanna Bank
800 North Route 130
Cinnaminson, NJ 08077

Financial Section

INVERSO & STEWART, LLC
Certified Public Accountants

651 Route 73 North, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: iscpas@concentric.net

-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

Report on the Financial Statements

I 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, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 Office of School Finance, Department of Education, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Cinnaminson Township School District, in the County of Burlington, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 9 to the financial statements, during the fiscal year ended June 30, 2015, the School District adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB): Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. My opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

My 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 combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, 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 OMB's Circular 04-04 and/or 15-08, as applicable, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated November 27, 2015 on my consideration of the Cinnaminson Township School District's internal control over financial reporting and my 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 my 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* in considering the Cinnaminson Township School District's internal control over financial reporting and compliance.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
November 27, 2015

INVERSO & STEWART, LLC
Certified Public Accountants

651 Route 73 North, Suite 402
 Marlton, New Jersey 08053
 (856) 983-2244
 Fax (856) 983-6674
 E-Mail: iscpas@concentric.net

-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**

INDEPENDENT AUDITOR'S REPORT

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cinnaminson Township School District, in the County of Burlington, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated November 27, 2015.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

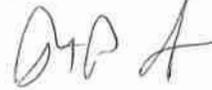
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cinnaminson Township School District's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
November 27, 2015

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Cinnaminson Township School District
For the Fiscal Year Ended June 30, 2015
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, 2015. 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 \$1,021,423 (*net position*).
- Governmental activities have an unrestricted net position deficit of \$14,988,324. The accounting treatments in the governmental funds for compensated absences payable, net pension liability, 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 position of the School District increased by \$1,027,135 or a 17,982.06% increase from the prior fiscal year-end balance.
- Fund balance of the School District's governmental funds increased by \$36,653,567 resulting in an ending fund balance of \$42,406,234. This increase is due to the results of bond sale proceeds in the Capital Projects Fund. The Debt Service Fund experienced an increase in fund balance of \$60,012.
- Business-type activities have unrestricted net position of \$421,250, 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 increased by \$38,956,172 which is the result of the increase 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 position and the statement of activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net position. Over time, changes in net position 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 position of the School District changed during the current fiscal year. Changes in net position 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 2016. 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 2016.

The assets of the primary government activities exceeded liabilities by \$542,894 with an unrestricted deficit balance of \$14,988,324. The net position of the primary government does not include internal balances.

A net deficit investment of \$26,887,966 in land, improvements, buildings, equipment and vehicles which provide the services to the School District's 2,413 public school students, represents (204.20%) of the School District's net position. Net position of \$37,155,985 has been restricted to provide resources for future capital expansion and renovation projects, \$1,122,255 for maintenance reserve, \$194,922 for emergency reserve, \$63,225 has been reserved for repayment of debt, \$3,798,506, has been restricted for future budget appropriations and \$84,291 is reserved for encumbrances.

As mentioned earlier, deficit unrestricted net position are primarily due to the accounting treatment for compensated absences payable, net pension liability 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 Position
As of June 30, 2015 and 2014**

	Governmental Activities		Business-Type Activities		District-Wide	
	2015	2014	2015	2014	2015	2014
Assets:						
Current assets	\$ 46,130,528	\$ 6,137,534	\$ 493,614	\$ 447,884	\$ 46,624,142	\$ 6,585,418
Capital assets	16,861,243	12,878,017	57,279	59,817	16,918,522	12,937,834
Total assets	<u>62,991,771</u>	<u>19,015,551</u>	<u>550,893</u>	<u>507,701</u>	<u>63,542,664</u>	<u>19,523,252</u>
Deferred Outflows of Resources	1,493,824				1,493,824	
Liabilities:						
Current Liabilities	5,447,260	1,859,722	72,364	132,472	5,519,624	1,992,194
Noncurrent Liabilities	57,701,394	5,026,942			57,701,394	5,026,942
Total liabilities	<u>63,148,654</u>	<u>6,886,664</u>	<u>72,364</u>	<u>132,472</u>	<u>63,221,018</u>	<u>7,019,136</u>
Deferred Inflows of Resources	794,047				794,047	
Net position	<u>\$ 542,894</u>	<u>\$ 12,128,887</u>	<u>\$ 478,529</u>	<u>\$ 375,229</u>	<u>\$ 1,021,423</u>	<u>\$ 12,504,116</u>
Net position consist of:						
Net investment in capital assets	\$ (26,887,966)	\$ 7,963,105	\$ 57,279	\$ 59,817	\$ (26,830,687)	\$ 8,022,922
Restricted	42,419,184	5,551,034			42,419,184	5,551,034
Unrestricted	(14,988,324)	(1,385,252)	421,250	315,412	(14,567,074)	(1,069,840)
Net position	<u>\$ 542,894</u>	<u>\$ 12,128,887</u>	<u>\$ 478,529</u>	<u>\$ 375,229</u>	<u>\$ 1,021,423</u>	<u>\$ 12,504,116</u>

**Cinnaminson Township School District
Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2015 and 2014**

	Governmental Activities		Business-Type Activities		District-Wide	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues						
Charges for services	\$ -	\$ -	\$ 918,197	\$ 855,785	\$ 918,197	\$ 855,785
Operating grants and Contributions	4,944,119	4,334,604	217,164	197,505	5,161,283	4,532,109
General Revenues:						
Property Taxes	31,215,482	30,492,221			31,215,482	30,492,221
Unrestricted Aid	9,421,278	9,563,014			9,421,278	9,563,014
Tuition	166,274	176,702			166,274	176,702
Other Revenues	1,478,913	1,387,281	420	18,479	1,479,333	1,405,760
Total Revenues	47,226,066	45,953,822	1,135,781	1,071,769	48,361,847	47,025,591
Expenses:						
Governmental Activities:						
Instruction	18,685,341	17,899,224			18,685,341	17,899,224
Tuition	2,499,099	3,321,908			2,499,099	3,321,908
Related Services	5,197,664	5,086,763			5,197,664	5,086,763
Administrative Services	2,213,114	2,187,655			2,213,114	2,187,655
Operations and Maintenance	3,031,481	3,172,548			3,031,481	3,172,548
Transportation	2,702,043	2,806,684			2,702,043	2,806,684
Central Services	956,198	932,172			956,198	932,172
Employee benefits	10,226,329	9,747,330			10,226,329	9,747,330
Charter Schools	21				21	
Interest on long-term Debt	744,238	138,902			744,238	138,902
Other	46,703	53,443			46,703	53,443
Business-Type Activities:						
Food Service Operations			696,434	666,236	696,434	666,236
School Store			30,938	24,141	30,938	24,141
School Age Child Care			305,109	296,114	305,109	296,114
Total Expenses	46,302,231	45,346,629	1,032,481	986,491	47,334,712	46,333,120
Increase in net position Before Special Items	923,835	607,193	103,300	85,278	1,027,135	692,471
Retirement of Assets						
Changes in net position	923,835	607,193	103,300	85,278	1,027,135	692,471
Net position, July 1,	380,941	11,521,694	375,229	289,951	(5,712)	11,811,645
Net position, June 30,	\$ 542,894	\$ 12,128,887	\$ 478,529	\$ 375,229	\$ 1,021,423	\$ 12,504,116

Governmental Activities

Governmental activities increased the net position of the School District by \$1,038,378 during the current fiscal year. Key elements of the increase in net position for governmental activities are as follows:

- General obligation bonds increased by \$38,848,000.
- Capital leases payable increased by \$27,346.
- Compensated absences increased by \$121,875.

Business-type Activities

Business-type activities increased the School District's net position by \$103,300. Key elements of the increase in net position for governmental activities are as follows:

- The School Age Child Care Program had a net gain of \$101,865, the Food Service Fund had a net gain of \$4,364 and School Store had a net loss of \$2,929.

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 \$42,406,234, an increase of \$36,653,567 in comparison with the prior year. This increase is due to the results of bond sale proceeds in the Capital Projects Fund.

The unassigned fund balance for the School District at the end of the fiscal year includes unassigned deficit fund balance for the General Fund of \$12,950. 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 \$37,155,985, 2) \$1,122,255 maintenance reserve, 3) \$194,922 emergency reserve, 4) \$63,225 reserved for repayment of debt, 5) \$1,806,446 appropriated as a revenue source in the subsequent year's budget, 6) \$84,291 reserved for encumbrances, and 7) \$1,992,060 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

There was no difference between the original budget and the final amended budget.

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$826,226 while total fund balance (budgetary basis) was \$7,259,734. 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 \$44,503,959. Unreserved fund balance (budgetary basis) represents 1.86% of expenditures while total fund balance (budgetary basis) represents 16.31% 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, 2015, totaled \$16,918,522 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total increase in the District's investment in capital assets for the current fiscal year was \$3,980,687 or a 30.77% increase. The increase is primarily due to construction in progress.

Capital Assets (net of accumulated depreciation) June 30, 2015 and 2014

	Governmental Activities		Business-Type Activities		District-Wide	
	2015	2014	2015	2014	2015	2014
Land	\$ 4,252,300	\$ 4,252,300			\$ 4,252,300	\$ 4,252,300
Construction in Progress	4,215,073				4,215,073	
Buildings and Building						
Improvements	6,595,821	6,930,220			6,595,821	6,930,220
Equipment	1,798,049	1,695,497	\$ 57,279	\$ 59,818	1,855,328	1,755,315
Total	\$ 16,861,243	\$ 12,878,017	\$ 57,279	\$ 59,818	\$ 16,918,522	\$ 12,937,835

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, 2015, the School District had \$42,913,000 in serial bonds payable, \$689,118 in capital leases, and \$1,661,930 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 \$69,380,814. The available amount as of June 30, 2015 is \$26,467,814.

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 2015-16 fiscal year.

- For the 2015-16 fiscal year the School District will be receiving an increase in state aid. The local tax levy in the General Fund increased by \$935,753 or a 3.09% increase. The 2015-16 General Fund Budget is \$1,076,999 greater than the previous year.
- The tax rate for 2015 is \$2.052, which is an increase of 0.91 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 Position
June 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 44,057,415	\$ 441,620	\$ 44,499,035
Receivables, net	839,579	27,745	867,324
Inventory		24,249	24,249
Restricted assets:			
Capital reserve account	1,233,534		1,233,534
Capital assets, net (Note 5)	<u>16,861,243</u>	<u>57,279</u>	<u>16,918,522</u>
Total assets	<u>62,991,771</u>	<u>550,893</u>	<u>63,542,664</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	<u>1,493,824</u>		<u>1,493,824</u>
LIABILITIES:			
Accounts payable	286,477	37,570	324,047
Intergovernmental payable:			
State	31,241		31,241
Unearned revenue	3,406,576	34,794	3,441,370
Accrued interest due within one year	689,073		689,073
Noncurrent liabilities:			
Due within one year	1,033,893		1,033,893
Due beyond one year	44,377,246		44,377,246
Net pension liability	<u>13,324,148</u>		<u>13,324,148</u>
Total liabilities	<u>63,148,654</u>	<u>72,364</u>	<u>63,221,018</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows of resources from pensions	<u>794,047</u>		<u>794,047</u>
NET POSITION:			
Net investment in capital assets	(26,887,966)	57,279	(26,830,687)
Restricted for:			
Capital Projects	37,155,985		37,155,985
Other purposes	5,263,199		5,263,199
Unrestricted	<u>(14,988,324)</u>	<u>421,250</u>	<u>(14,567,074)</u>
Total net position	<u>\$ 542,894</u>	<u>\$ 478,529</u>	<u>\$ 1,021,423</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, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction:						
Regular	\$ 12,652,594	\$ -	\$ 188,653	\$ (12,463,941)	\$ -	\$ (12,463,941)
Special education	3,140,913		489,456	(2,651,457)		(2,651,457)
Other instruction	2,891,834			(2,891,834)		(2,891,834)
Support Services:						
Tuition	2,499,099			(2,499,099)		(2,499,099)
Student & instruction related services	5,197,664		315,801	(4,881,863)		(4,881,863)
General administrative services	716,812			(716,812)		(716,812)
School administrative services	1,496,302			(1,496,302)		(1,496,302)
Central and technology adm. services	956,198			(956,198)		(956,198)
Plant operations and maintenance	3,031,481			(3,031,481)		(3,031,481)
Pupil transportation	2,702,043			(2,702,043)		(2,702,043)
Employee benefits	10,226,329		3,618,560	(6,607,769)		(6,607,769)
Charter Schools	21			(21)		(21)
Interest on long-term debt	744,238		331,649	(412,589)		(412,589)
Unallocated depreciation and amortization	46,703			(46,703)		(46,703)
Total governmental activities	46,302,231		4,944,119	(41,358,112)		(41,358,112)
Business-type activities:						
Food service program	696,434	483,538	217,164		4,268	4,268
School age child care program	305,109	406,655			101,546	101,546
School store	30,938	28,004			(2,934)	(2,934)
Total business-type activities	1,032,481	918,197	217,164		102,880	102,880
Total primary government	\$ 47,334,712	\$ 918,197	\$ 5,161,283	\$ (41,358,112)	\$ 102,880	\$ (41,255,232)
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net				30,251,332		30,251,332
Taxes levied for debt service				964,150		964,150
Federal and state aid not restricted				9,421,278		9,421,278
Tuition revenue				166,274		166,274
Transportation revenue				1,263,898		1,263,898
Miscellaneous revenue				215,015	420	215,435
Total general revenues, special items, and transfers				42,281,947	420	42,282,367
Change in Net Position				923,835	103,300	1,027,135
Net Position—July 1, as restated (Note 20)				(380,941)	375,229	(5,712)
Net Position—June 30				\$ 542,894	\$ 478,529	\$ 1,021,423

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, 2015

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 8,165,461	\$ -	\$ 35,891,946	\$ 8	\$ 44,057,415
Receivables, net	566,460	117,816	132,060		816,336
Interfund receivable	123,870			63,217	187,087
Restricted cash and cash equivalents	1,233,534				1,233,534
Total assets	\$ 10,089,325	\$ 117,816	\$ 36,024,006	\$ 63,225	\$ 46,294,372
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	261,303	25,174			286,477
Intergovernmental payable:					
State		31,241			31,241
Interfund payables	4,210	58,079	101,555		163,844
Unearned revenue	3,403,254	3,322			3,406,576
Total liabilities	3,668,767	117,816	101,555		3,888,138
Fund Balances:					
Restricted for:					
Excess surplus	1,992,060				1,992,060
Excess surplus - designated for subsequent year's expenditures	1,467,318				1,467,318
Maintenance reserve	1,122,255				1,122,255
Capital reserve	1,233,534				1,233,534
Emergency reserve	194,922				194,922
Assigned to:					
Year-end encumbrances	84,291		34,671,640		34,755,931
ARRA/SEMI Subsequent year's expenditures	7,493				7,493
Subsequent year's expenditures	331,635			63,213	394,848
Unassigned	(12,950)		1,250,811	12	1,237,873
Total fund balances	6,420,558		35,922,451	63,225	42,406,234
Total liabilities and fund balances	\$ 10,089,325	\$ 117,816	\$ 36,024,006	\$ 63,225	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$42,908,614 and the accumulated depreciation is \$26,047,371. 16,861,243

Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds. (689,073)

The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Deferred Outflows of resources from Pensions	1,493,824	
Net Pension Liability	(13,324,148)	
Deferred Inflows of resources from Pensions	(794,047)	(12,624,371)

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.

General Obligation Bonds	(43,060,091)
Capital Leases Payable	(689,118)
Compensated Absences	(1,661,930)

Net position of governmental activities \$ 542,894

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, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 30,251,332	\$ -	\$ -	\$ 964,150	\$ 31,215,482
Tuition charges	166,274				166,274
Transportation fees	1,263,898				1,263,898
Capital reserve interest	995				995
Other restricted revenues	44,440				44,440
Miscellaneous	109,572		59,019	989	169,580
Total revenues-local sources	31,836,511		59,019	965,139	32,860,669
Local sources		30,915			30,915
State sources	12,991,759	201,904		331,649	13,525,312
Federal sources	32,993	776,177			809,170
Total revenues	44,861,263	1,008,996	59,019	1,296,788	47,226,066
EXPENDITURES:					
Current expense:					
Regular instruction	11,688,219	188,653			11,876,872
Special education instruction	2,651,457	489,456			3,140,913
Other instruction	2,891,834				2,891,834
Support services and undistributed costs:					
Tuition	2,499,099				2,499,099
Student & instruction related services	4,881,863	315,801			5,197,664
General administrative services	716,812				716,812
School administrative services	1,496,302				1,496,302
Central services	566,469				566,469
Administrative technology services	389,729				389,729
Plant operations and maintenance	3,467,819				3,467,819
Pupil transportation	2,561,933				2,561,933
Employee benefits	10,096,700	15,086			10,111,786
Charter Schools	21				21
Capital outlay	595,702		4,125,549		4,721,251
Debt service:					
Principal				1,200,000	1,200,000
Interest and other charges				101,995	101,995
Total expenditures	44,503,959	1,008,996	4,125,549	1,301,995	50,940,499
Excess (deficiency) of revenues over (under) expenditures	357,304		(4,066,530)	(5,207)	(3,714,433)
Other Financing Sources (Uses):					
Proceeds of Serial Bonds			40,048,000		40,048,000
Proceeds of Capital Lease	320,000				320,000
Transfer in				65,219	65,219
Transfer out	(6,200)		(59,019)		(65,219)
Total other financing sources (uses)	313,800		39,988,981	65,219	40,368,000
Net change in fund balance	671,104		35,922,451	60,012	36,653,567
Fund balances, July 1	5,749,454			3,213	5,752,667
Fund balances, June 30	\$ 6,420,558	\$ -	\$ 35,922,451	\$ 63,225	\$ 42,406,234

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, 2015

Total net change in fund balances - governmental funds (from B-2) \$ 36,653,567

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

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.

Depreciation expense	\$ (934,067)	
Capital outlay	<u>4,917,293</u>	3,983,226

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities. 1,241,049

The proceeds of a bond issue is an other financing source of revenue in the governmental funds but is not reported in the statement of activities. (40,048,000)

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities. 292,654

The proceeds of a capital lease is an other financing source of revenue in the governmental funds but is not reported in the statement of activities. (320,000)

Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities. (114,543)

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. (642,243)

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 (+). (121,875)

Change in net position of governmental activities \$ 923,835

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

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-type Activities			Total
	Enterprise Funds			
	Food Service Fund	School Age Child Care Program	School Store	
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 36,784	\$ 393,436	\$ 11,400	\$ 441,620
Accounts receivable	27,636		109	27,745
Inventories	16,467		7,782	24,249
Total current assets	80,887	393,436	19,291	493,614
Noncurrent assets:				
Equipment	456,883	29,123		486,006
Less accumulated depreciation	(414,894)	(13,833)		(428,727)
Total noncurrent assets	41,989	15,290		57,279
Total assets	\$ 122,876	\$ 408,726	\$ 19,291	\$ 550,893
LIABILITIES:				
Current liabilities:				
Accounts payable	\$ 37,569	\$ -	\$ 1	\$ 37,570
Unearned revenue	7,839			7,839
Prepaid program fees		26,955		26,955
Total liabilities	45,408	26,955	1	72,364
NET POSITION:				
Net investment in capital assets	41,989	15,290		57,279
Unrestricted	35,479	366,481	19,290	421,250
Total net position	\$ 77,468	\$ 381,771	\$ 19,290	\$ 478,529

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 Position
Proprietary Funds
for the Fiscal Year Ended June 30, 2015

	Business-type Activities			Total
	Enterprise Funds			
	<u>Food Service Fund</u>	<u>School Age Child Care Program</u>	<u>School Store</u>	
Operating revenues:				
Charges for services:				
Daily sales-reimbursable programs	\$ 274,198	\$ -	\$ -	\$ 274,198
Daily sales-non-reimbursable programs	171,341			171,341
Special Functions	37,891			37,891
Sales			28,004	28,004
Program fees		406,655		406,655
Miscellaneous	108			108
Total operating revenue	<u>483,538</u>	<u>406,655</u>	<u>28,004</u>	<u>918,197</u>
Operating expenses:				
Salaries	257,012	206,523		463,535
Employee benefits	66,551	50,273		116,824
Supplies and materials	24,693	3,236		27,929
Depreciation	8,076	1,456		9,532
Management Fee	33,075			33,075
Direct expenses	3,639	2,122		5,761
Other purchased services	75			75
Cost of sales	282,820	7,080	30,938	320,838
Building usage		25,000		25,000
Other	20,493	9,419		29,912
Total operating expenses	<u>696,434</u>	<u>305,109</u>	<u>30,938</u>	<u>1,032,481</u>
Operating income (loss)	<u>(212,896)</u>	<u>101,546</u>	<u>(2,934)</u>	<u>(114,284)</u>
Nonoperating revenues (expenses):				
State sources:				
State school lunch program	6,220			6,220
Federal sources:				
National school lunch program	163,872			163,872
Special milk program	2,472			2,472
U.S.D.A. commodities	44,600			44,600
Local sources:				
Interest revenue	96	319	5	420
Total nonoperating revenues (expenses)	<u>217,260</u>	<u>319</u>	<u>5</u>	<u>217,584</u>
Change in net position	4,364	101,865	(2,929)	103,300
Total net position - July 1	<u>73,104</u>	<u>279,906</u>	<u>22,219</u>	<u>375,229</u>
Total net position - June 30	<u>\$ 77,468</u>	<u>\$ 381,771</u>	<u>\$ 19,290</u>	<u>\$ 478,529</u>

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, 2015

	Business-type Activities			Total
	Enterprise Funds			
	<u>Food Service Fund</u>	<u>School Age Child Care Program</u>	<u>Student Store</u>	
Cash flows from operating activities:				
Receipts from customers	\$ 485,394	\$ 410,700	\$ 27,895	\$ 923,989
Payments to employees for services	(298,052)	(256,796)		(554,848)
Payments to suppliers	(404,681)	(46,857)	(30,555)	(482,093)
Net cash used for operating activities	<u>(217,339)</u>	<u>107,047</u>	<u>(2,660)</u>	<u>(112,952)</u>
Cash flows from noncapital financing activities:				
Donations				
Cash received from federal and state sources	<u>170,089</u>			<u>170,089</u>
Net cash provided by non-capital financing activities	<u>170,089</u>			<u>170,089</u>
Cash flows from capital activities:				
Purchases of fixed assets	<u>(6,993)</u>			<u>(6,993)</u>
	<u>(6,993)</u>			<u>(6,993)</u>
Cash flows from investing activities:				
Interest and dividends	<u>96</u>	<u>319</u>	<u>5</u>	<u>420</u>
Net cash provided by investing activities	<u>96</u>	<u>319</u>	<u>5</u>	<u>420</u>
Net increase in cash and cash equivalents	(54,147)	107,366	(2,655)	50,564
Balances - July 1	<u>90,931</u>	<u>286,070</u>	<u>14,055</u>	<u>391,056</u>
Balances - June 30	<u>\$ 36,784</u>	<u>\$ 393,436</u>	<u>\$ 11,400</u>	<u>\$ 441,620</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (212,896)	\$ 101,546	\$ (2,934)	\$ (114,284)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	8,075	1,456		9,531
Federal commodities	44,600			44,600
(Increase) decrease in accounts receivable	10,381		(109)	10,272
(Increase) decrease in inventory	(3,348)		385	(2,963)
Increase (decrease) in unearned revenue	1,086	4,045		5,131
Increase (decrease) in accounts payable	(65,237)		(2)	(65,239)
Total adjustments	<u>(4,443)</u>	<u>5,501</u>	<u>274</u>	<u>1,332</u>
Net cash provided by (used for) operating activities	<u>\$ (217,339)</u>	<u>\$ 107,047</u>	<u>\$ (2,660)</u>	<u>\$ (112,952)</u>

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

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	<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	\$ 62,502	\$ 27,887	\$ 270,797	\$ 1,613,056
Interfund receivable				12
Total assets	<u>62,502</u>	<u>27,887</u>	<u>270,797</u>	<u>1,613,068</u>
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ 3,533	\$ -
Payroll deductions and withholdings				345,417
Due to Cinnaminson Education Assoc.				464
Due to employees				897,957
Interfund payable		12,582		10,673
Due to student groups				358,557
Total liabilities		<u>12,582</u>	<u>3,533</u>	<u>\$ 1,613,068</u>
NET POSITION:				
Reserved for private purpose trusts	<u>\$ 62,502</u>			
Held in trust for unemployment claims			<u>\$ 267,264</u>	
Held in trust for flexible benefit expenditures		<u>\$ 15,305</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 Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2015

	Private Purpose Trust Funds		Flexible Benefit Trust	Unemployment Compensation Insurance Trust
	Scholarship Fund	Organ Repair Fund		
ADDITIONS:				
Donations	\$ 11,895	\$ -	\$ -	\$ -
Board contribution				25,000
Employee withholdings			82,989	41,654
Total Contributions	<u>11,895</u>		<u>82,989</u>	<u>66,654</u>
Investment earnings:				
Interest	26	7	14	236
Net investment earnings	<u>26</u>	<u>7</u>	<u>14</u>	<u>236</u>
Total additions	<u>11,921</u>	<u>7</u>	<u>83,003</u>	<u>66,890</u>
DEDUCTIONS:				
Unemployment claims				9,486
Flexible Benefit payments			82,775	
Scholarships awarded	14,300			
Total deductions	<u>14,300</u>		<u>82,775</u>	<u>9,486</u>
Change in net position	(2,379)	7	228	57,404
Net position - July 1	<u>50,831</u>	<u>14,043</u>	<u>15,077</u>	<u>209,860</u>
Net position - June 30	<u>\$ 48,452</u>	<u>\$ 14,050</u>	<u>\$ 15,305</u>	<u>\$ 267,264</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, 2015**

1. DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

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, 2015 of 2,413 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.

Component Units – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. 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 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 position 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 position 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 position 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, 2015**

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.

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.

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.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds (Continued)

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 position) is segregated into investment in capital assets, net of related debt, and unrestricted, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

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 position and changes in net position. 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 four fiduciary funds; an unemployment compensation trust 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 position.

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 position. The statement of changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net position. 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

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 unearned 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.

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 unearned 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.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, and all eligibility and time requirements satisfied are reflected on the balance sheet as unearned grant revenue at fiscal year end.

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents, 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, 2015 and 2014 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2015.

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

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

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 position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

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 position 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 and the proprietary fund statement of net position.

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.

Bond Discount and Bond Premium – Bond discount and bond premium arising from the issuance of the general obligation bonds are recorded as liabilities. They are amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. Bond discount and bond premium are presented as an adjustment of the face amount of the bonds.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued) - 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

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

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, 2015, the amounts earned by these employees were disbursed to the employees' own individual accounts.

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.

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

Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or law or regulations of other governments.

Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 position is 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, 2015.

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.

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, program fees for the community education and recreation fund, and fees for the shared services fund. 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.

Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfunds – Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed.

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.

Recently Issued Accounting Pronouncements – In February 2015, the GASB issued Statement 72, Fair Value Measurement and Application. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. This Statement is effective for financial statements for periods beginning after June 15, 2015 and will not have any effect on the District's financial reporting.

In June 2015, the GASB issued Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The requirements of this Statement will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities. This Statement is effective for financial statements for periods beginning after June 15, 2016 and will not have any effect on the District's financial reporting.

In June 2015, the GASB issued Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are *not* administered through trusts that meet the specified criteria. This Statement is effective for financial statements for periods beginning after June 15, 2016. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In June, 2015, the GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement is effective for financial statements for periods beginning after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued) - In June 2016, the GASB issued Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements in this Statement improve financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature. As a result, governments will apply financial reporting guidance with less variation, which will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement is effective for financial statements for periods beginning after June 15, 2015 and will not have any effect on the District's financial reporting.

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 might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41et 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 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. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District's amount on deposit of \$48,408,689 as of June 30, 2015, \$750,000 was insured under FDIC and the remaining balance of \$47,658,689 was collateralized under GUDPA.

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.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

3. CAPITAL RESERVE ACCOUNT (Continued)

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Balance – July 1, 2014		\$ 855,544
Increased by:		
Interest earned	995	
Board resolution	500,000	
Return of unspent funds	<u>23,195</u>	<u>524,190</u>
		1,379,734
Decreased by:		
Budget withdrawal	140,000	
Transfer to Debt Service	<u>6,200</u>	<u>146,200</u>
Balance – June 30, 2015		<u>\$ 1,233,534</u>

The June 30, 2015 capital reserve balance does not exceed the LRFPP 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 LRFPP.

4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2015 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	Capital Projects Fund	Proprietary Funds	Total
State Aid	\$ 459,460	\$ -	\$ -	\$ 391	\$ 459,851
Federal Aid		117,616		10,521	128,137
Transportation Fees	70,196				70,196
Tuition Fees	36,800				36,800
Other	<u>4</u>	<u>200</u>	<u>132,060</u>	<u>16,833</u>	<u>149,097</u>
Total Accounts Receivable	<u>\$ 566,460</u>	<u>\$ 117,816</u>	<u>\$ 132,060</u>	<u>\$ 27,745</u>	<u>\$ 844,081</u>

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2015</u>
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 4,252,300	\$ -	\$ -	\$ 4,252,300
Construction in progress		4,215,073		4,215,073
Total capital assets, not being Depreciated	<u>4,252,300</u>	<u>4,215,073</u>		<u>8,467,373</u>
<i>Capital Assets, being depreciated:</i>				
Building and Building Improvements	26,724,437	190,303		26,914,740
Equipment	7,014,584	511,917		7,526,501
Totals at historical cost	<u>33,739,021</u>	<u>702,220</u>		<u>34,441,241</u>
<i>Less Accumulated Depreciation:</i>				
Building and Building Improvements	(19,794,217)	(524,702)		(20,318,919)
Equipment	(5,319,087)	(409,365)		(5,728,452)
Totals accumulated depreciation	<u>(25,113,304)</u>	<u>(934,067)</u>		<u>(26,047,371)</u>
Total Capital Assets, being depreciated, net	<u>8,625,717</u>	<u>(231,847)</u>		<u>8,393,870</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,878,017</u>	<u>\$ 3,983,226</u>	<u>\$ -</u>	<u>\$ 16,861,243</u>
Business-Type Activities:				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$ 479,013	\$ 6,993	\$ -	\$ 486,006
Less accumulated depreciation	<u>(419,195)</u>	<u>(9,532)</u>		<u>(428,727)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 59,818</u>	<u>\$ (2,539)</u>	<u>\$ -</u>	<u>\$ 57,279</u>

Depreciation expense in the amount of \$934,067 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Instruction	\$ 653,847
Plant Operations and Maintenance	93,407
Transportation	140,110
Unallocated	<u>46,703</u>
Total	<u>\$ 934,067</u>

6. INVENTORY

Inventory in the Proprietary Funds at June 30, 2015 consisted of the following:

	<u>Food Service</u>	<u>School Store</u>
Food	\$ 9,718	\$ -
Supplies	<u>6,749</u>	<u>7,782</u>
	<u>\$ 16,467</u>	<u>\$ 7,782</u>

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2015, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2015</u>	<u>Amounts Due Within One Year</u>
School Bonds	\$ 4,065,000	\$ 40,048,000	\$ 1,200,000	\$ 42,913,000	\$ 735,000
Unamortized Premium	188,140		41,049	147,091	41,049
Total School Bonds	<u>4,253,140</u>	<u>40,048,000</u>	<u>1,241,049</u>	<u>43,060,091</u>	<u>776,049</u>
Capital Leases Payable	661,772	320,000	292,654	689,118	257,844
Compensated Absences	<u>1,540,055</u>	<u>121,875</u>		<u>1,661,930</u>	
	<u>\$ 6,454,967</u>	<u>\$ 40,489,875</u>	<u>\$ 1,533,703</u>	<u>\$ 45,411,139</u>	<u>\$1,033,893</u>

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:

2014 Refunding Bonds dated February 4, 2014 in the amount of \$2,865,000 due in annual installments through August 1, 2018 bearing interest rates ranging from 1.00% - 4.00%.

2015 School Bonds dated December 18, 2014 in the amount of \$40,048,000 due in annual installments through August 1, 2039 bearing interest rates ranging from 3.00% - 3.50%.

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>
2016	\$ 735,000	\$ 1,492,258	\$ 2,227,258
2017	1,633,000	1,306,245	2,939,245
2018	1,685,000	1,256,475	2,941,475
2019	1,720,000	1,201,950	2,921,950
2020	1,550,000	1,149,450	2,699,450
2021-2025	8,590,000	5,000,850	13,590,850
2026-2030	9,000,000	3,667,500	12,667,500
2031-2035	9,000,000	2,289,375	11,289,375
2036-2040	<u>9,000,000</u>	<u>786,375</u>	<u>9,786,375</u>
	<u>\$ 42,913,000</u>	<u>\$ 18,150,478</u>	<u>\$ 61,063,478</u>

As of June 30, 2015 the District had no authorized but not issued bonds.

Compensated Absences

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

Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

7. LONG-TERM OBLIGATIONS (Continued)

Capital Leases

The District is leasing eleven school buses, one van, one tractor, one lawnmower, and two trucks totaling \$689,118 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>
2016	\$ 257,844	\$ 10,243	\$ 268,087
2017	211,028	6,000	217,028
2018	155,027	2,966	157,993
2019	<u>62,219</u>	<u>939</u>	<u>66,158</u>
	<u>\$ 689,118</u>	<u>\$ 20,148</u>	<u>\$ 709,266</u>

8. OPERATING LEASES

At June 30, 2015, 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, 2015, and 2014 were \$60,627 and \$115,646 respectively. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2016	\$ 58,858
June 30, 2017	49,995
June 30, 2018	<u>49,239</u>
Total future minimum lease payments	<u>\$ 158,092</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.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114, 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92 P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under current law to make temporary reductions in member 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 exist.

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.

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

For the year ended June 30, 2015, the District recognized pension expense of \$4,713,724 and revenue of \$4,713,724 for support provided by the State. Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	06/30/14	06/30/13
Collective deferred outflows of resources	\$ 2,306,623,861	\$ -
Collective deferred inflows of resources	1,763,205,593	-
Collective net pension liability (Non-Employer – State of New Jersey)	53,446,745,367	50,539,213,484
State's portion of the net pension liability that was associated with the district	87,600,397	84,891,717
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	.1639022100%	.1679719794%

Actuarial assumptions – The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Inflation: 2.5%
- Salary Increases: Varies based on experience
- Investment Rate of Return: 7.90%

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

9. PENSION PLANS (Continued)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	06.00%	0.50%
Core Fixed Income	00.00%	2.19%
Core Bonds	01.00%	1.38%
Short-Term Bonds	00.00%	1.00%
Intermediate Term Bonds	11.20%	2.60%
Long-Term Bonds	00.00%	3.23%
Mortgages	02.50%	2.84%
High Yield Bonds	05.50%	4.15%
Non US Fixed Income	00.00%	1.41%
Inflation Indexed Bonds	02.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	00.00%	5.62%
Mid Cap US Equities	00.00%	6.39%
Small Cap US Equities	00.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	06.50%	8.90%
Private Equity	08.25%	9.15%
Hedge Funds/Absolute Ret	12.25%	3.85%
Real Estate (Property)	03.20%	4.43%
Real Estate (REITS)	00.00%	5.58%
Commodities	02.50%	3.60%
Long Credit Bonds	00.00%	3.74%

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

9. PENSION PLANS (Continued)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Discount rate. The discount rate used to measure the State's total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. Since the District has no proportionate share of the net pension liability, because of the special funding situation, the district would not be sensitive to any changes in the discount rate.

Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

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.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, 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. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012 and increases each subsequent July 1. 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 exist.

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>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>
2015	\$ 97,669	\$ 451,795	\$ 37,215	\$ 586,679		\$ 586,679
2014	93,549	411,300	8,586	513,435		513,435
2013	143,105	342,168	28,882	514,155		514,155

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

9. PENSION PLANS (Continued)

Public Employees Retirement System (PERS)

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

For the year ended June 30, 2015, the District recognized pension expense of \$774,765. At June 30, 2015, the District reported a liability of \$13,324,148 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	418,983	
Net difference between projected and actual earnings on pension plan investments		794,047
Changes in proportion and differences between District contributions and proportionate share of contributions	488,162	
District contributions subsequent to the measurement Date	586,679	
Total	\$ 1,493,824	\$ 794,047

\$586,679 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Outflow of Resources:
2016	\$ 17,562
2017	17,562
2018	17,562
2019	17,562
2020	17,562
2021	17,562
2022	7,726
Total	\$ 113,098

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

9. PENSION PLANS (Continued)

Public Employees Retirement System (PERS)

Additional Information

Collective balances at June 30, 2014 and 2013 are as follows:

	6/30/2014	6/30/2013
Collective deferred outflows of resources	\$ 952,194,675	\$ (1)
Collective deferred inflows of resources	\$ 1,479,224,662	\$ (1)
Collective net pension liability	\$ 18,722,735,003	\$ 19,111,986,911
District's Proportion	.0711656070%	.0681418604%

(1) – Information not available.

Actuarial assumptions – The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate: 3.01%
Salary Increases:
 2012-2021: 2.15-4.40% based on age
 Thereafter: 3.15-5.40% based on age
Investment Rate of Return: 7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	06.00%	00.80%
Core Bonds	01.00%	02.49%
Intermediate Term Bonds	11.20%	02.26%
Mortgages	02.50%	02.17%
High Yield Bonds	05.50%	04.82%
Inflation Indexed Bonds	02.50%	03.51%
Broad US Equities	25.90%	08.22%
Developed Foreign Equities	12.70%	08.12%
Emerging Market Equities	06.50%	09.91%
Private Equity	08.25%	13.02%
Hedge Funds/Absolute Ret	12.25%	04.92%
Real Estate (Property)	03.20%	05.80%
Commodities	02.50%	05.35%

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

9. PENSION PLANS (Continued)

Public Employees Retirement System (PERS)

Discount rate. The discount rate used to measure the State's total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability measured as of June 30, 2014, calculated using the discount rate of 5/39%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.39%) or 1 percentage point higher (6.39%) than the current rate:

	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the net pension liability	\$ 16,762,232	\$ 13,324,148	\$ 10,437,033

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

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. In addition to the employee contributions, the School District's contribution amounts 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>
2015	\$ 4,065	\$ 4,065
2014	1,763	1,793
2013	638	638

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

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, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf.

The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

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, 2015 was \$1,452,238 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, 2015, the School District has recognized as revenues and expenditures \$914,795 of on-behalf payments made by the State of New Jersey for normal retirement costs related to TPAF and \$1,236,441 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.

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.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

12. RISK MANAGEMENT (Continued)

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, Suite B-40 West Windsor, New Jersey, 08550.

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>
2014-2015	\$ 25,000	\$ 41,654	\$ 236	\$ 9,486	\$ 267,264
2013-2014	25,000	39,252	211	58,934	209,860
2012-2013	50,000	37,200	470	30,025	204,331
2011-2012	50,000	35,751	1,836	96,648	146,686
2010-2011	100,000	36,655	2,619	177,329	155,747

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 accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with 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, 2015, the liability for compensated absences in the governmental activities was \$1,661,930.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

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, 2015. The following interfund balances were recorded on the various balance sheets as of June 30, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 123,870	\$ 4,210
Special Revenue		58,079
Debt Service	63,217	
Capital Projects		101,555
Fiduciary	12	23,255
	<u>\$ 187,099</u>	<u>\$ 187,099</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, 2015, 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, unearned 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>
2014-2015	\$ 14	\$ 82,989	\$ 82,775	\$ 15,305
2013-2014	11	87,054	81,252	15,077
2012-2013	37	87,704	95,334	9,264

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

18. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2015, a deficit of \$14,988,324 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 as follows:

Balances June 30, 2015	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds):	
Fund Balance – Unassigned	\$ (12,950)
Add – Unamortized Bond Issuance Costs	
Liabilities:	
Accrued Interest Payable	(689,073)
Net Pension Differences	(12,624,371)
Compensated Absences	<u>(1,661,930)</u>
Unrestricted Net Position (Deficit)	<u>\$ (14,988,324)</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, 2015, the balance in the capital reserve account is \$1,233,534 which is restricted for future capital outlay expenditures for capital projects in the School District’s approved Long Range Facilities Plan. Of this amount \$500,000 has been designated for use in the 2015-2016 budget.

Restricted Items

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, 2015 is \$1,992,060. Additionally, \$1,467,318 of excess fund balance generated during the 2013-2014 fiscal year has been restricted and designated for utilization in the 2015-2016 budget.

Maintenance Reserve Account – As of June 30, 2015, the balance in the maintenance reserve account is \$1,122,255. 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 \$270,000 has been designated for use in the 2015-2016 budget.

Emergency Reserve – As of June 30, 2015, 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, 2015**

19. FUND BALANCES (Continued)

Assigned:

General Fund:

Year-end Encumbrances – At June 30, 2015 a total of \$84,291 in the General Fund and \$34,671,640 in the Capital Projects 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 appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2016, \$331,635 of general fund balance.

ARRA/SEMI - Designated for Subsequent Year's Expenditures – The School District has \$7,493 at June 30, 2015 of general fund balance which is ARRA/SEMI revenue designated for use in subsequent years' budgets.

Debt Service Fund:

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2016, \$63,213 of debt service fund balance.

Unassigned:

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund – As of June 30, 2015, (\$12,950) of the general fund balance was unassigned.

Capital Projects Fund – As of June 30, 2015, \$1,250,811 of the capital projects fund balance was unassigned.

Debt Service Fund – As of June 30, 2015, \$12 of debt service fund balance was unassigned.

20. RESTATEMENT OF BEGINNING BALANCES

Net position on the government-wide Statement of Activities as of July 1, 2014, has been restated for implementation of GASB-68.

The government-wide and fund financial statements were restated as follows:

	Government -wide Statements
	Governmental Activities
Net Position as of June 30, 2014, as previously reported	\$ 12,128,887
Prior Period Adjustment - Implementation GASB 68:	-
Net Pension Liability	(13,023,263)
Deferred Outflows - District's Contribution made during fiscal year 2014	513,435
Net Position as Restated, July 1, 2014	\$ (380,941)

Required Supplementary Information - Part II

Budgetary Comparison Schedules

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 30,251,332	\$ -	\$ 30,251,332	\$ 30,251,332	\$ -
Tuition from Individuals				62,743	62,743
Tuition from other LEAs	50,000		50,000	103,531	53,531
Transportation fees from other LEAs	750,000		750,000	1,263,898	513,898
Capital reserve interest	100		100	995	895
Other restricted revenues	50,000		50,000	44,440	(5,560)
Unrestricted miscellaneous revenue	114,577		114,577	109,572	(5,005)
Total local sources	31,216,009		31,216,009	31,836,511	620,502
State sources:					
Extraordinary Aid	500,000		500,000	383,907	(116,093)
Categorical Special Education Aid	1,345,009		1,345,009	1,345,009	
Equalization Aid	7,388,894		7,388,894	7,388,894	
Security Aid	50,849		50,849	50,849	
Transportation Aid	164,548		164,548	164,548	
Additional Non-Public Transportation Aid				14,616	14,616
PARCC Readiness Grant	23,210		23,210	23,210	
Per Pupil Growth	23,210		23,210	23,210	
On-behalf TPAF Non Contr. Insurance (non-budgeted)				914,795	914,795
On-behalf TPAF Medical contributions (non-budgeted)				1,452,238	1,452,238
Reimbursed TPAF social security contributions (non-budgeted)				1,236,441	1,236,441
Total state sources	9,495,720		9,495,720	12,997,717	3,501,997
Federal sources:					
Medicaid reimbursement	2,500		2,500	32,993	30,493
Total federal sources	2,500		2,500	32,993	30,493
TOTAL REVENUES	40,714,229		40,714,229	44,867,221	4,152,992
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool	63,171		63,171	60,551	2,620
Kindergarten	288,570	13,646	302,216	300,285	1,931
Grades 1-5	3,625,818	52,566	3,678,384	3,669,147	9,237
Grades 6-8	2,960,235	56,715	3,016,950	2,994,682	22,268
Grades 9-12	3,731,283	(17,606)	3,713,677	3,702,272	11,405
Total Instruction	10,669,077	105,321	10,774,398	10,726,937	47,461
Regular Programs - Home Instruction:					
Salaries of teachers	35,000		35,000	34,569	431
Purchased professional - educ services	20,000		20,000	19,230	770
Total Home Instruction	55,000		55,000	53,799	1,201
Regular Programs - Undistributed Instruction:					
Purchased professional - educ services	13,000	1,475	14,475	8,301	6,174
Other purchased services	250,453	(6,443)	244,010	182,768	61,242
General supplies	580,764	35,683	616,447	579,541	36,906
Textbooks	125,000	4,970	129,970	129,869	101
Other objects	13,883		13,883	7,004	6,879
Total Undistributed Instruction	983,100	35,685	1,018,785	907,483	111,302
Total - Regular Programs - Instruction	11,707,177	141,006	11,848,183	11,688,219	159,964

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

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CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Educ Instruction: Learning/Lang.					
Salaries of teachers	\$ 391,224	\$ (158,759)	\$ 232,465	\$ 228,732	\$ 3,733
Other salaries for instruction	80,714	(55,241)	25,473	20,397	5,076
Textbooks	1,500	(1,500)			
General supplies	8,100		8,100	8,100	
Total Learning/Language Disabilities	481,538	(215,500)	266,038	257,229	8,809
Special Educ Instruction: Multiple Disabilities					
Salaries of teachers	136,582	57,000	193,582	180,448	13,134
Other salaries for instruction	72,267	2,656	74,923	54,922	20,001
General supplies	4,500		4,500	3,500	1,000
Total Multiple Disabilities	213,349	59,656	273,005	238,870	34,135
Special Educ Instruction: Res. Room/Res. Center					
Salaries of teachers	1,793,098	121,478	1,914,576	1,885,801	28,775
Other salaries for instruction	111,600	3,150	114,750	107,124	7,626
General supplies	20,700		20,700	20,700	
Textbooks	1,500	(577)	923	922	1
Total Resource Room/Resource Center	1,926,898	124,051	2,050,949	2,014,547	36,402
Special Educ Instruction: Preschool Disb - PT					
Salaries of teachers	69,629	31	69,660	69,659	1
Other salaries for instruction	32,203	(21,438)	10,765	5,830	4,935
General supplies	1,100		1,100	1,100	
Total Preschool Disabilities - Part-Time	102,932	(21,407)	81,525	76,589	4,936
Special Educ Instruction: Home Instruction					
Salaries of teachers	55,000	(39,112)	15,888	14,301	1,587
Purchased professional - educ services	40,000	13,500	53,500	49,921	3,579
General Supplies	500		500	500	500
Total Home Instruction	95,500	(25,612)	69,888	64,222	5,666
Total Special Education - Instruction	2,820,217	(78,812)	2,741,405	2,651,457	89,948
Basic Skills/Remedial - Instruction					
Salaries of teachers	1,422,203	(180,052)	1,242,151	1,216,964	25,187
Other salaries for instruction	276,477	(24,448)	252,029	234,098	17,931
General supplies	19,500		19,500	16,307	3,193
Total Basic Skills/Remedial - Instruction	1,718,180	(204,500)	1,513,680	1,467,369	46,311
Bilingual Education - Instruction					
Salaries of teachers	69,337	22,864	92,201	91,699	502
Purchased professional - educ services	1,500		1,500	646	854
Other purchased services	1,200		1,200	158	1,042
General supplies	800		800	800	
Total Bilingual Education - Instruction	72,837	22,864	95,701	93,303	2,398

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

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CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Cocurricular Act - Inst.					
Salaries	\$ 279,987	\$ 330	\$ 280,317	\$ 254,189	\$ 26,128
Purchased services	45,190	65	45,255	37,153	8,102
Supplies and materials	23,980	(5,395)	18,585	13,191	5,394
Other objects	772		772	531	241
Total School-Sponsored Cocurr. Act. - Inst.	<u>349,929</u>	<u>(5,000)</u>	<u>344,929</u>	<u>305,064</u>	<u>39,865</u>
School-Sponsored Athletics - Inst.					
Salaries	759,140		759,140	753,689	5,451
Purchased services	118,816	(12,694)	106,122	90,642	15,480
Supplies and materials	140,650	533	141,183	128,133	13,050
Other objects	34,605	(258)	34,347	32,368	1,979
Total School-Sponsored Athletics - Inst.	<u>1,053,211</u>	<u>(12,419)</u>	<u>1,040,792</u>	<u>1,004,832</u>	<u>35,960</u>
Other Instructional Programs - Instruction					
Salaries	26,550		26,550	21,266	5,284
Purchased prof ed services	2,500		2,500		2,500
Supplies and materials	950		950		950
Total Other Instructional Programs - Inst.	<u>30,000</u>		<u>30,000</u>	<u>21,266</u>	<u>8,734</u>
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - regular	36,624	86,000	122,624	92,424	30,200
Tuition to other LEAs within the state - special	436,285		436,285	409,681	26,604
Tuition county voc. school dist. - regular	34,331		34,331	28,089	6,242
Tuition county voc. school dist. - special	31,210	(3,121)	28,089	28,089	
Tuition to CSSD & reg. day schools	675,019		675,019	609,164	65,855
Tuition to priv. sch. for the disabled w/i state	1,987,840	(427,801)	1,560,039	1,306,351	253,688
Tuition to priv. sch. disabled & other LEAs - Spl, O/S		25,301	25,301	25,301	
Total Undistributed Expenditures - Instruction	<u>3,201,309</u>	<u>(319,621)</u>	<u>2,881,688</u>	<u>2,499,099</u>	<u>382,589</u>
Undistributed Expenditures - Attendance & Social Work					
Salaries	152,904	10,549	163,453	160,778	2,675
Other Purchased services	12,500		12,500	9,488	3,012
Total Undistributed Expenditures - Attendance & Soc.	<u>165,404</u>	<u>10,549</u>	<u>175,953</u>	<u>170,266</u>	<u>5,687</u>
Undistributed Expenditures - Health Services					
Salaries	384,711	42,000	426,711	419,982	6,729
Purchased Professional and Technical Services	17,000		17,000	17,000	
Other purchased services	10,205	131	10,336	7,054	3,282
Supplies and materials	34,696	500	35,196	34,316	880
Other objects	365	169	534	315	219
Total Undistributed Expenditures - Health Svcs.	<u>446,977</u>	<u>42,800</u>	<u>489,777</u>	<u>478,667</u>	<u>11,110</u>
Undist. Expend. - Speech, OT, PT & Rel. Serv.					
Salaries	245,849	(228)	245,621	245,539	82
Purchased professional - educ services	224,500	19,269	243,769	216,152	27,617
Supplies and materials	1,800	(300)	1,500	1,479	21
Total Undist. Expend. - OT, PT & Rel. Serv.	<u>472,149</u>	<u>18,741</u>	<u>490,890</u>	<u>463,170</u>	<u>27,720</u>

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

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CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Other Supp. Serv. Stud. - Extra					
Salaries	\$ 372,061	\$ 441,350	\$ 813,411	\$ 801,901	\$ 11,510
Purchased professional - educ services	769,637	(215,498)	554,139	166,970	387,169
Supplies and materials	3,500	2,000	5,500	4,773	727
Total Undst. Expend. - Other Supp. Serv. Stud. - Extra	1,145,198	227,852	1,373,050	973,644	399,406
Undist. Expend. - Guidance					
Salaries of other professional staff	497,339	66,027	563,366	557,458	5,908
Salaries of secretarial and clerical assistants	189,786		189,786	188,368	1,418
Travel		300	300		300
Rentals and Leases		2,700	2,700	2,163	537
Other purchased services	8,452	(3,000)	5,452	5,367	85
Supplies and materials	4,181		4,181	2,965	1,216
Other objects	3,369		3,369	2,999	370
Total Undst. Expend. - Guidance	703,127	66,027	769,154	759,320	9,834
Undist. Expend. - Child Study Team					
Salaries of other professional staff	699,062		699,062	690,429	8,633
Salaries of secretarial and clerical assistants	129,319		129,319	127,086	2,233
Other purchased prof. and tech. services	90,000	(2,676)	87,324	53,164	34,160
Travel		14,121	14,121	11,471	2,650
Rentals and Leases		5,454	5,454	4,279	1,175
Misc Purchased Services	22,035	(11,035)	11,000	7,530	3,470
Supplies and materials	38,857	14,932	53,789	52,045	1,744
Other objects	2,975		2,975	2,083	892
Total Undst. Expend. - Child Study Team	982,248	20,796	1,003,044	948,087	54,957
Undist. Expend. - Improvement of Instr. Services					
Salaries of supervisor of instruction	576,205	22,552	598,757	598,753	4
Salaries of secretarial and clerical assistants	70,796	1,000	71,796	69,827	1,969
Purchased professional - educ services		300	300	300	
Other purchased services	9,890	2,570	12,460	12,074	386
Supplies and materials	6,000	(2,300)	3,700	2,638	1,062
Other objects	3,000	(1,051)	1,949	1,949	
Total Undst. Expend. - Improvement of Instr. Services	665,891	23,071	688,962	685,541	3,421
Undist. Expend. - Educ. Media Serv./Sch. Library					
Salaries	251,468	(9,297)	242,171	238,478	3,693
Other purchased services	14,365	279	14,644	12,892	1,752
Supplies and materials	42,570		42,570	42,260	310
Total Undst. Expend. - Educ. Media Serv./Sch. Library	308,403	(9,018)	299,385	293,630	5,755
Undist. Expend. - Instructional Staff Training Services					
Salaries of supervisor of instruction	82,277	(1,000)	81,277	79,379	1,898
Salaries of secretarial and clerical assistance	25,740		25,740	20,340	5,400
Other purchased services	4,000	6,051	10,051	9,819	232
Total Undst. Expend. - Instructional Staff Training Services	112,017	5,051	117,068	109,538	7,530

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

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CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Supp. Serv. General Admin.					
Salaries	\$ 340,714	\$ 34,000	\$ 374,714	\$ 369,479	\$ 5,235
Legal services	55,000	28,023	83,023	73,021	10,002
Audit fees	27,800		27,800	27,800	
Other purchased professional services	3,500	1,000	4,500	4,309	191
Communications / telephone	121,612	4,318	125,930	100,093	25,837
BOE - Other purchased services	5,000		5,000	2,999	2,001
Other purchased services	116,500	4,034	120,534	108,521	12,013
General supplies	7,350		7,350	7,003	347
Miscellaneous expenditures	6,000		6,000	5,490	510
BOE Membership dues and fees	19,000		19,000	18,097	903
Total Undst. Expend. - Supp. Serv. General Admin.	702,476	71,375	773,851	716,812	57,039
Undist. Expend. - Supp. Serv. School Admin.					
Salaries of principals/assist. principals	776,358	3,720	780,078	779,092	986
Salaries of other professional staff	126,043	(496)	125,547	123,100	2,447
Salaries of secretarial and clerical assistants	517,387	13,126	530,513	528,822	1,691
Other purchased services	18,309	714	19,023	13,634	5,389
Supplies and materials	46,673	2,459	49,132	40,347	8,785
Other objects	13,145	(144)	13,001	11,307	1,694
Total Undst. Expend. - Supp. Serv. School Admin.	1,497,915	19,379	1,517,294	1,496,302	20,992
Undist. Expend. - Central Services					
Salaries	465,095	9,600	474,695	471,615	3,080
Purchased professional services	46,000	1,288	47,288	46,346	942
Miscellaneous purchased services	23,385	1,000	24,385	21,126	3,259
Supplies and materials	20,500	1,000	21,500	20,159	1,341
Miscellaneous expenditures	9,500		9,500	7,223	2,277
Total Undst. Expend. - Central services	564,480	12,888	577,368	566,469	10,899
Undist. Expend. - Admin. Info. Tech.					
Salaries	370,000	(69,600)	300,400	296,473	3,927
Purchased technical services		70,682	70,682	70,682	
Other purchased services	18,070	(2,080)	15,990	15,690	300
Supplies and materials	6,000	2,650	8,650	6,884	1,766
Total Undst. Expend. - Admin. Info. Tech.	394,070	1,652	395,722	389,729	5,993
Undist. Expend. - Required Maint. Sch. Facilities					
Salaries	237,580	20,300	257,880	257,879	1
Cleaning, repair, and maintenance services	303,000	(341)	302,659	229,461	73,198
General supplies	76,000	12,000	88,000	37,530	50,470
Total Undst. Expend. - Required Maint. Sch. Facilities	616,580	31,959	648,539	524,870	123,669
Undist. Expend. - Custodial Services					
Salaries	982,982	4,340	987,322	976,470	10,852
Purchased professional & tech. services	10,000		10,000	8,432	1,568
Workers Comp	61,600		61,600	61,600	
Cleaning, repair, and maintenance services	71,000	(12,616)	58,384	53,632	4,752
Other purchased property services	405,000	(12,384)	392,616	388,664	3,952
Insurance	220,000		220,000	220,000	
Miscellaneous purchased services	47,000		47,000	44,641	2,359
General supplies	150,500	21,344	171,844	165,168	6,676
Energy (electricity)	680,000	(13,000)	667,000	514,544	152,456
Other objects	3,500	1,000	4,500	4,427	73
Salaries of Non-Instructional Aides	85,001	3,000	88,001	85,697	2,304
Energy (natural gas)	320,000	(7,000)	313,000	195,928	117,072
Total Undst. Expend. - Other oper. & Maint. of Plant	3,036,583	(15,316)	3,021,267	2,719,203	302,064

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

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CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	\$ 119,676	\$ 5,460	\$ 125,136	\$ 125,135	\$ 1
Total Undst. Expend. - Care & Upkeep of Grounds	119,676	5,460	125,136	125,135	1
Undist. Expend. - Security					
Purchased professional and technical services	91,000		91,000	90,780	220
Cleaning, Repair, and Maintenance services	9,700		9,700		9,700
General supplies	10,000	3,300	13,300	7,831	5,469
Total Undst. Expend. - Security	110,700	3,300	114,000	98,611	15,389
Total Undst. Expend. - Oper. & Maint. of Plant Services	3,883,539	25,403	3,908,942	3,467,819	441,123
Undist. Expend. - Student Transportation Services					
Salaries of non-instructional aides	290,000	6,322	296,322	270,249	26,073
Salaries for pupil trans. (bet home & sch) - reg.	705,000	(1,612)	703,388	664,117	39,271
Salaries for pupil trans. (bet home & sch) - spec ed.	535,000		535,000	495,711	39,289
Salaries for pupil trans. (other than bet home & sch)	141,621	(4,710)	136,911	123,209	13,702
Salaries for pupil trans. (bet h&s) - nonpublic sch	60,000		60,000	60,000	
Purchased professional and technical services	4,500		4,500	1,370	3,130
Cleaning, repair, and maintenance services	45,000	(19,300)	25,700	14,118	11,582
Lease purchase payments - school buses	280,100		280,100	280,093	7
Contr. serv. (bet. home & sch.) - vendors	93,500	22,000	115,500	112,274	3,226
Contr. serv. (other than bet. home & sch.) - vendors	5,250		5,250	1,375	3,875
Contr. serv. (bet home & sch) - joint agreements	15,000		15,000	3,481	11,519
Contr. serv. (sp ed stds) - vendors	25,000	(17,000)	8,000		8,000
Contr. serv. (sp ed stds) - joint agreements	40,000		40,000	8,425	31,575
Contr. serv. (sp ed stds) - ESCs & CTSA's	40,000		40,000	8,379	31,621
Contr. serv. - aid in lieu of payments	75,000	5,000	80,000	77,846	2,154
Miscellaneous purchased services - transportation	28,750		28,750	22,402	6,348
Transportation Supplies	543,000	19,300	562,300	414,894	147,406
Other objects	5,000		5,000	3,990	1,010
Total Undst. Expend. - Student Transportation Services	2,931,721	1,000	2,941,721	2,561,933	379,788
Student Transportation Services - Employee Benefits					
Social security contributions	136,000		136,000	117,420	18,580
Workmen's compensation	76,500	(600)	75,900	71,500	4,400
Health benefits	380,000	600	380,600	339,902	40,698
Total Student Transportation Services - Employee Ben.	592,500		592,500	528,822	63,678
Unallocated Benefits - Employee Benefits					
Social security contributions	515,000	20,000	535,000	522,895	12,105
Other retirement contributions - PERS	610,000	(11,280)	598,720	586,679	12,041
Unemployment compensation	25,000		25,000	25,000	
Workmen's compensation	181,000	(5,942)	175,058	175,058	
Health benefits	4,930,000	(124,765)	4,805,235	4,472,759	332,476
Tuition reimbursement	45,000	(5,000)	40,000	21,708	18,292
Other employee benefits	187,000	16,280	203,280	160,305	42,975
Total Unallocated Benefits - Employee Benefits	6,493,000	(110,707)	6,382,293	5,964,404	417,889

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, 2016

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
On-behalf TPAF Pension (non-budgeted)				\$ 914,795	\$ (914,795)
On-behalf TPAF Medical contributions (non-budgeted)				1,452,238	(1,452,238)
Reimbursed TPAF social security contributions (non-budgeted)				1,236,441	(1,236,441)
Total Undistributed Expenditures - TPAF				<u>3,603,474</u>	<u>(3,603,474)</u>
Total Undistributed Expenditures	<u>\$ 25,262,424</u>	<u>\$ 116,238</u>	<u>\$ 25,378,662</u>	<u>\$ 26,676,726</u>	<u>\$ (1,298,064)</u>
Total General Current Expense	<u>43,013,975</u>	<u>(20,623)</u>	<u>42,993,352</u>	<u>43,908,236</u>	<u>(914,884)</u>
CAPITAL OUTLAY:					
Equipment:					
Grades 1-5					
Grades 6-8					
Grades 9-12	117,525	17,346	134,871	134,867	4
School-sponsored and other instructional programs	6,000	3,277	9,277	2,500	6,777
Undist. expend. - admin info tech	13,575		13,575	13,575	
Undist. expend. - custodial services	11,000		11,000	7,420	3,580
Operation and maintenance of plant services					
Non-instructional equipment					
Total Equipment	<u>148,100</u>	<u>20,623</u>	<u>168,723</u>	<u>158,362</u>	<u>10,361</u>
Facilities acquisition and construction services:					
Legal Services					
Architectural/Engineering Services					
Other purchased professional and technical services					
Construction services	140,000		140,000	116,806	23,194
Lease Purchase Agreements - Principal					
Assessment for Debt Service on SDA Funding	534		534	534	
Total Facilities acquisition and construction services	<u>140,534</u>		<u>140,534</u>	<u>117,340</u>	<u>23,194</u>
Assets acquired under capital leases (non-budgeted):					
Equipment					
Transportation vehicles				320,000	(320,000)
Total Facilities Acquisition and Construction Services				<u>320,000</u>	<u>(320,000)</u>
Total Capital Outlay	<u>288,634</u>	<u>20,623</u>	<u>309,257</u>	<u>595,702</u>	<u>(286,445)</u>
Transfer of Funds to Charter Schools	13,000		13,000	21	12,979
Total Expenditures	<u>43,315,609</u>		<u>43,315,609</u>	<u>44,503,959</u>	<u>(1,188,350)</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures:	<u>(2,601,380)</u>		<u>(2,601,380)</u>	<u>363,262</u>	<u>2,964,642</u>
Other Financing Sources (Uses):					
Proceeds of Capital Lease				320,000	320,000
Capital Reserve Transfer to Debt Service Fund				(6,200)	(6,200)
Total Other Financing Sources				<u>313,800</u>	<u>313,800</u>

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, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	\$ (2,601,380)	\$ -	\$ (2,601,380)	\$ 677,062	\$ 3,278,442
Fund Balance, July 1	6,582,672		6,582,672	6,582,672	
Fund Balance, June 30	\$ 3,981,292	\$ -	\$ 3,981,292	\$ 7,259,734	\$ 3,278,442
Recapitulation of fund balance:					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Years Expenditures				\$ 1,467,318	
Reserve for Excess Surplus				1,992,060	
Maintenance Reserve				1,122,255	
Capital Reserve				1,233,534	
Emergency Reserve				194,922	
Committed Fund Balance:					
Year-end Encumbrances				84,291	
Assigned Fund Balance:					
Other Purposes				7,493	
Designated for Subsequent Year's Expenditures				331,635	
Unassigned Fund Balance				826,226	
				7,259,734	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(839,176)	
Fund balance per Governmental Funds (GAAP)				\$ 6,420,558	

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, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
REVENUES:					
Local sources	\$ 13,700	\$ 19,808	\$ 33,508	\$ 30,915	\$ (2,593)
State sources	101,500	131,645	233,145	201,904	(31,241)
Federal sources	642,260	229,195	871,455	776,177	(95,278)
Total revenues	<u>757,460</u>	<u>380,648</u>	<u>1,138,108</u>	<u>1,008,996</u>	<u>(129,112)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	151,700	(47,890)	103,810	102,110	1,700
Purchased professional - educ. services		150	150	150	
Purchased professional - tech. services					
Tuition	250,000	247,388	497,388	473,198	24,190
Other purchased services		1,589	1,589	1,589	
General supplies	25,525	36,331	61,856	47,747	14,109
Textbooks	15,220	7,837	23,057	22,400	657
Miscellaneous	13,700	19,808	33,508	30,915	2,593
Total instruction	<u>456,145</u>	<u>265,213</u>	<u>721,358</u>	<u>678,109</u>	<u>43,249</u>
Support services:					
Salaries - Support Staff		59,989	59,989	56,613	3,376
Other salaries					
Personal services - employee benefits	10,000	6,595	16,595	15,086	1,509
Purchased professional - educ. services					
Purchased professional and technical services	221,983	(99,765)	122,218	89,798	32,420
Other purchased services	69,332	140,616	209,948	169,390	40,558
Supplies and materials		8,000	8,000		8,000
Total support services	<u>301,315</u>	<u>115,435</u>	<u>416,750</u>	<u>330,887</u>	<u>85,863</u>
Facilities acquisition and construction services:					
Construction services					
Supplies and materials					
Instructional equipment					
Total facilities acq. and const. services					
Total expenditures	<u>757,460</u>	<u>380,648</u>	<u>1,138,108</u>	<u>1,008,996</u>	<u>129,112</u>
Total outflows	<u>757,460</u>	<u>380,648</u>	<u>1,138,108</u>	<u>1,008,996</u>	<u>129,112</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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	\$ 44,867,221	\$ 1,008,996
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	833,218	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(839,176)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 44,861,263</u>	<u>\$ 1,008,996</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 44,503,959	\$ 1,008,996
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.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 44,503,959</u>	<u>\$ 1,008,996</u>

Required Supplementary Information - Part III
Schedules Related to Accounting and Reporting
For Pensions (GASB 68)

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Fiscal Year

	June 30, <u>2015</u>
District's proportion of the net pension liability (asset)	0.0711656070%
District's proportionate share of the net pension liability (asset)	\$ 13,324,148
District's covered-employee payroll	\$ 5,027,300
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	265.04%
Plan fiduciary net position as a percentage of the total pension liability	42.74%

This schedule does not contain ten years of information as GASB 68 was implemented during this fiscal year ended June 30, 2015.

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Contributions
Public Employees Retirement System
Last Fiscal Year

	<u>June 30,</u> <u>2015</u>
Contractually required contribution	\$ 586,679
Contributions in relation to the contractually required contributions	<u>(586,679)</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered-employee payroll	\$ 5,027,300
Contributions as a percentage of covered-employee payroll	11.67%

This schedule does not contain ten years of information as
GASB 68 was implemented during this fiscal year
ended June 30, 2015.

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Fiscal Year

	June 30, 2015
District's proportion of the net pension liability (asset)	0.1639022100%
District's proportionate share of the net pension liability (asset)	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 87,600,397</u>
Total	<u><u>\$ 87,600,397</u></u>
District's covered-employee payroll	\$ 17,435,627
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%

This schedule does not contain ten years of information as GASB 68 was implemented during this fiscal year ended June 30, 2015.

Cinnaminson Township School District
Notes to Required Supplementary Information
Pension Schedules
For the Fiscal Year Ended June 30, 2015

1. Teacher's Pension and Annuity Fund (TPAF)

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

Changes of assumptions: Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

2. Public Employees' Retirement System (PERS)

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

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

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, 2015**

	Brought Forward (Exh. E-1B)	Brought Forward (Exh. E-1C)	Brought Forward (Exh. E-1D)	Total
REVENUES:				
State sources	\$ 141,058	\$ -	\$ 60,846	\$ 201,904
Federal sources		776,177		776,177
Local sources		1,571	29,344	30,915
Total Revenues	<u>141,058</u>	<u>777,748</u>	<u>90,190</u>	<u>1,008,996</u>
EXPENDITURES:				
Instruction:				
Salaries of teachers		102,110		102,110
Professional education services			150	150
Other purchased services	1,089		500	1,589
General supplies	11,287	35,750	710	47,747
Tuition		473,198		473,198
Textbooks			22,400	22,400
Miscellaneous		1,571	29,344	30,915
Total instruction	<u>12,376</u>	<u>612,629</u>	<u>53,104</u>	<u>678,109</u>
Support services:				
Salaries - Other Support Staff		56,613		56,613
Personal services-employee benefits		15,086		15,086
Purchased professional and technical services		52,712	37,086	89,798
Other purchased services	128,682	40,708		169,390
Total support services	<u>128,682</u>	<u>165,119</u>	<u>37,086</u>	<u>330,887</u>
Facilities acquisition and const. serv.:				
Construction services				
Instructional equipment				
Supplies and materials				
Total facilities acquisition and const. serv.				
Total Expenditures	<u>141,058</u>	<u>777,748</u>	<u>90,190</u>	<u>1,008,996</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2015

	Chapter 192	Chapter 193 - Handicapped Services				Carried Forward (Exh. E-1A)
	Auxiliary Services	Exam & Classification	Corrective Speech	Suppl. Instruction	Nonpublic Technology	
	Comp. Education					
REVENUES:						
State sources	\$ 62,348	\$ 23,421	\$ 24,473	\$ 18,440	\$ 12,376	\$ 141,058
Federal sources						
Local sources						
Total Revenues	62,348	23,421	24,473	18,440	12,376	141,058
EXPENDITURES:						
Instruction:						
Salaries of teachers						
Professional education services						
Other purchased services					1,089	1,089
General supplies					11,287	11,287
Tuition						
Textbooks						
Miscellaneous						
Total instruction					12,376	12,376
Support services:						
Salaries - Other Support Staff						
Personal services-employee benefits						
Purchased professional and technical services	62,348	23,421	24,473	18,440		128,682
Other purchased services						
Total support services	62,348	23,421	24,473	18,440		128,682
Facilities acquisition and const. serv.:						
Construction services						
Instructional equipment						
Non-instructional equipment						
Total facilities acquisition and const. serv.:						
Total Expenditures	62,348	23,421	24,473	18,440	12,376	141,058
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, 2015

	No Child Left Behind (N.C.L.B.)		IDFA - Part B		High School Home and School Grant	Carried Forward (Ex. E-1A)
	Title I Current Yr.	Title II - Part A Current Yr.	Basic Current Yr.	Preschool Current Yr.		
REVENUES:						
State sources	\$ -	\$ -	\$ -	\$ -		\$ -
Federal sources	117,925	56,435	568,742	33,075	-	776,177
Local sources					1,571	1,571
Total Revenues	117,925	56,435	568,742	33,075	1,571	777,748
EXPENDITURES:						
Instruction:						
Salaries of teachers	78,300	23,810				102,110
Professional education services						
Other purchased services						
General supplies	15,910	3,582	15,869	389		35,750
Tuition			473,198			473,198
Textbooks						
Miscellaneous					1,571	1,571
Total instruction	94,210	27,392	489,067	389	1,571	612,629
Support services:						
Salaries - Other Support Staff	5,353		20,897	30,363		56,613
Personal services-employee benefits	6,400	4,764	1,599	2,323		15,086
Purchased professional and technical services		1,200	51,512			52,712
Other purchased services	11,862	23,079	5,667			40,708
Total support services	23,715	29,043	79,675	32,686	-	165,119
Facilities acquisition and const. serv.:						
Construction services						
Instructional equipment						
Non-instructional equipment						
Total facilities acquisition and const. serv.:						
Total Expenditures	117,925	56,435	568,742	33,075	1,571	777,748
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, 2015

	Nonpublic Nursing	Nonpublic Textbook	NJ Wet Project	Cinnaminson Education Foundation Grant	Carried Forward (Ex. E-1A)
REVENUES:					
State sources	\$ 37,086	\$ 22,400	\$ 1,360	\$ -	\$ 60,846
Federal sources					
Local sources				29,344	29,344
Total Revenues	<u>37,086</u>	<u>22,400</u>	<u>1,360</u>	<u>29,344</u>	<u>90,190</u>
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			710		710
Tuition					
Textbooks		22,400			22,400
Miscellaneous				29,344	29,344
Total instruction		<u>22,400</u>	<u>1,360</u>	<u>29,344</u>	<u>53,104</u>
Support services:					
Personal services-employee benefits					
Purchased prof. and educational services					
Purchased professional and technical services	37,086				37,086
Other purchased services (400-500)					
Tuition					
Supplies and materials					
Miscellaneous					
Total support services	<u>37,086</u>				<u>37,086</u>
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	<u>37,086</u>	<u>22,400</u>	<u>1,360</u>	<u>29,344</u>	<u>90,190</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Projects Fund
Detail Statements

**CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year ended June 30, 2015**

Revenues and Other Financing Sources:

Proceeds of Serial Bonds	\$ 40,048,000
Interest earned on investments	59,019
Total revenues and other financing sources	40,107,019

Expenditures and Other Financing (Uses):

Purchased professional services	\$ 2,844,527
Construction services	1,281,022
Transfer to Debt Service Fund	59,019
Total expenditures and other financing (uses)	4,184,568

Excess (deficiency) or revenues over (under) expenditures	35,922,451
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Fund Balance - July 1, 2014	_____
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Fund Balance - June 30, 2015	\$ 35,922,451
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CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Construction and Various Improvements to the District's Facilities
From Inception and for the Fiscal Year ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
Bond proceeds		\$ 40,048,000	\$ 40,048,000	\$ 40,048,000
Total revenues		<u>40,048,000</u>	<u>40,048,000</u>	<u>40,048,000</u>
Expenditures and Other Financing Uses:				
Purchased professional services		\$ 2,844,527	\$ 2,844,527	\$ 2,844,527
Construction services		1,281,022	1,281,022	1,281,022
		<u>4,125,549</u>	<u>4,125,549</u>	<u>4,125,549</u>
Excess (deficiency) or revenues over (under) expenditures		<u>\$ 35,922,451</u>	<u>\$ 35,922,451</u>	<u>\$ 35,922,451</u>
Additional project information:				
Bond Authorization Date		09/30/14		
Bonds Authorized		\$ 40,048,000		
Bonds Issued		\$ 40,048,000		
Original Authorized Cost		\$ 40,048,000		
Additional Authorized Cost		\$ -		
Revised Authorized Cost		\$ 40,048,000		
Percentage Increase over Original Authorized Cost		0.00%		
Percentage Completion		10.00%		
Original target completion date		12/31/16		
Revised target completion date		12/31/16		

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
 Summary Statement of Project Expenditures
 Year Ended June 30, 2015

<u>Issue/Project Title</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Transfers</u>	<u>Balance</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Construction and Various Improvements to the District's Facilities	<u>\$ 40,048,000</u>	<u>\$ -</u>	<u>\$ 4,125,549</u>	<u>\$ -</u>	<u>\$ 35,922,451</u>
	<u>\$ 40,048,000</u>	<u>\$ -</u>	<u>\$ 4,125,549</u>	<u>\$ -</u>	<u>\$ 35,922,451</u>

Proprietary Funds

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Net Position
as of June 30, 2015

	Food Service Fund	School Age Child Care Program	School Store	Total
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 36,784	\$ 393,436	\$ 11,400	\$ 441,620
Accounts receivable:				
State	391			391
Federal	10,328			10,328
Milk	193			193
Other	16,724		109	16,833
Inventories	16,467		7,782	24,249
Total current assets	<u>80,887</u>	<u>393,436</u>	<u>19,291</u>	<u>493,614</u>
Fixed assets:				
Equipment	456,883	29,123		486,006
Less Accumulated depreciation	<u>(414,894)</u>	<u>(13,833)</u>		<u>(428,727)</u>
Total fixed assets	<u>41,989</u>	<u>15,290</u>		<u>57,279</u>
Total assets	<u>\$ 122,876</u>	<u>\$ 408,726</u>	<u>\$ 19,291</u>	<u>\$ 550,893</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 37,569	\$ -	\$ 1	\$ 37,570
Unearned revenue	7,839			7,839
Prepaid program fees		26,955		26,955
Total current liabilities	<u>45,408</u>	<u>26,955</u>	<u>1</u>	<u>72,364</u>
NET POSITION				
Net investment in capital assets	41,989	15,290		57,279
Unrestricted	<u>35,479</u>	<u>366,481</u>	<u>19,290</u>	<u>421,250</u>
Total net position	<u>\$ 77,468</u>	<u>\$ 381,771</u>	<u>\$ 19,290</u>	<u>\$ 478,529</u>

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
for the Fiscal Year ended June 30, 2015

	Food Service Fund	School Age Child Care Program	School Store	Total
OPERATING REVENUES:				
Local sources:				
Daily sales-reimbursable programs:				
School lunch program	\$ 274,198	\$ -	\$ -	\$ 274,198
Total-daily sales-reimbursable programs	274,198			274,198
Daily sales non-reimbursable programs:				
Adult and AlaCarte meals	171,341			171,341
Special functions	37,891			37,891
Sales			28,004	28,004
Program fees		406,655		406,655
Miscellaneous	108			108
Total operating revenue	<u>483,538</u>	<u>406,655</u>	<u>28,004</u>	<u>918,197</u>
OPERATING EXPENSES:				
Salaries	257,012	206,523		463,535
Employee benefits	66,551	50,273		116,824
Supplies and materials	24,693	3,236		27,929
Depreciation	8,076	1,456		9,532
Management fee	33,075			33,075
Direct expenses	3,639	2,122		5,761
Other purchased services	75			75
Cost of sales	282,820	7,080	30,938	320,838
Building usage		25,000		25,000
Other	20,493	9,419		29,912
Total operating expenses	<u>696,434</u>	<u>305,109</u>	<u>30,938</u>	<u>1,032,481</u>
Operating income (loss)	<u>(212,896)</u>	<u>101,546</u>	<u>(2,934)</u>	<u>(114,284)</u>
Non-operating revenues:				
State sources:				
State school lunch program	6,220			6,220
Federal sources:				
National school lunch program	163,872			163,872
Special milk program	2,472			2,472
U.S.D.A. commodities	44,600			44,600
Interest revenue	96	319	5	420
Total non-operating revenues	<u>217,260</u>	<u>319</u>	<u>5</u>	<u>217,584</u>
Change in net position	4,364	101,865	(2,929)	103,300
Net position - July 1	<u>73,104</u>	<u>279,906</u>	<u>22,219</u>	<u>375,229</u>
Net position - June 30	<u>\$ 77,468</u>	<u>\$ 381,771</u>	<u>\$ 19,290</u>	<u>\$ 478,529</u>

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
for the Fiscal Year ended June 30, 2015

	Food Service Fund	School Age Child Care Program	School Store	Total
Cash flows from operating activities:				
Cash receipts from customers	\$ 485,394	\$ 410,700	\$ 27,895	\$ 923,989
Cash payments to employees for services	(298,052)	(256,796)		(554,848)
Cash payments to suppliers for goods and services	(404,681)	(46,857)	(30,555)	(482,093)
Net cash used by operating activities	<u>(217,339)</u>	<u>107,047</u>	<u>(2,660)</u>	<u>(112,952)</u>
Cash flows from noncapital financing activities:				
Donations				
Cash received from state and federal reimbursements	170,089			170,089
Net cash provided by noncapital financing activities	<u>170,089</u>			<u>170,089</u>
Cash flows from capital financing activities:				
Purchases of fixed assets	(6,993)			(6,993)
Net cash used by capital financing activities	<u>(6,993)</u>			<u>(6,993)</u>
Cash flows from investing activities:				
Interest on investments	96	319	5	420
Net cash provided by investing activities	<u>96</u>	<u>319</u>	<u>5</u>	<u>420</u>
Net increase (decrease) in cash and cash equivalents	<u>(54,147)</u>	<u>107,366</u>	<u>(2,655)</u>	<u>50,564</u>
Cash and cash equivalents, July 1	<u>90,931</u>	<u>286,070</u>	<u>14,055</u>	<u>391,056</u>
Cash and cash equivalents, June 30	<u>\$ 36,784</u>	<u>\$ 393,436</u>	<u>\$ 11,400</u>	<u>\$ 441,620</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (212,896)	\$ 101,546	\$ (2,934)	\$ (114,284)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	8,075	1,456		9,531
Federal commodities	44,600			44,600
Change in assets and liabilities:				
(Increase)/decrease in accounts receivable	10,381		(109)	10,272
(Increase)/decrease in inventory	(3,348)		385	(2,963)
Increase/(decrease) in accounts payable	(65,237)		(2)	(65,239)
Increase/(decrease) in unearned revenue	1,086	4,045		5,131
Net cash used by operating activities	<u>\$ (217,339)</u>	<u>\$ 107,047</u>	<u>\$ (2,660)</u>	<u>\$ (112,952)</u>

Fiduciary Funds

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
 Combining Statement of Net Position
 June 30, 2015

	Agency Funds		Private Purpose Trust Funds		Trust Funds		Total
	Student Activity	Payroll	Scholarship Fund	Organ Repair Fund	Flexible Benefits Program	Unemployment Compensation Insurance Trust	
ASSETS							
Cash and cash equivalents	\$ 358,557	\$ 1,254,499	\$ 48,452	\$ 14,050	\$ 27,887	\$ 270,797	\$ 1,974,242
Other accounts receivable							
Interfund receivable		12					12
Total assets	\$ 358,557	\$ 1,254,511	\$ 48,452	\$ 14,050	\$ 27,887	\$ 270,797	\$ 1,974,254
LIABILITIES							
LIABILITIES:							
Accounts payable						3,533	3,533
Payroll deductions and withholdings		345,417					345,417
Due to Cinnaminson Education Assoc.		464					464
Due to employees		897,957					897,957
Interfund payable		10,673			12,582		23,255
Due to student groups	358,557						358,557
Total liabilities	358,557	1,254,511			12,582	3,533	1,629,183
NET POSITION							
Reserved for private purpose trusts			48,452	14,050			62,502
Reserved for unemployment claims						267,264	267,264
Reserved for flexible benefits					15,305		15,305
Total net position	\$ -	\$ -	\$ 48,452	\$ 14,050	\$ 15,305	\$ 267,264	\$ 345,071

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Changes in Fiduciary Net Position
for the Fiscal Year ended June 30, 2015

	Private Purpose Trust Fund		Trust Funds		Total
	Scholarship Fund	Organ Repair Fund	Flexible Benefits Program	Unemployment Compensation Insurance Trust Fund	
REVENUES:					
Local sources:					
Donations	\$ 11,895	\$ -	\$ -	\$ -	\$ 11,895
Board contribution				25,000	25,000
Employee withholdings			82,989	41,654	124,643
Interest on Investments	26	7	14	236	283
Total Revenues	<u>11,921</u>	<u>7</u>	<u>83,003</u>	<u>66,890</u>	<u>161,821</u>
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures:					
Unemployment claims				9,486	9,486
Flexible benefit payments			82,775		82,775
Organ Repair					
Scholarship payments	14,300				14,300
Total Expenditures	<u>14,300</u>		<u>82,775</u>	<u>9,486</u>	<u>106,561</u>
Excess (deficiency) of revenues over (under) expenditures)	(2,379)	7	228	57,404	55,260
Net Position July 1	<u>50,831</u>	<u>14,043</u>	<u>15,077</u>	<u>209,860</u>	<u>289,811</u>
Net Position June 30	<u>\$ 48,452</u>	<u>\$ 14,050</u>	<u>\$ 15,305</u>	<u>\$ 267,264</u>	<u>\$ 345,071</u>

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2015

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable June 30, 2015</u>	<u>Balance June 30, 2015</u>
JUNIOR/SENIOR HIGH SCHOOLS:					
Cinnaminson:					
Activities	\$ 234,325	\$ 579,196	\$ 540,685	\$ -	\$ 272,836
Athletic	<u>73,234</u>	<u>69,319</u>	<u>56,832</u>	<u>-</u>	<u>85,721</u>
Total	<u>\$ 307,559</u>	<u>\$ 648,515</u>	<u>\$ 597,517</u>	<u>\$ -</u>	<u>\$ 358,557</u>

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS:				
Cash and cash equivalents	\$ 1,189,888	\$ 35,346,197	\$ 35,281,586	\$ 1,254,499
Interfund receivable		12		12
Total assets	<u>\$ 1,189,888</u>	<u>\$ 35,346,209</u>	<u>\$ 35,281,586</u>	<u>\$ 1,254,511</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 307,282	\$ 17,943,085	\$ 17,904,950	\$ 345,417
Net payroll		16,226,053	16,226,053	
Due to employees	876,743	1,170,847	1,149,633	897,957
Due to Cinnaminson Education Assoc.	437	546	519	464
Interfund payable	5,426	5,678	431	10,673
Total liabilities	<u>\$ 1,189,888</u>	<u>\$ 35,346,209</u>	<u>\$ 35,281,586</u>	<u>\$ 1,254,511</u>

Long-Term Debt Schedules

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
 Statement of Serial Bonds
 June 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015
			Date	Amount					
Refunding Bonds	04/07/09	2,725,000				\$ 455,000	\$ -	\$ 455,000	\$ -
Refunding Bonds	02/04/14	3,610,000	8/1/15	\$ 735,000	3.00%	3,610,000		745,000	2,865,000
			8/1/16	730,000	3.00%				
			8/1/17	710,000	3.00%				
			8/1/18	690,000	4.00%				
Balance forward						\$ 4,065,000	\$ -	\$ 1,200,000	\$ 2,865,000

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
 Statement of Serial Bonds
 June 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015
			Date	Amount					
			Brought forward			\$ 4,065,000	\$ -	\$ 1,200,000	\$ 2,865,000
2014 School Bonds	12/18/14	\$ 40,048,000	8/1/16	\$ 903,000	3.000%		40,048,000		40,048,000
			8/1/17	975,000	3.000%				
			8/1/18	1,030,000	3.000%				
			8/1/19	1,550,000	3.000%				
			8/1/20	1,615,000	3.000%				
			8/1/21	1,675,000	3.000%				
			8/1/22	1,725,000	3.000%				
			8/1/23	1,775,000	3.000%				
			8/1/24	1,800,000	3.000%				
			8/1/25	1,800,000	3.000%				
			8/1/26	1,800,000	3.000%				
			8/1/27	1,800,000	3.000%				
			8/1/28	1,800,000	3.000%				
			8/1/29	1,800,000	3.000%				
			8/1/30	1,800,000	3.000%				
			8/1/31	1,800,000	3.125%				
			8/1/32	1,800,000	3.250%				
			8/1/33	1,800,000	3.250%				
			8/1/34	1,800,000	3.250%				
			8/1/35	1,800,000	3.375%				
			8/1/36	1,800,000	3.500%				
			8/1/37	1,800,000	3.500%				
			8/1/38	1,800,000	3.500%				
			8/1/39	1,800,000	3.500%				
						<u>\$ 4,065,000</u>	<u>\$40,048,000</u>	<u>\$ 1,200,000</u>	<u>\$ 42,913,000</u>

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Obligations Under Capital Leases
June 30, 2015

Series	Interest Rate Payable	Amount of Original Issue	Amount Outstanding July 1, 2014	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2015
2 School Buses and 1 Dump Truck	3.17%	\$ 167,280	\$ 35,945	\$ -	\$ 35,945	\$ -
2 School Buses and 1 Dump Truck	2.52%	240,000	98,387		48,582	49,805
3 Buses, 1 Lawnmower, and 1 Gator	1.78%	285,000	170,974		55,987	114,987
4 Buses, 1 Cargo Van	1.21%	446,000	356,466		87,511	268,955
3 Buses, 1 Four Wheel Drive Pickup	1.44%	320,000		320,000	64,629	255,371
			<u>\$ 661,772</u>	<u>\$ 320,000</u>	<u>\$ 292,654</u>	<u>\$ 689,118</u>

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 964,150	\$ -	\$ 964,150	\$ 964,150	\$ -
Miscellaneous				989	989
Total revenues - local sources	<u>964,150</u>		<u>964,150</u>	<u>965,139</u>	<u>989</u>
State sources:					
Debt service aid type II	331,649		331,649	331,649	
Total revenues - state sources	<u>331,649</u>		<u>331,649</u>	<u>331,649</u>	
Total Revenues	<u>1,295,799</u>		<u>1,295,799</u>	<u>1,296,788</u>	<u>989</u>
EXPENDITURES:					
Regular debt service:					
Interest	95,800	6,200	102,000	101,995	5
Redemption of principal	1,200,000		1,200,000	1,200,000	
Total Expenditures	<u>1,295,800</u>	<u>6,200</u>	<u>1,302,000</u>	<u>1,301,995</u>	<u>5</u>
Excess (Deficiency) of revenues over (under) expenditures	(1)	(6,200)	(6,201)	(5,207)	994
Other Financing Sources (Uses):					
Transfer from General Fund				6,200	6,200
Transfer from Capital Projects Fund				59,019	59,019
Total Other Financing Sources (Uses)				<u>65,219</u>	<u>65,219</u>
Excess (Deficiency) of revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1)	(6,200)	(6,201)	60,012	66,213
Fund Balances, July 1	<u>3,213</u>		<u>3,213</u>	<u>3,213</u>	
Fund Balances, June 30	<u>\$ 3,212</u>	<u>\$ (6,200)</u>	<u>\$ (2,988)</u>	<u>\$ 63,225</u>	<u>\$ 66,213</u>

Statistical Section

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

Exhibit J-1

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Net investment in capital assets	\$ 658,716	\$ 1,109,713	\$ 1,905,765	\$ 2,730,965	\$ 3,963,662	\$ 4,986,609	\$ 5,745,469	\$ 7,122,078	\$ 7,963,105	\$ (26,887,966)
Restricted for:										
Special Revenue										
Capital projects	32,163	40,947	113,733	114,822	315,135	510,142	581,025	743,241	855,544	37,155,985
Debt service	(239,431)	(234,750)	(206,088)	(143,866)	(115,838)	(112,672)	-	-	-	-
Other purposes	1,890,157	2,852,322	2,601,779	2,939,974	1,639,161	3,007,035	4,449,208	5,075,534	4,695,490	5,263,199
Unrestricted	(621,859)	(973,173)	(808,163)	(758,962)	(827,109)	(998,228)	(1,132,236)	(1,419,159)	(1,385,252)	(14,988,324)
Total governmental activities net position	<u>\$ 1,719,746</u>	<u>\$ 2,795,059</u>	<u>\$ 3,607,026</u>	<u>\$ 4,882,933</u>	<u>\$ 4,975,011</u>	<u>\$ 7,392,886</u>	<u>\$ 9,643,466</u>	<u>\$ 11,521,694</u>	<u>\$ 12,128,887</u>	<u>\$ 542,894</u>
Business-type activities:										
Net investment in capital assets	\$ 70,105	\$ 75,537	\$ 128,920	\$ 82,380	\$ 73,275	\$ 64,170	\$ 55,285	\$ 51,718	\$ 59,817	\$ 57,279
Unrestricted	275,089	204,684	92,869	97,912	100,276	101,296	234,570	238,233	315,412	421,250
Total business-type activities net position	<u>\$ 345,194</u>	<u>\$ 280,221</u>	<u>\$ 221,789</u>	<u>\$ 180,292</u>	<u>\$ 173,551</u>	<u>\$ 165,466</u>	<u>\$ 289,855</u>	<u>\$ 289,951</u>	<u>\$ 375,229</u>	<u>\$ 478,529</u>
District-wide:										
Net investment in capital assets	\$ 728,821	\$ 1,185,250	\$ 2,034,685	\$ 2,813,345	\$ 4,036,937	\$ 5,050,779	\$ 5,800,754	\$ 7,173,796	\$ 8,022,922	\$ (26,830,687)
Restricted:										
Special Revenue										
Capital projects	32,163	40,947	113,733	114,822	315,135	510,142	581,025	743,241	855,544	37,155,985
Debt service	(239,431)	(234,750)	(206,088)	(143,866)	(115,838)	(112,672)	-	-	-	-
Other purposes	1,890,157	2,852,322	2,601,779	2,939,974	1,639,161	3,007,035	4,449,208	5,075,534	4,695,490	5,263,199
Unrestricted	(346,770)	(768,489)	(715,294)	(661,050)	(726,833)	(896,932)	(897,666)	(1,180,926)	(1,069,840)	(14,567,074)
Total district net position	<u>\$ 2,064,940</u>	<u>\$ 3,075,280</u>	<u>\$ 3,828,815</u>	<u>\$ 5,063,225</u>	<u>\$ 5,148,562</u>	<u>\$ 7,558,352</u>	<u>\$ 9,933,321</u>	<u>\$ 11,811,645</u>	<u>\$ 12,504,116</u>	<u>\$ 1,021,423</u>

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

Exhibit J-2

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 8,439,738	\$ 11,468,390	\$ 11,630,460	\$ 11,607,549	\$ 11,656,571	\$ 11,064,621	\$ 11,210,740	\$ 11,352,752	\$ 12,159,632	\$ 12,652,594
Special education	2,116,818	2,775,407	2,679,369	2,974,615	3,003,294	2,968,563	2,725,307	3,159,224	2,826,077	3,140,913
Other instruction	1,900,416	2,218,640	2,476,863	2,738,823	2,702,239	2,821,195	2,925,373	2,909,802	2,913,515	2,891,834
Support Services:										
Tuition	2,204,333	2,586,590	2,568,556	3,080,967	2,935,790	2,782,561	2,863,718	3,003,117	3,321,908	2,499,099
Student & instruction related services	3,351,741	3,432,282	4,145,179	4,243,068	4,750,880	4,376,300	4,365,579	4,400,336	5,086,763	5,197,664
School administrative services	1,322,934	1,604,915	1,645,622	1,458,109	1,500,461	1,431,621	1,410,755	1,428,134	1,460,267	1,496,302
General and business administrative services	1,262,443	1,436,843	1,498,613	1,501,287	1,565,765	1,489,836	1,501,991	1,533,957	1,659,560	1,673,010
Plant operations and maintenance	2,635,451	2,985,385	2,754,206	2,604,075	3,091,532	2,682,572	3,137,268	2,909,064	3,172,548	3,031,481
Pupil transportation	1,777,213	1,801,481	1,910,558	1,906,611	2,068,803	2,218,903	2,306,343	2,407,476	2,806,684	2,702,043
Unallocated employee benefits	6,720,418	8,131,124	8,836,787	7,378,067	8,328,843	8,466,699	9,094,095	9,967,476	9,747,330	10,226,329
Special schools	16,687	18,349	21,507	22,942	25,599	460				21
Charter Schools						15,459	27,988	11,480		
Interest on long-term debt	587,065	551,091	484,536	395,548	323,547	282,809	243,579	198,110	138,902	744,238
Unallocated depreciation	98,267	74,774	77,293	75,901	87,983	69,316	69,021	41,414	53,443	46,703
Total governmental activities expenses	32,433,524	39,085,271	40,729,549	39,987,562	42,041,307	40,670,915	41,881,757	43,322,342	45,346,629	46,302,231
Business-type activities:										
Food service	622,458	676,104	748,401	671,924	654,289	623,309	574,047	637,598	666,236	696,434
School age child care program	330,662	316,503	321,452	341,590	329,504	301,250	250,227	255,008	296,114	305,109
Employment orientation program/School store	57,051	58,473	51,782	37,304	48,895	22,723	23,835	20,433	24,141	30,938
Total business-type activities expense	1,010,171	1,051,080	1,121,635	1,050,818	1,032,688	947,282	848,109	913,039	986,491	1,032,481
Total district expenses	\$ 33,443,695	\$ 40,136,351	\$ 41,851,184	\$ 41,038,380	\$ 43,073,995	\$ 41,618,197	\$ 42,729,866	\$ 44,235,381	\$ 46,333,120	\$ 47,334,712
Program Revenues:										
Governmental activities:										
Operating grants and contributions	4,071,041	5,212,946	5,166,028	3,761,287	4,128,834	3,850,827	4,085,218	4,837,817	4,334,604	4,944,119
Total governmental activities program revenues	4,071,041	5,212,946	5,166,028	3,761,287	4,128,834	3,850,827	4,085,218	4,837,817	4,334,604	4,944,119
Business-type activities:										
Charges for services:										
Food service	473,786	501,618	521,561	527,779	495,958	479,568	486,018	453,695	456,210	483,538
School age child care program	274,927	282,222	329,352	335,176	333,518	305,613	306,881	326,318	372,734	406,655
School store	51,012	56,742	60,792	35,394	35,345	20,974	25,845	22,931	26,841	28,004
Operating grants and contributions	133,277	116,308	130,018	136,801	159,302	131,147	151,826	187,085	197,505	217,164
Capital grants and contributions										
Total business type activities program revenues	933,002	956,890	1,041,723	1,035,150	1,024,123	937,302	970,570	990,029	1,053,290	1,135,361
Total district program revenues	\$ 5,004,043	\$ 6,169,836	\$ 6,207,751	\$ 4,796,437	\$ 5,152,957	\$ 4,788,129	\$ 5,055,788	\$ 5,827,846	\$ 5,387,894	\$ 6,079,480
Net (Expense)/Revenue:										
Governmental activities	\$ (28,362,483)	\$ (33,872,325)	\$ (35,563,521)	\$ (36,226,275)	\$ (37,912,473)	\$ (36,820,088)	\$ (37,796,539)	\$ (38,484,525)	\$ (41,012,025)	\$ (41,358,112)
Business-type activities	(77,169)	(94,190)	(79,912)	(15,668)	(8,565)	(9,980)	122,461	76,990	66,799	102,880
Total district-wide net expense	\$ (28,439,652)	\$ (33,966,515)	\$ (35,643,433)	\$ (36,241,943)	\$ (37,921,038)	\$ (36,830,068)	\$ (37,674,078)	\$ (38,407,535)	\$ (40,945,226)	\$ (41,255,232)

(Continued)

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

Exhibit J-2

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 21,907,043	\$ 23,924,030	\$ 25,112,486	\$ 25,470,077	\$ 26,735,855	\$ 28,233,854	\$ 28,462,848	\$ 28,836,344	\$ 29,413,071	\$ 30,251,332
Taxes levied for debt service	1,273,421	1,300,569	1,333,387	1,330,560	1,311,807	1,345,156	1,292,152	1,269,753	1,079,150	964,150
Unrestricted grants and contributions	8,849,731	8,863,694	9,150,859	9,860,671	9,042,887	8,788,322	9,252,210	9,315,425	9,563,014	9,421,278
State aid restricted for capital projects	-	-	-	-	-	-	-	-	-	-
Tuition revenue	206,194	171,961	61,264	61,629	115,415	92,044	94,682	105,182	176,702	166,274
Transportation revenue	342,358	376,193	486,650	542,656	561,603	563,503	744,284	772,982	1,185,061	1,263,898
Miscellaneous revenue	252,319	311,191	230,842	236,589	236,984	215,074	200,943	152,168	202,220	215,015
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>32,831,066</u>	<u>34,947,638</u>	<u>36,375,488</u>	<u>37,502,182</u>	<u>38,004,551</u>	<u>39,237,953</u>	<u>40,047,119</u>	<u>40,451,854</u>	<u>41,619,218</u>	<u>42,281,947</u>
Business-type activities:										
Miscellaneous income	15,740	29,217	21,480	2,170	1,824	1,895	1,928	544	275	420
Contributed capital	-	-	-	29,123	-	-	-	-	18,204	-
Retirement of Fixed Assets	-	-	-	(57,122)	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>15,740</u>	<u>29,217</u>	<u>21,480</u>	<u>(25,829)</u>	<u>1,824</u>	<u>1,895</u>	<u>1,928</u>	<u>544</u>	<u>18,479</u>	<u>420</u>
Total district-wide	<u>\$ 32,846,806</u>	<u>\$ 34,976,855</u>	<u>\$ 36,396,968</u>	<u>\$ 37,476,353</u>	<u>\$ 38,006,375</u>	<u>\$ 39,239,848</u>	<u>\$ 40,049,047</u>	<u>\$ 40,452,398</u>	<u>\$ 41,637,697</u>	<u>\$ 42,282,367</u>
Change in Net Position:										
Governmental activities	\$ 4,468,583	\$ 1,075,313	\$ 811,967	\$ 1,275,907	\$ 92,078	\$ 2,417,865	\$ 2,250,580	\$ 1,967,329	\$ 607,193	\$ 923,835
Business-type activities	(61,429)	(64,973)	(58,432)	(41,497)	(6,741)	(8,085)	124,389	77,534	85,278	103,300
Total district-wide	<u>\$ 4,407,154</u>	<u>\$ 1,010,340</u>	<u>\$ 753,535</u>	<u>\$ 1,234,410</u>	<u>\$ 85,337</u>	<u>\$ 2,409,780</u>	<u>\$ 2,374,969</u>	<u>\$ 2,044,863</u>	<u>\$ 692,471</u>	<u>\$ 1,027,135</u>

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

Exhibit J-3

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Reserved for:										
Encumbrances	\$ 379,368	\$ 301,165	\$ 117,006	\$ 92,341	\$ 61,796	\$ 279,781	\$ 18,135	\$ 76,090	\$ 76,357	\$ 84,291
Legally restricted	7,988	-	-	-	-	-	-	-	-	-
Capital reserve	5,740	12,599	113,733	114,822	315,135	510,142	581,025	743,241	855,544	1,233,534
Maintenance reserve					100,000	250,000	501,569	603,390	818,557	1,122,255
Emergency reserve					300,000	194,922	194,922	194,922	194,922	194,922
Other purposes										7,493
Excess surplus	912,303	1,465,776	868,681	1,247,633	109,575	1,282,332	2,248,582	1,952,549	1,467,318	1,992,060
Excess surplus - designated for subsequent year's expenditures	519,049	912,303	1,465,776	874,057	794,709	109,575	1,282,332	2,248,582	1,952,549	1,467,318
Unreserved										
Undesignated	343,120	396,133	478,831	725,943	273,081	196,346	203,658	-	201,633	(12,950)
Designated for subsequent year's expenditures	71,449	173,078	150,316	315,226	455,409	890,425	113,291	74,241	182,574	331,635
Total general fund	<u>\$ 2,239,017</u>	<u>\$ 3,261,054</u>	<u>\$ 3,194,343</u>	<u>\$ 3,370,022</u>	<u>\$ 2,409,705</u>	<u>\$ 3,713,523</u>	<u>\$ 5,143,524</u>	<u>\$ 5,893,015</u>	<u>\$ 5,749,454</u>	<u>\$ 6,420,558</u>
All Other Governmental Funds										
Reserved:										
Encumbrances										\$ 34,671,640
Unreserved, reported in:										
Special revenue fund										1,250,811
Capital projects fund	\$ 26,423	\$ 28,348	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	63,225
Debt service fund	10,034	1,708	1,631	1,140	20,179	5,879	-	1	3,213	-
Total all other governmental funds	<u>\$ 36,457</u>	<u>\$ 30,056</u>	<u>\$ 1,631</u>	<u>\$ 1,140</u>	<u>\$ 20,179</u>	<u>\$ 5,879</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 3,213</u>	<u>\$ 35,985,676</u>

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

Exhibit J-4

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax levy	\$ 23,180,464	\$ 25,224,599	\$ 26,445,873	\$ 26,800,637	\$ 28,047,662	\$ 29,579,010	\$ 29,755,000	\$ 30,106,097	\$ 30,492,221	\$ 31,215,482
Tuition charges	206,194	171,961	61,264	61,629	115,415	92,044	94,682	105,182	176,702	166,274
Transportation charges	342,358	376,193	486,650	542,656	561,603	563,503	744,284	772,982	1,185,061	1,263,898
Interest earnings	225	233,889	146,009	67,787	56,842	58,601	60,976	23,729	7,777	995
Miscellaneous	280,414	102,427	100,074	190,590	211,923	187,839	165,041	170,972	212,199	244,935
State sources	12,114,956	13,251,661	13,596,709	12,891,144	10,685,343	11,515,277	12,414,759	13,343,349	13,126,777	13,525,312
Federal sources	777,496	799,854	704,937	709,026	2,454,597	1,092,516	897,595	767,360	753,085	809,170
Total revenue	36,902,107	40,160,584	41,541,516	41,263,469	42,133,385	43,088,790	44,132,337	45,289,671	45,953,822	47,226,066
Expenditures										
Instruction										
Regular Instruction	10,291,097	10,484,061	10,870,632	10,803,638	11,116,491	10,310,362	10,497,646	10,951,301	11,422,501	11,876,872
Special education instruction	2,303,565	2,775,407	2,679,369	2,974,615	3,010,571	2,968,563	2,725,307	3,159,224	2,826,077	3,140,913
Other instruction	2,087,163	2,218,640	2,476,863	2,738,823	2,702,239	2,821,195	2,925,373	2,909,802	2,913,515	2,891,834
Support Services:										
Tuition	2,204,333	2,586,590	2,568,556	3,080,967	2,935,790	2,782,561	2,863,718	3,003,117	3,321,908	2,499,099
Student & instruction related services	3,538,488	3,432,282	4,145,179	4,243,068	4,743,603	4,376,300	4,365,579	4,400,336	5,086,763	5,197,664
School administrative services	1,509,681	1,604,915	1,645,622	1,458,109	1,500,461	1,431,621	1,410,755	1,428,134	1,460,267	1,496,302
General and business admin. services	1,449,190	1,436,843	1,498,613	1,411,731	1,565,765	1,489,836	1,501,991	1,533,957	1,659,560	1,673,010
Plant operations and maintenance	2,721,119	2,826,199	3,016,472	3,057,149	3,093,434	3,009,577	3,078,190	2,986,630	3,198,265	3,467,819
Pupil transportation	1,668,199	1,714,178	1,818,216	1,906,611	1,916,397	2,081,134	2,169,457	2,283,233	2,676,356	2,561,933
Employee benefits	6,720,418	8,131,124	8,836,787	7,378,067	8,328,843	8,466,699	9,094,095	9,967,476	9,747,330	10,111,786
Special Schools	16,687	18,349	21,507	22,942	25,599	460				
Charter school						15,459	27,988	11,480		21
Capital outlay	284,998	567,262	340,070	359,299	557,934	412,510	847,841	217,800	796,491	4,721,251
Debt service:										
Principal	1,255,000	1,285,000	1,370,000	1,420,000	1,500,000	1,500,000	1,465,000	1,470,000	1,260,000	1,200,000
Interest and other charges	618,964	564,098	513,275	525,169	332,536	300,275	260,275	217,689	231,255	101,995
Total expenditures	36,668,902	39,644,948	41,801,161	41,380,188	43,329,663	41,966,552	43,233,215	44,540,179	46,600,288	50,940,499

Continued

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

Exhibit J-4

Excess (Deficiency) of revenues over (under) expenditures	\$ 233,205	\$ 515,636	\$ (259,645)	\$ (116,719)	\$ (1,196,278)	\$ 1,122,238	\$ 899,122	\$ 749,492	\$ (646,466)	\$ (3,714,433)
Other Financing sources (uses)										
Proceeds from borrowing	-	-	-	2,776,180	-	-	-	-	3,805,818	40,368,000
Payment to refunding bond escrow	-	-	-	(2,709,273)	-	-	-	-	(3,745,701)	-
Contracts payable cancelled	-	-	-	-	-	-	-	-	-	-
Capital leases	178,500	500,000	164,508	225,000	255,000	167,280	525,000	-	446,000	-
Transfers in	3,217	8,072	29,487	-	-	-	-	-	-	65,219
Transfers out	(3,217)	(8,072)	(29,487)	-	-	-	-	-	-	(65,219)
Total other financing sources (uses)	<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>	<u>-</u>	<u>506,117</u>	<u>40,368,000</u>
Net change in fund balances	<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>	<u>\$ 749,492</u>	<u>\$ (140,349)</u>	<u>\$ 36,653,567</u>
Debt service as a percentage of noncapital expenditures	5.15%	4.73%	4.54%	4.74%	4.28%	4.33%	4.07%	3.81%	3.26%	2.82%

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

<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>
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
2013	23,729	28,140	105,182	772,982	25,346	31,021	18,000	14,401	11,020	1,029,821
2014	7,777	33,994	176,702	1,185,061	75,086	32,883	18,150	16,803	17,527	1,563,983
2015	6,098	44,440	166,274	1,263,898	22,240	18,284	25,000	22,464	15,486	1,584,184
	<u>\$ 816,233</u>	<u>\$ 367,735</u>	<u>\$ 1,251,347</u>	<u>\$ 6,839,188</u>	<u>\$ 298,290</u>	<u>\$ 262,183</u>	<u>\$ 198,137</u>	<u>\$ 115,215</u>	<u>\$ 119,040</u>	<u>\$10,267,368</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.	Qfarm	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
2006	\$ 12,911,900	\$ 761,331,950	\$ 482,300	\$ 51,050	\$ 99,062,700	\$ 66,178,100	\$ 95,200	\$ 940,113,200	\$ 2,553,211	\$ 942,666,411	\$ 56,621,500	\$ 2.676	\$ 1,584,827,637
2007	10,257,600	765,962,750	562,700	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	197,684,400	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	1,082,800	99,400	188,598,200	117,756,700	4,478,600	1,953,716,900	3,898,491	1,957,615,391	144,779,100	1.538	1,912,252,925
2013	25,135,700	1,595,334,100	1,082,800	99,400	183,786,300	113,721,800	12,501,600	1,931,661,700	3,297,345	1,934,959,045	149,158,900	1.576	1,748,080,645
2014	r 14,956,000	1,322,157,500	999,500	107,600	146,036,500	87,468,100	16,876,800	1,588,602,000	2,765,241	1,591,367,241	144,628,700	1.961	1,736,176,256
2015	16,383,100	1,324,813,300	721,900	103,000	145,010,300	86,052,500	19,289,500	1,592,373,600	2,593,872	1,594,967,472	143,746,800	2.052	1,753,305,792

Source: Municipal Tax Assessor

Note:

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	
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
2013	1.520	0.056	1.576	0.460	0.017	0.142	0.338	2.533
2014	^c 1.900	0.061	1.961	0.585	0.016	0.172	0.413	3.147
2015	1.992	0.060	2.052	0.607	0.017	0.175	0.454	3.305

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.
- c Reassessment.

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

Exhibit J-8

Taxpayer	2015		Taxpayer	2006	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
National Keystone Property	\$ 23,302,300	1.46%	Whitesell Enterprises	\$ 21,849,100	2.36%
Camelot at Cinnaminson Harbour, LLC	19,157,900	1.20%	National Keystone Property	10,926,800	1.18%
Whitesell Enterprises et al	7,039,000	0.44%	N.J. Float Glass Company	7,004,700	0.76%
Progida, LLC	6,246,900	0.39%	Riverton Country Club	4,725,300	0.51%
New Plan Cinnaminson Urban Renewal	6,095,400	0.38%	Hoeganaes Corp.	3,736,400	0.40%
1 Sea Box Drive, LLC	5,272,300	0.33%	Kimco Corporation	2,900,000	0.31%
Main Line Shopping Center, LLC	5,053,600	0.32%	ACME/Albertsons	2,607,500	0.28%
Kimco Corp	4,750,000	0.30%	New Plan Reality Trust	2,576,500	0.28%
Hoeganaes Spircorp.	4,588,000	0.29%	Cheskin Rheta	2,193,400	0.24%
Hovbros Cinnaminson Urban Renew, LLC	4,510,100	0.28%	Triboro Investments	2,121,600	0.23%
Total	\$ 86,015,500	5.39%		\$ 60,641,300	6.55%

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	
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%	-
2013	30,106,097	30,106,097	100.00%	-
2014	30,492,221	30,492,221	100.00%	-
2015	31,215,482	31,215,482	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		
2006	\$ 15,400,000	\$ -	\$ 423,680	\$ -	\$ -	\$ 15,823,680	2.32%	1,033
2007	14,115,000	-	681,706	-	-	14,796,706	2.10%	972
2008	12,745,000	-	590,684	-	-	13,335,684	1.82%	869
2009	11,380,000	-	553,894	-	-	11,933,894	1.62%	769
2010	9,880,000	-	344,751	-	-	10,224,751	1.38%	656
2011	8,380,000	-	284,185	-	-	8,664,185	1.10%	544
2012	6,915,000	-	735,471	-	-	7,650,471	0.91%	466
2013	5,445,000	-	496,807	-	-	5,941,807	0.69%	355
2014	4,065,000	-	661,772	-	-	4,726,772	c	281
2015	42,913,000	-	689,118	-	-	43,602,118	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		
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%	540
2012	6,915,000	-	6,915,000	0.35%	421
2013	5,445,000	-	5,445,000	0.28%	325
2014	4,065,000	-	4,065,000	0.26%	241
2015	42,913,000	-	42,913,000	2.69%	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, 2014**

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	\$ 15,988,757	100.00%	\$ 15,988,757
Burlington County General Obligation Debt	303,216,431	3.793%	<u>11,500,999</u>
Subtotal, overlapping debt			27,489,756
Cinnaminson Township School District Direct Debt			<u>42,913,000</u>
Total direct and overlapping debt			<u><u>\$ 70,402,756</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 2015

	Equalized valuation basis
	2014 \$ 1,734,092,348
	2013 1,720,550,192
	2012 1,748,918,539
	[A] <u>\$ 5,203,561,079</u>
Average equalized valuation of taxable property	[A/3] \$ 1,734,520,360
Debt limit (4% of average equalized valuation)	[B] 69,380,814 ^a
Net bonded school debt	[C] 42,913,000
Legal debt margin	[B-C] <u>\$ 26,467,814</u>

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 54,856,983	\$ 62,040,392	\$ 68,380,818	\$ 74,372,857	\$ 77,873,320	\$ 77,878,320	\$ 77,445,586	\$ 74,187,358	\$ 71,598,361	\$ 69,380,814
Total net debt applicable to limit	<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>	<u>5,445,000</u>	<u>4,065,000</u>	<u>42,913,000</u>
Legal debt margin	<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>	<u>\$ 68,742,358</u>	<u>\$ 67,533,361</u>	<u>\$ 26,467,814</u>
Total net debt applicable to the limit as a percentage of debt limit	28.07%	22.75%	18.64%	15.30%	12.69%	10.76%	8.93%	7.34%	5.68%	61.85%

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>
2006	15,319	\$ 681,986,561	\$ 44,519	4.1%
2007	15,217	704,471,015	46,295	3.7%
2008	15,351	733,133,058	47,758	5.1%
2009	15,524	735,589,216	47,384	8.8%
2010	15,595	742,103,670	47,586	9.4%
2011	15,931	788,122,501	49,471	9.1%
2012	16,417	839,713,133	51,149	9.5%
2013	16,733	864,058,654	51,638	7.2%
2014	16,840	e	e	5.5%
2015	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
 Last Ten Fiscal Years
 Full-time Equivalent District Employees by Function/Program,

Exhibit J-16

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	184.5	191.1	190.9	187.5	174.4	169.9	173.6	178.9	182.5	177.7
Special education	55.9	54.5	55.3	57.2	54.9	41.6	39.6	42.8	42.9	42.1
Other special education	19.6	23.6	22.6	22.6	22.6	20.4	22.4	26.7	30.3	45.0
Vocational										
Other instruction										
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	31.1	32.0	31.5	32.5	33.4	28.9	28.2	29.7	30.7	31.8
School administrative services	27.3	28.7	25.9	26.4	24.4	23.1	21.0	21.9	20.8	21.0
General administrative services	4.4	3.4	4.4	4.4	4.0	3.1	3.1	3.1	3.1	3.1
Plant operations and maintenance	40.0	30.0	40.0	40.0	46.0	39.9	30.0	27.5	28.4	28.5
Pupil transportation	49.0	48.0	47.0	47.0	52.0	55.5	59.0	55.5	55.5	55.5
Business and other support services	13.3	14.5	14.5	14.5	12.4	12.4	12.4	12.4	12.4	12.4
Special Schools										
Food Service										
Child Care	13.7	23.0	21.0	19.0	21.0	15.0	17.0	16.0	16.0	16.0
Total	<u>438.8</u>	<u>448.8</u>	<u>453.1</u>	<u>451.1</u>	<u>445.1</u>	<u>409.8</u>	<u>406.3</u>	<u>414.5</u>	<u>422.6</u>	<u>433.1</u>

Source: District Personnel Records

Cinnaminson Township School District
 Operating Statistics,
 Last Ten 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				
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	1:11	1:10	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%
2013	2,345	42,634,690	18,181	5.08%	222	1:12	1:10	1:12	2,360.2	2,258.3	0.23%	95.68%
2014	2,354	44,312,542	18,824	3.53%	225	1:12	1:10	1:12	2,363.1	2,258.8	0.12%	95.59%
2015	2,412	44,917,253	18,622	-1.07%	220	1:12	1:10	1:12	2,412.6	2,300.6	0.12%	95.36%

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 Ten Fiscal Years**

Exhibit J-18

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
District Building										
Elementary										
New Albany Elementary (1966)										
Square Feet	47,966	47,966	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	470	470
Enrollment	546	530	527	487	517	513	503	520	531	524
Rush Elementary (1962)										
Square Feet	50,248	50,248	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	505	505
Enrollment	493	504	507	531	544	538	537	547	535	503
Middle School (1968)										
Square Feet	118,434	118,434	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	704	704
Enrollment	657	567	554	516	536	555	580	577	579	554
High School (1961)										
Square Feet	148,668	148,668	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	810	810
Enrollment	881	920	872	852	823	733	735	716	718	719
Other										
Central Administration (1959)										
Square Feet	27,965	27,965	27,965	27,965	27,965	27,965	27,965	27,965	27,965	27,965
Number of Schools at June 30, 2015										
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 additions. Enrollment is based on the annual October district count.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
* School Facilities											
Cinnaminson School District											
New Albany Elementary	\$ 51,356	\$ 53,537	\$ 55,640	\$ 61,109	\$ 62,926	\$ 50,486	\$ 49,080	\$ 44,209	\$ 48,783	\$ 45,064	\$ 522,190
Rush Intermediate	53,091	53,604	56,650	54,475	55,707	53,318	50,074	45,998	55,656	52,921	531,494
Middle School	76,248	83,111	79,418	77,941	87,148	75,042	80,965	84,777	108,082	112,661	865,393
High School	114,300	114,103	118,756	110,102	122,049	111,503	116,516	167,332	199,436	273,096	1,447,193
Central Office	46,866	61,969	70,406	47,590	56,811	41,491	105,743	91,383	50,099	41,128	613,486
Total School Facilities	<u>\$ 341,861</u>	<u>\$ 366,324</u>	<u>\$ 380,870</u>	<u>\$ 351,217</u>	<u>\$ 384,641</u>	<u>\$ 331,840</u>	<u>\$ 402,378</u>	<u>\$ 433,699</u>	<u>\$ 462,056</u>	<u>\$ 524,870</u>	<u>\$ 3,979,756</u>

* 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, 2015**

Exhibit J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - School Alliance Insurance Fund		
Property - Blanket Buildings and Contents	\$ 250,000,000	\$ 2,500
Liability (General and Auto)	15,000,000	1,000
Pollution Liability	1,000,000	10,000
Crime Coverage - Employee Dishonesty	100,000/500,000	1,000
School Board Legal Liability (1)	15,000,000	10,000
Workers Compensation (1)	Statutory	
Excess Liability (1)	10,000,000	
Student Accident - (2)	1,000,000	
Surety Bonds (3)		
Treasurer	300,000	
Board Secretary	100,000	

- (1) School Alliance Insurance Fund.
- (2) National Union
- (3) Selective Insurance Company.

Source: District records

Single Audit Section

INVERSO & STEWART, LLC
Certified Public Accountants

651 Route 73 North, Suite 402
 Marlton, New Jersey 08053
 (856) 983-2244
 Fax (856) 983-6674
 E-Mail: iscpas@concentric.net

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

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
 REPORT ON INTERNAL CONTROL OVER COMPLIANCE
 AS REQUIRED BY OMB CIRCULAR A-133
 AND STATE OF NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

I 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 Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2015. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on my audit of the types of compliance requirements referred to above. I conducted my 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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and State of New Jersey OMB's Circular 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and State of New Jersey Circular OMB's 04-04 and/or 15-08 require that I 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 and 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 I considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In my opinion, the Cinnaminson Township School District, in the County of Burlington, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Cinnaminson Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state programs and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey OMB's Circular 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Cinnaminson Township's School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the New Jersey OMB's Circular 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 and Expenditures of State Financial Assistance Required by New Jersey OMB 04-04 and/or 15-08

I 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, in the County of Burlington, State of New Jersey as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. I have issued my report thereon dated November 27, 2015, which contained an unmodified opinion on those financial statements. My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditure of federal awards and the schedules of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

INVERSO & STEWART, LLC
Certified Public Accountants

A handwritten signature in black ink, appearing to read "RPA", is written over the printed name of Robert P. Inverso.

Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
November 27, 2015

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2015

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, 2014			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balance	Adjustment	Balance at June 30, 2015		
					Deferred Revenue (Accts. Receivable)	Due to Grantor	Carryover (Walkover) Amount					(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education														
General Fund:														
Medical Assistance Program - ARRA	93.778	N/A	7,493	10/1/08 - 12/31/10	\$ -	\$ -	\$ -	\$ 7,493	\$ (7,493)	\$ -	\$ -	\$ -	\$ -	\$ -
Medical Assistance Program (SEM)	93.778	N/A	25,500	7/1/14 - 6/30/15	-	-	-	25,500	(25,500)	-	-	-	-	-
Total General Fund					-	-	-	32,993	(32,993)	-	-	-	-	-
Special Revenue Fund:														
No Child Left Behind (N.C.L.B.)														
Title I - Current Year	84.010	NCLB-0840-15	145,271	7/1/14 - 6/30/15	-	-	-	83,440	(117,925)	-	-	(34,485)	-	-
Title I - Prior Year	84.010	NCLB-0840-14	164,488	7/1/13 - 6/30/14	(25,610)	-	-	25,610	-	-	-	-	-	-
Title II - A - Current Year	84.367	NCLB-0840-15	66,635	7/1/14 - 6/30/15	-	-	-	46,869	(56,435)	-	-	(9,566)	-	-
Title II - A - Prior Year	84.367	NCLB-0840-14	66,012	7/1/13 - 6/30/14	(9,407)	-	-	9,407	-	-	-	-	-	-
Individuals With Disabilities Act (I.D.E.A.)														
Part B - Basic Current Year	84.027	IDEA-0840-15	626,273	7/1/14 - 6/30/15	-	-	-	508,187	(568,742)	-	-	(60,555)	-	-
Part B - Basic Prior Year	84.027	IDEA-0840-14	599,935	7/1/13 - 6/30/14	(36,155)	-	-	36,155	-	-	-	-	-	-
Part B - Preschool Current Year	84.173	IDEA-0840-15	33,276	7/1/14 - 6/30/15	-	-	-	20,065	(33,075)	-	-	(13,010)	-	-
Part B - Preschool Current Year	84.173	IDEA-0840-14	38,859	7/1/13 - 6/30/14	(10,116)	-	-	10,116	-	-	-	-	-	-
Total Special Revenue Fund					(81,288)	-	-	739,849	(776,177)	-	-	(117,616)	-	-
U.S. Department of Agriculture														
Enterprise Fund:														
Food Distribution Program	10.565	N/A	44,600	9/1/14 - 6/30/15	-	-	-	44,600	(44,600)	-	-	-	-	-
National School Lunch Program	10.555	N/A	163,872	9/1/14 - 6/30/15	-	-	-	153,544	(163,872)	-	-	(10,328)	-	-
National School Lunch Program	10.555	N/A	150,154	9/1/13 - 6/30/14	(7,972)	-	-	7,972	-	-	-	-	-	-
Special Milk Program	10.556	N/A	2,472	9/1/14 - 6/30/15	-	-	-	2,279	(2,472)	-	-	(193)	-	-
Special Milk Program	10.556	N/A	1,820	9/1/13 - 6/30/14	(150)	-	-	150	-	-	-	-	-	-
Total Enterprise Fund					(8,122)	-	-	208,545	(210,944)	-	-	(10,521)	-	-
Total Federal Awards					\$ (89,410)	\$ -	\$ -	\$ 981,387	\$(1,020,114)	\$ -	\$ -	\$(128,137)	\$ -	\$ -

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, 2015

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	Balance at June 30, 2014		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2015		
				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	15-103190	\$ 14,616	7/1/14 - 6/30/15	\$ -	\$ -	\$ -	\$ -	\$ (14,616)	\$ -	\$ (14,616)	\$ -	\$ -
Nonpublic Transportation Aid	14-103190	13,636	7/1/13 - 6/30/14	(13,636)	-	-	13,636	-	-	-	-	-
Extraordinary Aid	15-495-034-5093-007	383,907	7/1/14 - 6/30/15	-	-	-	-	(383,907)	-	(383,907)	-	-
Extraordinary Aid	14-495-034-5093-007	618,436	7/1/13 - 6/30/14	(618,436)	-	-	618,436	-	-	-	-	-
Equalization Aid	15-495-034-5120-078	7,388,894	7/1/14 - 6/30/15	-	-	-	6,699,613	(7,388,894)	-	(689,281)	-	-
Equalization Aid	14-495-034-5120-078	7,388,894	7/1/13 - 6/30/14	(687,938)	-	-	687,938	-	-	-	-	-
Special Education Categorical Aid	15-495-034-5120-089	1,345,009	7/1/14 - 6/30/15	-	-	-	1,219,538	(1,345,009)	-	(125,471)	-	-
Special Education Categorical Aid	14-495-034-5120-089	1,345,009	7/1/13 - 6/30/14	(125,226)	-	-	125,226	-	-	-	-	-
Security Aid	15-495-034-5120-085	50,849	7/1/14 - 6/30/15	-	-	-	46,105	(50,849)	-	(4,744)	-	-
Security Aid	14-495-034-5120-085	50,849	7/1/13 - 6/30/14	(4,734)	-	-	4,734	-	-	-	-	-
Transportation Aid	15-495-034-5120-014	164,548	7/1/14 - 6/30/15	-	-	-	149,198	(164,548)	-	(15,350)	-	-
Transportation Aid	14-495-034-5120-014	164,548	7/1/13 - 6/30/14	(15,320)	-	-	15,320	-	-	-	-	-
PARCC Readiness Aid	15-495-034-5120-098	23,210	7/1/14 - 6/30/15	-	-	-	21,045	(23,210)	-	(2,165)	-	-
Per Pupil Growth Aid	15-495-034-5120-097	23,210	7/1/14 - 6/30/15	-	-	-	21,045	(23,210)	-	(2,165)	-	-
On Behalf TPAF Pension Contributions	15-495-034-5094-006	914,795	7/1/14 - 6/30/15	-	-	-	914,795	(914,795)	-	-	-	-
On Behalf TPAF Post Retirement Medical	15-495-034-5094-001	1,452,238	7/1/14 - 6/30/15	-	-	-	1,452,238	(1,452,238)	-	-	-	-
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	1,236,441	7/1/14 - 6/30/15	-	-	-	1,175,504	(1,236,441)	-	(60,937)	-	-
Reimbursed TPAF Social Security Contributions	14-495-034-5094-003	1,208,416	7/1/13 - 6/30/14	(61,644)	-	-	61,644	-	-	-	-	-
Total General Fund				(1,526,934)	-	-	13,226,015	(12,997,717)	-	(1,298,636)	-	-
<u>Special Revenue Fund</u>												
N.J. Nonpublic Aid:												
Textbook Aid	15-100-034-5120-064	23,057	7/1/14 - 6/30/15	-	-	-	23,057	(22,400)	-	-	-	657
Textbook Aid	14-100-034-5120-064	20,295	7/1/13 - 6/30/14	-	-	21	-	-	(21)	-	-	-
Technology Aid	15-100-034-5120-373	12,384	7/1/14 - 6/30/15	-	-	-	12,384	(12,376)	-	-	-	8
Technology Aid	14-100-034-5120-373	7,400	7/1/13 - 6/30/14	-	-	1	-	-	(1)	-	-	-
Nursing Aid	15-100-034-5120-070	37,086	7/1/14 - 6/30/15	-	-	-	37,086	(37,086)	-	-	-	-
Auxiliary Services:												
Compensatory Education	15-100-034-5120-067	74,172	7/1/14 - 6/30/15	-	-	-	74,172	(62,348)	-	-	-	11,824
Compensatory Education	14-100-034-5120-067	52,814	7/1/13 - 6/30/14	-	-	5,648	-	-	(5,648)	-	-	-
Handicapped Services:												
Examination & Classification	15-100-034-5120-066	25,042	7/1/14 - 6/30/15	-	-	-	25,042	(23,421)	-	-	-	1,621
Examination & Classification	14-100-034-5120-066	25,798	7/1/13 - 6/30/14	-	-	11,141	-	-	(11,141)	-	-	-
Corrective Speech	15-100-034-5120-066	30,304	7/1/14 - 6/30/15	-	-	-	30,304	(24,473)	-	-	-	5,831
Corrective Speech	14-100-034-5120-066	20,311	7/1/13 - 6/30/14	-	-	8,674	-	-	(8,674)	-	-	-
Supplemental Instruction	15-100-034-5120-066	29,740	7/1/14 - 6/30/15	-	-	-	29,740	(18,440)	-	-	-	11,300
Supplemental Instruction	14-100-034-5120-066	12,906	7/1/13 - 6/30/14	-	-	1,386	-	-	(1,386)	-	-	-
State Department of Environmental Protection												
N.J. Wet Grant	NJ03084003	1,360	7/1/14 - 6/30/15	-	-	-	1,360	(1,360)	-	-	-	-
Total Special Revenue Fund				-	26,871	-	233,145	(201,904)	(26,871)	-	-	31,241

(Continued)

Exhibit K-4
Schedule B

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2015

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	Balance at June 30, 2014		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2015		
				Deferred Revenue (Accts. Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
Debt Service Fund												
Debt Service Aid Type II	15-100-034-5120-017	\$ 331,649	7/1/14 - 6/30/15	\$ -	\$ -	\$ -	\$ 331,649	\$ (331,649)	\$ -	\$ -	\$ -	\$ -
State Department of Agriculture												
Enterprise Fund:												
State School Lunch Program	15-100-010-3350-023	6,220	9/1/14 - 6/30/15				5,829	(6,220)		(391)		
State School Lunch Program	14-100-010-3350-023	6,250	9/1/13 - 6/30/14	(314)			314					
Total Enterprise Fund				(314)	-	-	6,143	(6,220)	-	(391)	-	-
Total State Financial Assistance				\$ (1,527,248)	\$ 26,871	\$ -	\$ 13,796,952	\$ (13,537,490)	\$ (26,871)	\$ (1,299,027)	\$ -	\$ 31,241

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, 2015**

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 (\$5,958) for the general fund and \$-0- 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	\$ 32,993	\$ 12,991,759	\$ 13,024,752
Special Revenue Fund	776,177	201,904	978,081
Debt Service Fund		331,649	331,649
Food Service Fund	210,944	6,220	217,164
Total Awards & Financial Assistance	<u>\$ 1,020,114</u>	<u>\$ 13,531,532</u>	<u>\$ 14,551,646</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, 2015
(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, 2015. 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, 2015.

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, 2015

Section I --Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weaknesses identified? yes X no
- 2) Significant deficiencies identified? yes X none reported

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiencies identified? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133 ? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>I.D.E.A. Part B Basic</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.556</u>	<u>Special Milk Program</u>
<u> </u>	<u> </u>

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes no

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section 1 -- Summary of Auditor's Results (Cont'd)

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$406,125

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

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

2) Significant deficiencies identified that are not considered to be material weakness? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular Letter 04-04 and/or 15-08 as applicable? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>15-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>15-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>15-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u>15-100-010-3350-023</u>	<u>School Lunch Program</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

**CINNAMINSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting in a Circular A-133 audit.

No findings identified.

**CINNAMINSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04 and/or 15-08, as applicable

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, 2015**

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*, USOMB Circular A-133 and NJOMB's Circular 04-04 and/ 15-08, as applicable.

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.