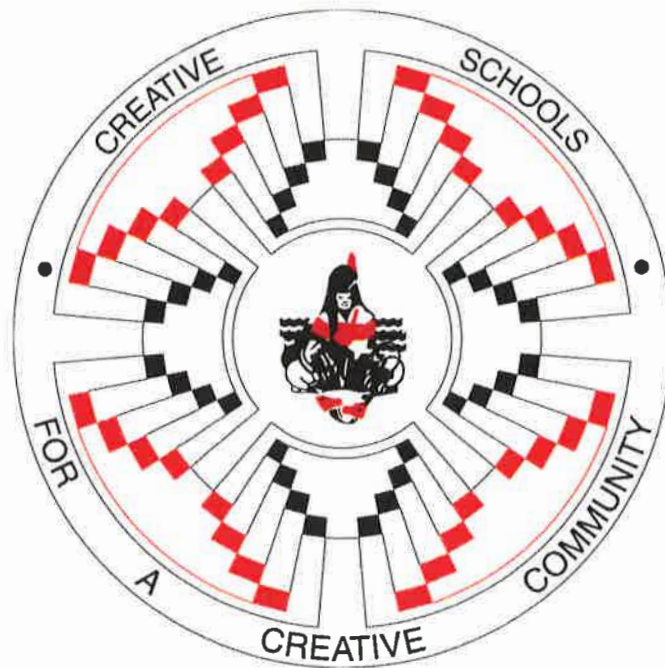


**Board of Education
of
Cinnaminson Township
School District
Cinnaminson, New Jersey**



**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended
JUNE 30, 2016**

**Comprehensive Annual
Financial Report**

of the

**Cinnaminson Township
Board of Education**

Cinnaminson, New Jersey

For the Fiscal Year Ended June 30, 2016

**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

October 6, 2016

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, 2016, 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 2,439.1 students is 26.46 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>
2015-16	2,439.1	1.10%
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%)

- 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 district’s capital project renovation plan had come to fruition as the 40 million dollar referendum had received support and approval from the community on September 30, 2014. The planned renovations of the High School including new secured entrance vestibules, new electric and HVAC systems, new fire and crisis alarms systems, ADA compliant elevator and joining second floor wings, auditorium upgrades new science lab, roof replacement, construction of new High School gymnasium with locker rooms and related work, and the construction of secured entrance vestibules for the Middle School, Rush Intermediate and New Albany schools and related work were approved. The renovations are scheduled to be completed during the 2016-17 school year.

The district is planning for the gradual increase of student growth from the Riverfront properties in order to maintain state aid for support of the 2017-18 budget. Employees will be in the sixth year of the Public Law 2011, Chapter 78 during the 2016-17 school year. Again we have managed to maintain single digit increases in employee benefits due to the low experience ratings from the School Health Insurance Fund, formerly the Southern New Jersey HIF. The district has renewed the shared service arrangement with the Township for a school resource officer during the 2015-16 school year and is planning on maintaining the officer into the 2016-17 school year.

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

Necessary funds to maintain, where appropriate, the instructional staff as well as maintain a quality instructional program has been possible with significant local effort and continued state support. State aid has made a difference as Township ratables, after years of declining assessments, have leveled off. Our district’s General Fund continues to address curricular refinement per Common Core Standards, Atlas Rubicon Mapping, purchase of instructional materials and texts that align with New Jersey standards and staff development particularly in the use of technology. 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. Lastly, the district continues to address the needs of the special

education population and plans to expand its multiple disability program and life skills at the High School.

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 and providing them with the life skills necessary to be productive members of the community. Integrated preschool and kindergarten program initiated last year and still in place. The district continues to evaluate its technology infrastructure to accommodate PARCC assessments. The district continues its efforts to upgrade the wireless network with additional access points and switches for the Rush Intermediate School. 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. The district is introducing google classroom where the applications will be used by students and in turn make them college and career ready.

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 the 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 SmartBoards 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. A replacement textbook for AP Calculus Grade 12 will also be used beginning in the Fall of 2016.

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 summer of 16-17 completed the revision of the 6-12 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. AP courses are offered for juniors and seniors. The curriculum for the AP course for juniors will be written during the summer of 16-17. The course will begin in the Fall of 2016.

The Social Studies curriculum reinforces a global perspective. New textbooks for AP European

History Grade 12 will be used in Fall 2016. 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, Macro-economics, 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 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 courses has been created. 21st century Career Awareness, Exploration and Preparation is addressed in the two school to work class at the high school. All district teachers have been trained to log career ready practices as they craft their plans.

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. A Guitar Class will be added to the high school in the Fall of 2016. This offering is an extension of the program currently offered at the middle school.

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. Program enhancements include increasing the expectations for oral and written communications. AP Spanish is offered at the HS. Additional honors courses in French will be offered during the 16-17 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 is offered. A new course, Introductory Computer Programming, will be added to the high school offerings in the Fall of 2016.

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 South Jersey Magazine, in the three (3) county area, Cinnaminson ranked 9th in SAT scores and 6th in graduation rate which is quite an accomplishment for our district. In addition, in the residential section of the Philadelphia Sunday Inquirer, Cinnaminson was highlighted. One of the first thing the article noted as an attraction for buyers is the "School District". The article also said how many people who went through our schools choose to come back, buy homes and raise their families here. One of the main reasons they come back is for our schools. The third place our district was mentioned was by NJEA, who published the 100 best places to teach. There were only two (2) school districts mentioned in Burlington County and Cinnaminson was one of them. We are very proud of the recognition our district has received.

- 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, 2016.

- 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.

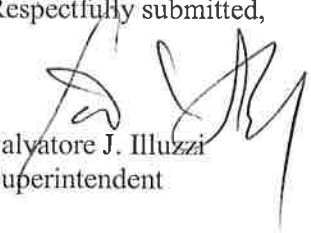
- 6. CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under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

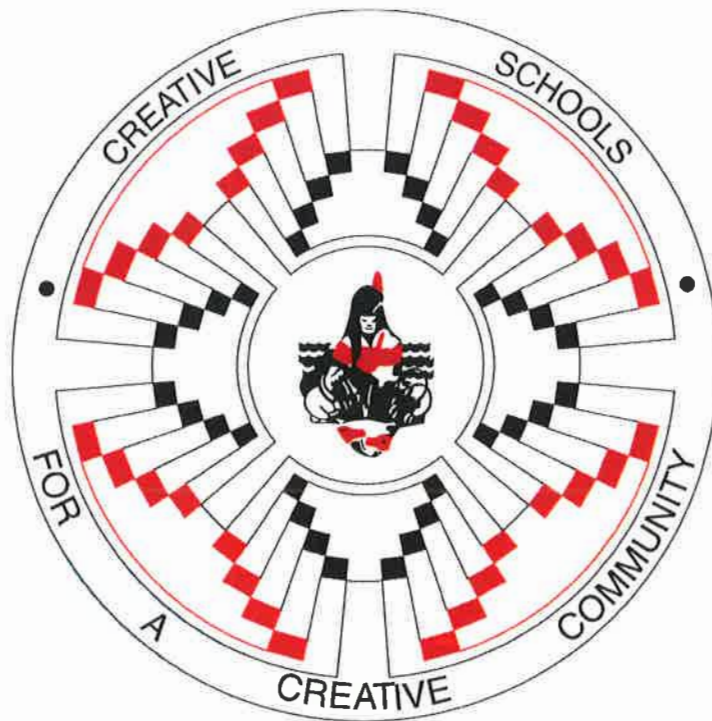
Respectfully submitted,



Salvatore J. Illuzzi
Superintendent



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



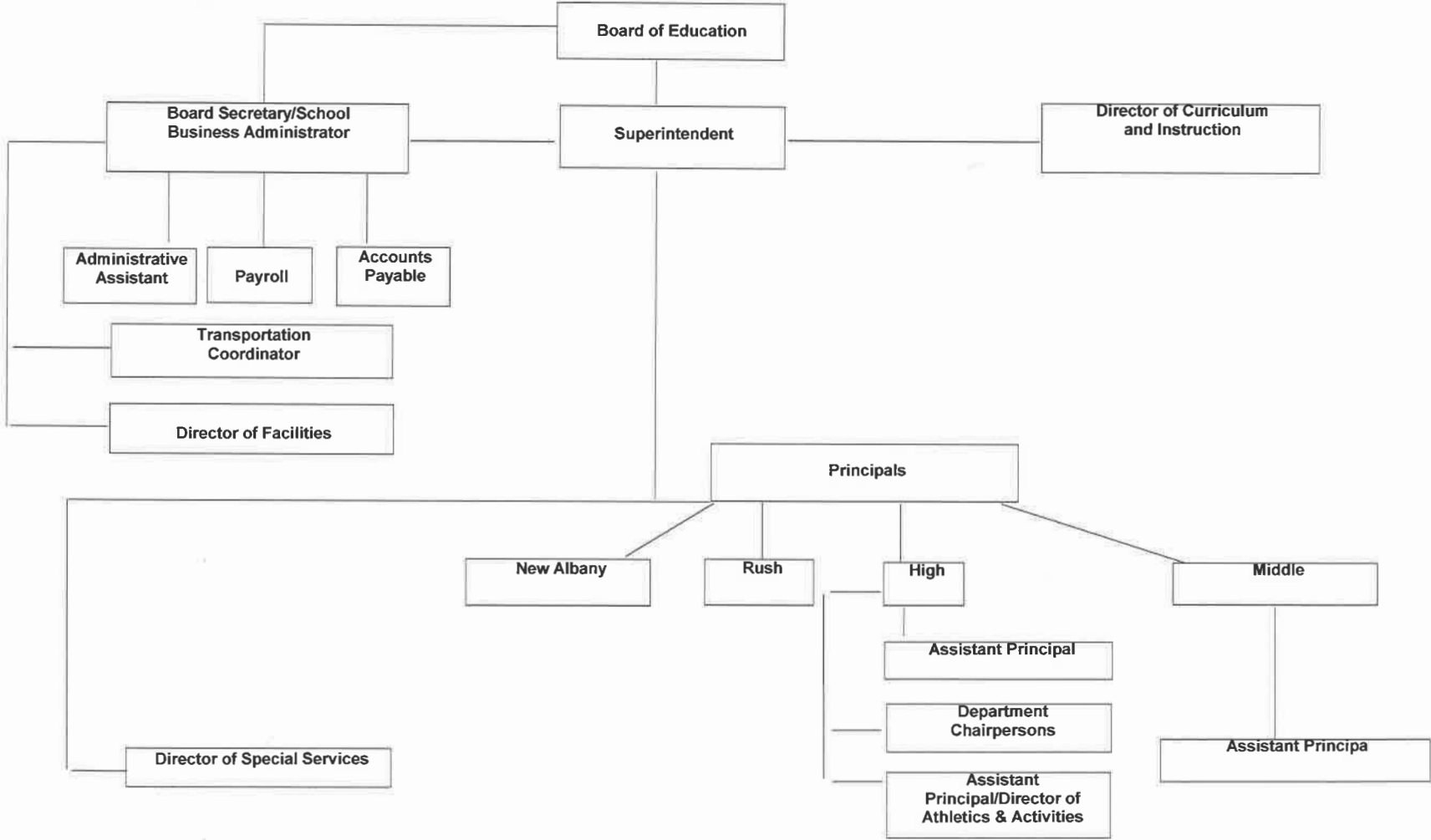
MISSION STATEMENT

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, 2016**

	<u>Term Expires</u>
Jean M. Cohen, President	2016
James J. McGuckin, Jr., Vice-President	2018
Laura J. Fitzwater	2018
Therese Garbett	2017
Dennis Hassis	2017
Jacqueline Plunkett	2017
Harry E. Shea II	2016
Christine L. Turner	2016
Dolores Woodington	2018

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

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Official Depository

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

INDEPENDENT AUDITOR'S REPORT

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

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, 2016, 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, 2016, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension 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 Title 2 U.S. Code of Federal Regulations Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Treasury Circular OMB 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 October 6, 2016 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
October 6, 2016

INVERSO & STEWART, LLC
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 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, 2016, 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 October 6, 2016.

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
October 6, 2016

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Cinnaminson Township School District
For the Fiscal Year Ended June 30, 2016
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, 2016. 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 liabilities of the School District exceeded its assets at the close of the most recent fiscal year by \$8,577,417 (*net position*).
- Governmental activities have an unrestricted net position deficit of \$15,164,205. 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 decreased by \$9,598,840 or a 939.75% decrease from the prior fiscal year-end balance.
- Fund balance of the School District's governmental funds decreased by \$33,764,243 resulting in an ending fund balance of \$8,641,991. This decrease is primarily due to the results of operations in the Capital Projects Fund.
- Business-type activities have unrestricted net position of \$556,532, 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 \$2,243,820 which is the net result of the reduction of serial bond debt and compensated absences and the increase in capital leases payable and net pension liability.

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 2017. 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 2017.

The liabilities of the primary government activities exceeded assets by \$9,185,488 with an unrestricted deficit balance of \$15,164,205. The net position of the primary government does not include internal balances.

A net deficit investment of \$2,659,793 in land, improvements, buildings, equipment and vehicles which provide the services to the School District's 2,439 public school students, represents 28.96% of the School District's net position. Net position of \$2,371,104 has been restricted to provide resources for future capital expansion and renovation projects, \$1,362,256 for maintenance reserve, \$13,066 has been reserved for repayment of debt, \$4,800,742, has been restricted for future budget appropriations and \$91,342 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, 2016 and 2015**

	Governmental Activities		Business-Type Activities		District-Wide	
	2016	2015	2016	2015	2016	2015
ASSETS						
Current assets	\$ 19,999,400	\$ 46,130,528	\$ 641,329	\$ 493,614	20,640,729	46,624,142
Capital assets	40,736,253	16,861,243	51,539	57,279	40,787,792	16,918,522
Total assets	<u>60,735,653</u>	<u>62,991,771</u>	<u>692,868</u>	<u>550,893</u>	<u>61,428,521</u>	<u>63,542,664</u>
Deferred Outflows of Resources	<u>3,227,610</u>	<u>1,493,824</u>			<u>3,227,610</u>	<u>1,493,824</u>
LIABILITIES						
Current liabilities	13,947,082	5,447,260	84,797	72,364	14,031,879	5,519,624
Noncurrent liabilities	58,943,909	57,701,394			58,943,909	57,701,394
Total Liabilities	<u>72,890,991</u>	<u>63,148,654</u>	<u>84,797</u>	<u>72,364</u>	<u>72,975,788</u>	<u>63,221,018</u>
Deferred Inflows of Resources	<u>257,760</u>	<u>794,047</u>			<u>257,760</u>	<u>794,047</u>
Net Position	<u>\$ (9,185,488)</u>	<u>\$ 542,894</u>	<u>\$ 608,071</u>	<u>\$ 478,529</u>	<u>\$ (8,577,417)</u>	<u>\$ 1,021,423</u>
Net Position Consists of:						
Net investment in						
Capital Assets	(2,659,793)	(26,887,966)	51,539	57,279	(2,608,254)	(26,830,687)
Restricted Assets	8,638,510	42,419,184			8,638,510	42,419,184
Unrestricted Assets	<u>(15,164,205)</u>	<u>(14,988,324)</u>	<u>556,532</u>	<u>421,250</u>	<u>(14,607,673)</u>	<u>(14,567,074)</u>
Net Position	<u>\$ (9,185,488)</u>	<u>\$ 542,894</u>	<u>\$ 608,071</u>	<u>\$ 478,529</u>	<u>\$ (8,577,417)</u>	<u>\$ 1,021,423</u>

Cinnaminson Township School District
Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2016 and 2015

	Governmental Activities		Business-Type Activities		District-Wide	
	2016	2015	2016	2015	2016	2015
Revenues:						
Charges for services	\$ -	\$ -	\$ 942,531	\$ 918,197	\$ 942,531	\$ 918,197
Operating Grants and contributions	5,888,700	4,944,119	208,265	217,164	6,096,965	5,161,283
Property taxes	32,731,445	31,215,482			32,731,445	31,215,482
State aid - unrestricted	9,438,297	9,421,278			9,438,297	9,421,278
Other revenues	1,897,264	1,645,187	437	420	1,897,701	1,645,607
Total Revenues	49,955,706	47,226,066	1,151,233	1,135,781	51,106,939	48,361,847
Expenses:						
Governmental Activities:						
Instruction	18,923,642	18,685,341			18,923,642	18,685,341
Tuition	2,285,604	2,499,099			2,285,604	2,499,099
Related Services	5,225,208	5,197,664			5,225,208	5,197,664
Administrative Services	2,193,106	2,213,114			2,193,106	2,213,114
Operations and Maintenance	14,559,553	3,031,481			14,559,553	3,031,481
Transportation	2,635,508	2,702,043			2,635,508	2,702,043
Central services	956,110	956,198			956,110	956,198
Employee benefits	11,528,287	10,226,329			11,528,287	10,226,329
Charter Schools	11,466	21			11,466	21
Interest on debt	1,357,660	744,238			1,357,660	744,238
Other	7,944	46,703			7,944	46,703
Business-Type Activities:						
Food Service			671,559	696,434	671,559	696,434
School Store			28,962	30,938	28,962	30,938
School Age Child Care			321,170	305,109	321,170	305,109
Total Expenses	59,684,088	46,302,231	1,021,691	1,032,481	60,705,779	47,334,712
Increase (Decrease) in Net Position before transfers	(9,728,382)	923,835	129,542	103,300	(9,598,840)	1,027,135
Transfers						
Change in Net Position	(9,728,382)	923,835	129,542	103,300	(9,598,840)	1,027,135
Net Position, July 1	542,894	(380,941)	478,529	375,229	1,021,423	(5,712)
Net Position, June 30	<u><u>\$ (9,185,488)</u></u>	<u><u>\$ 542,894</u></u>	<u><u>\$ 608,071</u></u>	<u><u>\$ 478,529</u></u>	<u><u>\$ (8,577,417)</u></u>	<u><u>\$ 1,021,423</u></u>

Governmental Activities

Governmental activities decreased the net position of the School District by \$9,728,382 during the current fiscal year. Key elements of the decrease in net position for governmental activities are as follows:

- General obligation bonds decreased by \$735,000.
- Capital leases payable increased by \$422,886.
- A net increase in fixed assets of \$23,875,010
- Results of operations in the Governmental funds was a loss of \$33,764,243

Business-type Activities

Business-type activities increased the School District's net position by \$129,542. 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 \$96,980, the Food Service Fund had a net gain of \$28,896 and School Store had a net gain of \$3,666.

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 \$8,641,991, a decrease of \$33,764,243 in comparison with the prior year. This decrease is primarily due to the results of operations in the Capital Projects Fund.

The unassigned fund balance for the School District at the end of the fiscal year includes unassigned fund balance for the General Fund of \$3,481. 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 \$2,371,104, 2) \$1,362,256 maintenance reserve, 3) \$13,066 reserved for repayment of debt, 4) \$2,096,042 appropriated as a revenue source in the subsequent year's budget, 5) \$91,342 reserved for encumbrances, and 7) \$2,704,700 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 \$842,377 while total fund balance (budgetary basis) was \$8,341,049. 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 \$46,412,094. Unreserved fund balance (budgetary basis) represents 1.81% of expenditures while total fund balance (budgetary basis) represents 17.97% 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, 2016, totaled \$40,787,792 (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 \$23,869,270 or a 141.08% increase. The increase is primarily due to construction in progress.

**Capital Assets (net of accumulated depreciation)
June 30, 2016 and 2015**

	Governmental Activities		Business-Type Activities		District-Wide	
	2016	2015	2016	2015	2016	2015
Land	\$ 4,252,300	\$ 4,252,300	\$ -	\$ -	\$ 4,252,300	\$ 4,252,300
Construction in Progress	28,468,922	4,215,073			28,468,922	4,215,073
Building and Building Improvements	6,066,361	6,595,821			6,066,361	6,595,821
Equipment	1,948,670	1,798,049	51,539	57,279	2,000,209	1,855,328
Net Assets	\$ 40,736,253	\$ 16,861,243	\$ 51,539	\$ 57,279	\$ 40,787,792	\$ 16,918,522

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, 2016, the School District had \$42,178,000 in serial bonds payable, \$,112,004 in capital leases, and \$1,551,288 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 \$69,744,720. The available amount as of June 30, 2016 is \$27,566,720.

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 2016-17 fiscal year.

- For the 2016-17 fiscal year the School District will be receiving an increase in state aid. The local tax levy in the General Fund increased by \$849,472 or a 2.72% increase. The 2016-17 General Fund Budget is \$726,483 greater than the previous year.
- The tax rate for 2016 is \$2.133, which is an increase of 0.81 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, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 17,791,951	\$ 602,522	\$ 18,394,473
Receivables, net	963,117	19,390	982,507
Inventory		19,417	19,417
Restricted assets:			
Capital reserve account	1,244,332		1,244,332
Capital assets, net (Note 5)	40,736,253	51,539	40,787,792
Total assets	<u>60,735,653</u>	<u>692,868</u>	<u>61,428,521</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	<u>3,227,610</u>		<u>3,227,610</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>63,963,263</u>	<u>692,868</u>	<u>64,656,131</u>
LIABILITIES:			
Accounts payable	11,308,124	43,382	11,351,506
Intergovernmental payable:			
State	9,191		9,191
Unearned revenue	33,827	41,415	75,242
Other liability	6,267		6,267
Accrued interest due within one year	554,475		554,475
Noncurrent liabilities:			
Due within one year	2,035,198		2,035,198
Due beyond one year	58,943,909		58,943,909
Total liabilities	<u>72,890,991</u>	<u>84,797</u>	<u>72,975,788</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of resources from pensions	<u>257,760</u>		<u>257,760</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>73,148,751</u>	<u>84,797</u>	<u>73,233,548</u>
NET POSITION:			
Net investment in capital assets	(2,659,793)	51,539	(2,608,254)
Restricted for:			
Capital Projects	2,371,104		2,371,104
Other purposes	6,267,406		6,267,406
Unrestricted	(15,164,205)	556,532	(14,607,673)
Total net position	<u>\$ (9,185,488)</u>	<u>\$ 608,071</u>	<u>\$ (8,577,417)</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, 2016

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	\$ 12,346,152	\$ -	\$ 81,981	\$ (12,264,171)	\$ -	\$ (12,264,171)
Special education	3,470,172		606,170	(2,864,002)		(2,864,002)
Other instruction	3,107,318			(3,107,318)		(3,107,318)
Support Services:						
Tuition	2,285,604			(2,285,604)		(2,285,604)
Student & instruction related services	5,225,208		351,767	(4,873,441)		(4,873,441)
General administrative services	640,442			(640,442)		(640,442)
School administrative services	1,552,664			(1,552,664)		(1,552,664)
Central and technology adm. services	956,110			(956,110)		(956,110)
Plant operations and maintenance	14,559,553			(14,559,553)		(14,559,553)
Pupil transportation	2,635,508			(2,635,508)		(2,635,508)
Employee benefits	11,528,287		4,303,855	(7,224,432)		(7,224,432)
Charter Schools	11,466			(11,466)		(11,466)
Interest on long-term debt	1,357,660		544,927	(812,733)		(812,733)
Unallocated depreciation and amortization	7,944			(7,944)		(7,944)
Total governmental activities	<u>59,684,088</u>		<u>5,888,700</u>	<u>(53,795,388)</u>		<u>(53,795,388)</u>
Business-type activities:						
Food service program	671,559	492,150	208,265		28,856	28,856
School age child care program	321,170	417,758			96,588	96,588
School store	28,962	32,623			3,661	3,661
Total business-type activities	<u>1,021,691</u>	<u>942,531</u>	<u>208,265</u>		<u>129,105</u>	<u>129,105</u>
Total primary government	<u>\$ 60,705,779</u>	<u>\$ 942,531</u>	<u>\$ 6,096,965</u>	<u>\$ (53,795,388)</u>	<u>\$ 129,105</u>	<u>\$ (53,666,283)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net				31,187,085		31,187,085
Taxes levied for debt service				1,544,360		1,544,360
Federal and state aid not restricted				9,438,297		9,438,297
Tuition revenue				369,140		369,140
Transportation revenue				1,182,154		1,182,154
Miscellaneous revenue				345,970	437	346,407
Total general revenues, special items, and transfers				<u>44,067,006</u>	<u>437</u>	<u>44,067,443</u>
Change in Net Position				<u>(9,728,382)</u>	<u>129,542</u>	<u>(9,598,840)</u>
Net Position--July 1				542,894	478,529	1,021,423
Net Position--June 30				<u>\$ (9,185,488)</u>	<u>\$ 608,071</u>	<u>\$ (8,577,417)</u>

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, 2016

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 5,612,260	\$ -	\$ 12,179,691	\$ -	\$ 17,791,951
Receivables, net	758,338	149,414	24,750		932,502
Interfund receivable	324,072			151,029	475,101
Restricted cash and cash equivalents	1,244,332				1,244,332
Total assets	\$ 7,939,002	\$ 149,414	\$ 12,204,441	\$ 151,029	\$ 20,443,886
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	399,533	20,289	10,888,302		11,308,124
Intergovernmental payable:					
State		9,191			9,191
Interfund payables	4,198	112,958	189,367	137,963	444,486
Other payables		6,267			6,267
Unearned revenue	33,118	709			33,827
Total liabilities	436,849	149,414	11,077,669	137,963	11,801,895
Fund Balances:					
Restricted for:					
Excess surplus	2,704,700				2,704,700
Excess surplus - designated for subsequent year's expenditures	1,992,060				1,992,060
Maintenance reserve	1,362,256				1,362,256
Capital reserve	1,244,332				1,244,332
Assigned to:					
Year-end encumbrances	91,342		739,450		830,792
Subsequent year's expenditures	103,982			12	103,994
Unassigned	3,481		387,322	13,054	403,857
Total fund balances	7,502,153		1,126,772	13,066	8,641,991
Total liabilities and fund balances	\$ 7,939,002	\$ 149,414	\$ 12,204,441	\$ 151,029	

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 \$67,503,884 and the accumulated depreciation is \$26,767,631. 40,736,253

Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds. (554,475)

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	3,227,610	
Net Pension Liability	(16,031,773)	
Deferred Inflows of resources from Pensions	(257,760)	(13,061,923)

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	(42,284,042)
Capital Leases Payable	(1,112,004)
Compensated Absences	(1,551,288)

Net position of governmental activities **\$ (9,185,488)**

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, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 31,187,085	\$ -	\$ -	\$ 1,544,360	\$ 32,731,445
Tuition charges	369,140				369,140
Transportation fees	1,182,154				1,182,154
Capital reserve interest	1,073				1,073
Other restricted revenues	49,080				49,080
Miscellaneous	208,005		87,812		295,817
Total revenues-local sources	32,996,537		87,812	1,544,360	34,628,709
Local sources		19,287			19,287
State sources	13,722,916	194,793		544,927	14,462,636
Federal sources	19,236	825,838			845,074
Total revenues	46,738,689	1,039,918	87,812	2,089,287	49,955,706
EXPENDITURES:					
Current expense:					
Regular instruction	11,688,912	81,981			11,770,893
Special education instruction	2,864,002	606,170			3,470,172
Other instruction	3,107,318				3,107,318
Support services and undistributed costs:					
Tuition	2,285,604				2,285,604
Student & instruction related services	4,873,441	351,767			5,225,208
General administrative services	640,442				640,442
School administrative services	1,552,664				1,552,664
Central services	582,592				582,592
Administrative technology services	373,518				373,518
Plant operations and maintenance	3,397,695				3,397,695
Pupil transportation	2,488,529				2,488,529
Employee benefits	11,090,735				11,090,735
Charter Schools	11,466				11,466
Capital outlay	1,455,176		34,795,679		36,250,855
Debt service:					
Principal				735,000	735,000
Interest and other charges				1,492,258	1,492,258
Total expenditures	46,412,094	1,039,918	34,795,679	2,227,258	84,474,949
Excess (deficiency) of revenues over (under) expenditures	326,595		(34,707,867)	(137,971)	(34,519,243)
Other Financing Sources (Uses):					
Proceeds of Capital Lease	755,000				755,000
Transfer in				87,812	87,812
Transfer out			(87,812)		(87,812)
Total other financing sources (uses)	755,000		(87,812)	87,812	755,000
Net change in fund balance	1,081,595		(34,795,679)	(50,159)	(33,764,243)
Fund balances, July 1	6,420,558		35,922,451	63,225	42,406,234
Fund balances, June 30	\$ 7,502,153	\$ -	\$ 1,126,772	\$ 13,066	\$ 8,641,991

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, 2016

Total net change in fund balances - governmental funds (from B-2)		\$ (33,764,243)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p style="margin-left: 40px;">Capital outlays are reported in the governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current fiscal year.</p>		
Depreciation expense	\$ (979,859)	
Capital outlay	<u>24,854,869</u>	23,875,010
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.		735,000
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences.		41,049
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.		332,114
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.		(755,000)
Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.		(437,552)
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.		134,598
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 (+).		<u>110,642</u>
Change in net position of governmental activities		<u><u>\$ (9,728,382)</u></u>

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, 2016

	Business-type Activities			Total
	Enterprise Funds			
	Food Service Fund	School Age Child Care Program	School Store	
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 94,552	\$ 496,587	\$ 11,383	\$ 602,522
Accounts receivable	19,390			19,390
Inventories	7,843		11,574	19,417
Total current assets	121,785	496,587	22,957	641,329
Noncurrent assets:				
Equipment	440,215	29,123		469,338
Less accumulated depreciation	(402,510)	(15,289)		(417,799)
Total noncurrent assets	37,705	13,834		51,539
Total assets	\$ 159,490	\$ 510,421	\$ 22,957	\$ 692,868
LIABILITIES:				
Current liabilities:				
Accounts payable	\$ 43,381	\$ -	\$ 1	\$ 43,382
Unearned revenue	9,745	31,670		41,415
Total liabilities	53,126	31,670	1	84,797
NET POSITION:				
Net investment in capital assets	37,705	13,834		51,539
Unrestricted	68,659	464,917	22,956	556,532
Total net position	\$ 106,364	\$ 478,751	\$ 22,956	\$ 608,071

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, 2016

	Business-type Activities			Total
	Enterprise Funds			
	Food Service Fund	School Age Child Care Program	School Store	
Operating revenues:				
Charges for services:				
Daily sales-reimbursable programs	\$ 285,783	\$ -	\$ -	\$ 285,783
Daily sales-non-reimbursable programs	160,435			160,435
Special Functions	45,883			45,883
Sales			32,623	32,623
Program fees		417,758		417,758
Miscellaneous	49			49
Total operating revenue	492,150	417,758	32,623	942,531
Operating expenses:				
Salaries	252,468	209,976		462,444
Employee benefits	60,153	53,437		113,590
Supplies and materials	31,226	16,070		47,296
Depreciation	6,917	1,456		8,373
Management Fee	45,450			45,450
Direct expenses	5,618	895		6,513
Cost of sales - reimbursable programs	153,592			153,592
Cost of sales - nonreimbursable programs	110,911	5,924	28,962	145,797
Building usage		25,000		25,000
Other	5,224	8,412		13,636
Total operating expenses	671,559	321,170	28,962	1,021,691
Operating income (loss)	(179,409)	96,588	3,661	(79,160)
Nonoperating revenues (expenses)				
State sources:				
State school lunch program	6,164			6,164
Federal sources:				
National school lunch program	158,048			158,048
Special milk program	2,175			2,175
U.S.D.A. commodities	41,878			41,878
Local sources:				
Interest revenue	40	392	5	437
Total nonoperating revenues (expenses)	208,305	392	5	208,702
Change in net position	28,896	96,980	3,666	129,542
Total net position - July 1	77,468	381,771	19,290	478,529
Total net position - June 30	\$ 106,364	\$ 478,751	\$ 22,956	\$ 608,071

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, 2016

	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	\$ 504,381	\$ 422,473	\$ 32,732	\$ 959,586
Payments to employees for services	(286,581)	(263,413)		(549,994)
Payments to suppliers	(321,747)	(56,301)	(32,754)	(410,802)
Net cash used for operating activities	<u>(103,947)</u>	<u>102,759</u>	<u>(22)</u>	<u>(1,210)</u>
Cash flows from noncapital financing activities:				
Donations				
Cash received from federal and state sources	164,307			164,307
Net cash provided by non-capital financing activities	<u>164,307</u>			<u>164,307</u>
Cash flows from capital activities:				
Purchases of fixed assets	(2,633)			(2,633)
	<u>(2,633)</u>			<u>(2,633)</u>
Cash flows from investing activities:				
Interest and dividends	41	392	5	438
Net cash provided by investing activities	<u>41</u>	<u>392</u>	<u>5</u>	<u>438</u>
Net increase in cash and cash equivalents	57,768	103,151	(17)	160,902
Balances - July 1	<u>36,784</u>	<u>393,436</u>	<u>11,400</u>	<u>441,620</u>
Balances - June 30	<u>\$ 94,552</u>	<u>\$ 496,587</u>	<u>\$ 11,383</u>	<u>\$ 602,522</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (179,409)	\$ 96,588	\$ 3,661	\$ (79,160)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	6,917	1,456		8,373
Federal commodities	41,878			41,878
(Increase) decrease in accounts receivable	10,326		109	10,435
(Increase) decrease in inventory	8,624		(3,792)	4,832
Increase (decrease) in unearned revenue	1,906	4,715		6,621
Increase (decrease) in accounts payable	5,811			5,811
Total adjustments	<u>75,462</u>	<u>6,171</u>	<u>(3,683)</u>	<u>77,950</u>
Net cash provided by (used for) operating activities	<u>\$ (103,947)</u>	<u>\$ 102,759</u>	<u>\$ (22)</u>	<u>\$ (1,210)</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, 2016

	<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	\$ 63,743	\$ 28,367	\$ 318,992	\$ 1,689,495
Total assets	<u>63,743</u>	<u>28,367</u>	<u>318,992</u>	<u>1,689,495</u>
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ 1,793	\$ -
Payroll deductions and withholdings				379,605
Due to Cinnaminson Education Assoc.				100
Due to employees				944,171
Interfund payable		12,594		18,021
Due to student groups				347,598
Total liabilities		<u>12,594</u>	<u>1,793</u>	<u>\$ 1,689,495</u>
NET POSITION:				
Reserved for private purpose trusts	<u>\$ 63,743</u>			
Held in trust for unemployment claims			<u>\$ 317,199</u>	
Held in trust for flexible benefit expenditures		<u>\$ 15,773</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, 2016

	Private Purpose Trust Funds		Flexible Benefit Trust	Unemployment Compensation Insurance Trust
	Scholarship Fund	Organ Repair Fund		
ADDITIONS:				
Donations	\$ 11,310	\$ -	\$ -	\$ -
Board contribution				25,000
Employee withholdings			84,387	43,494
Total Contributions	<u>11,310</u>		<u>84,387</u>	<u>68,494</u>
Investment earnings:				
Interest	25	6		266
Net investment earnings	<u>25</u>	<u>6</u>		<u>266</u>
Total additions	<u>11,335</u>	<u>6</u>	<u>84,387</u>	<u>68,760</u>
DEDUCTIONS:				
Unemployment claims				18,825
Flexible Benefit payments			83,919	
Scholarships awarded	10,100			
Total deductions	<u>10,100</u>		<u>83,919</u>	<u>18,825</u>
Change in net position	<u>1,235</u>	<u>6</u>	<u>468</u>	<u>49,935</u>
Net position - July 1	<u>48,452</u>	<u>14,050</u>	<u>15,305</u>	<u>267,264</u>
Net position - June 30	<u>\$ 49,687</u>	<u>\$ 14,056</u>	<u>\$ 15,773</u>	<u>\$ 317,199</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, 2016

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, 2016 of 2,439 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, 2016

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, 2016**

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, 2016

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, 2016

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. 17:9-41et 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, 2016 and 2015 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, 2016

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, 2016.

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, 2016**

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, 2016, 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, 2016

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, 2016.

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, 2016

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 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.

In December 2015, the GASB issued Statement 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above.

Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued) - The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In March 2016, the GASB issued Statement 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement amends Statements 67 and 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure. Furthermore, this Statement clarifies that a deviation, as the term is used in Actuarial Standards of Practice issued by the Actuarial Standards Board, from the guidance in an Actuarial Standard of Practice is not considered to be in conformity with the requirements of Statement 67, Statement 68, or Statement 73 for the selection of assumptions used in determining the total pension liability and related measures. Also, this Statement clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits). The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

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 \$22,306,725 as of June 30, 2016, \$750,000 was insured under FDIC and the remaining balance of \$21,556,725 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, 2016**

3. CAPITAL RESERVE ACCOUNT (Continued)

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Balance – July 1, 2015		\$	1,233,534
Increased by:			
Interest earned	1,073		
Board resolution	500,000		
Return of unspent funds	<u>9,725</u>		<u>510,798</u>
			1,744,331
Decreased by:			
Budget withdrawal			<u>500,000</u>
Balance – June 30, 2016		\$	<u>1,244,332</u>

The June 30, 2016 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

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

4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2016 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	\$ 485,749	\$ 3,341	\$ -	\$ 495	\$ 489,585
Federal Aid	781	145,885	24,750	12,496	183,912
Transportation Fees	195,029				195,029
Tuition Fees	76,779				76,779
Other		<u>188</u>		<u>6,399</u>	<u>6,587</u>
Total Accounts Receivable	<u>\$ 758,338</u>	<u>\$ 149,414</u>	<u>\$ 24,750</u>	<u>\$ 19,390</u>	<u>\$ 951,892</u>

Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Adjustments/ Deletions</u>	<u>Balance June 30, 2016</u>
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 4,252,300	\$ -	\$ -	\$ 4,252,300
Construction in Progress	4,215,073	24,253,848		28,468,921
Total Capital Assets not being Depreciated	<u>8,467,373</u>	<u>24,253,848</u>	<u>-</u>	<u>32,721,221</u>
<i>Capital Assets, being depreciated:</i>				
Building and Improvements	26,914,740			26,914,740
Equipment	7,526,501	601,021	259,599	7,867,923
Total Historical Cost	<u>34,441,241</u>	<u>601,021</u>	<u>259,599</u>	<u>34,782,663</u>
<i>Less Accumulated Depreciation:</i>				
Building and Improvements	(20,318,919)	(529,460)		(20,848,379)
Equipment	(5,728,452)	(450,399)	(259,599)	(5,919,252)
Total Accumulated Depreciation	<u>(26,047,371)</u>	<u>(979,859)</u>	<u>(259,599)</u>	<u>(26,767,631)</u>
Total Capital Assets, being depreciated, net	<u>8,393,870</u>	<u>(378,838)</u>	<u>-</u>	<u>8,015,032</u>
Governmental Activities Capital Assets, Net	<u>\$ 16,861,243</u>	<u>\$ 23,875,010</u>	<u>\$ -</u>	<u>\$ 40,736,253</u>
Business-Type Activities:				
Equipment	\$ 486,006	\$ 2,633	\$ 19,300	\$ 507,939
Less - Accumulated Depreciation	<u>(428,727)</u>	<u>(8,373)</u>	<u>(19,300)</u>	<u>(456,400)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 57,279</u>	<u>\$ (5,740)</u>	<u>\$ -</u>	<u>\$ 51,539</u>

Depreciation expense in the amount of \$979,859 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Instruction	\$ 685,901
Plant Operations and Maintenance	97,976
Transportation	146,979
Unallocated	48,993
Total	<u>\$ 979,859</u>

6. INVENTORY

Inventory in the Proprietary Funds at June 30, 2016 consisted of the following:

	<u>Food Service</u>	<u>School Store</u>
Food Supplies	\$ 5,287	\$ -
	<u>2,556</u>	<u>11,574</u>
	<u>\$ 7,843</u>	<u>\$ 11,574</u>

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2016, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2016</u>	<u>Amounts Due Within One Year</u>
School Bonds	\$ 42,913,000	\$ -	\$ 735,000	\$ 42,178,000	\$ 1,633,000
Unamortized Premium	147,091		41,049	106,042	41,049
Total School Bonds	<u>43,060,091</u>		<u>776,049</u>	<u>42,284,042</u>	<u>1,674,049</u>
Capital Leases Payable	689,118	755,000	332,114	1,112,004	361,149
Compensated Absences	1,661,930		110,642	1,551,288	
Net Pension Liability	<u>13,324,148</u>	<u>2,707,625</u>		<u>16,031,773</u>	
	<u>\$ 58,735,287</u>	<u>\$ 3,462,625</u>	<u>\$ 1,218,805</u>	<u>\$ 60,979,107</u>	<u>\$ 2,035,198</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 \$2,130,000 due in annual installments through August 1, 2018 bearing interest rates ranging from 3.00% - 4.00%.

2016 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>
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	1,615,000	1,101,975	2,716,975
2022-2026	8,775,000	4,740,375	13,515,375
2027-2031	9,000,000	3,397,500	12,397,500
2032-2036	9,000,000	2,000,250	11,000,250
2037-2040	<u>7,200,000</u>	<u>504,000</u>	<u>7,704,000</u>
	<u>\$ 42,178,000</u>	<u>\$ 16,658,220</u>	<u>\$ 58,836,220</u>

As of June 30, 2016 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, 2016**

7. LONG-TERM OBLIGATIONS (Continued)

Capital Leases

The District is leasing nineteen school buses, two vans, one tractor, one lawnmower, and two trucks totaling \$1,112,004 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>
2017	\$ 361,149	\$ 13,250	\$ 374,399
2018	301,606	12,820	314,426
2019	214,541	8,051	222,592
2020	152,116	4,317	156,433
2021	82,592	1,470	84,062
	<u>\$ 1,112,004</u>	<u>\$ 39,908</u>	<u>\$ 1,151,912</u>

8. OPERATING LEASES

At June 30, 2016, 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, 2016, and 2015 were \$61,909 and \$60,627 respectively. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2017	\$ 54,063
June 30, 2018	53,308
June 30, 2019	50,790
June 30, 2020	1,017
Total future minimum lease payments	<u>\$ 159,178</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, 2016**

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, 2016, the District recognized pension expense of \$6,530,019 and revenue of \$6,530,019 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

	06/30/15	06/30/14
Collective deferred outflows of resources	\$ 7,521,378,257	\$ 2,306,623,861
Collective deferred inflows of resources	554,399,005	1,763,205,593
Collective net pension liability (Non-Employer – State of New Jersey)	63,577,864,440	53,446,745,367
State's portion of the net pension liability that was associated with the district	106,946,053	87,600,397
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	.1692070049%	.1639022100%

Actuarial assumptions – The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. 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, 2016**

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, 2014 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, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	05.00%	0.53%
Government Bonds	01.75%	1.39%
Credit Bonds	13.50%	2.72%
Mortgages	02.10%	2.54%
Inflation-Indexed Bonds	01.50%	1.47%
High Yield Bonds	02.00%	4.57%
Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	06.40%	8.46%
Private Real Estate Property	04.25%	3.97%
Timber	01.00%	4.09%
Farmland	01.00%	4.61%
Private Equity	09.25%	9.15%
Commodities	01.00%	3.58%
Hedge Funds – MultiStrategy	04.00%	4.59%
Hedge Funds – Equity Hedge	04.00%	5.68%
Hedge Funds - Distressed	04.00%	4.30%
	100.00%	

Discount rate. The discount rate used to measure the State's total pension liability was 4.13% as of June 30, 2015. 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 3.80% as of June 30, 2015, 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.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

9. PENSION PLANS (Continued)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

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 Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability Paid by District</u>
2016	\$ 103,947	\$ 478,848	\$ 31,203	\$ 613,998
2015	97,669	451,795	37,215	586,679
2014	93,549	411,300	8,586	513,435

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, 2016, the District recognized pension expense of \$1,149,892. At June 30, 2016, the District reported a liability of \$16,031,773 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

9. PENSION PLANS (Continued)

Public Employees Retirement System (PERS)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 382,462	\$ -
Changes of assumptions	1,721,684	
Net Difference between projected and actual earnings on pension plan investments		257,760
Changes in proportion	438,422	
District contributions subsequent to the measurement date	685,042	
Total	\$ 3,227,610	\$ 257,760

\$685,042 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, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net liability in the year ended June 30, 2016.

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 Outflows of Resources
2016	\$ 434,504
2017	434,504
2018	434,504
2019	633,016
2020	348,280
Total	\$ 2,284,808

Additional Information

Collective balances at June 30, 2015 and 2014 are as follows:

	<u>6/30/2015</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	\$ 3,578,755,666	\$ 952,194,675
Collective deferred inflows of resources	\$ 993,410,455	\$ 1,479,224,662
Collective net pension liability	\$ 22,447,996,119	\$ 18,722,735,003
District's Proportion	.0714173882%	.0711656070%

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

9. PENSION PLANS (Continued)

Public Employees Retirement System (PERS)

Actuarial assumptions – The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Inflation rate: 3.04%
- 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) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	05.00%	01.04%
U.S. Treasuries	01.75%	01.64%
Investment Grade Credit	10.00%	01.79%
Mortgages	02.10%	01.62%
High Yield Bonds	02.00%	04.03%
Inflation Indexed Bonds	01.50%	03.25%
Broad US Equities	27.25%	08.52%
Developed Foreign Equities	12.00%	06.88%
Emerging Market Equities	06.40%	10.00%
Private Equity	09.25%	12.41%
Hedge Funds/Absolute Ret	12.00%	04.72%
Real Estate (Property)	02.00%	06.83%
Commodities	01.00%	05.32%
Global Debt ex US	03.50%	-0.40%
REIT	04.25%	5.12%
	<u>100.00%</u>	

Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

9. PENSION PLANS (Continued)

Public Employees Retirement System (PERS)

Discount rate. The discount rate used to measure the State's total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.8% as of June 30, 2015, 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, 2015, calculated using the discount rate of 4.90%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.90%) or 1 percentage point higher (5.90%) than the current rate:

	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
District's proportionate share of the net pension liability	\$ 19,925,532	\$ 16,031,773	\$ 12,767,273

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>
2016	\$ 4,595	\$ 4,595
2015	4,065	4,065
2014	1,793	1,793

Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

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, 2016 was \$1,644,287 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.

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

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2016, the School District has recognized as revenues and expenditures \$1,380,914 of on-behalf payments made by the State of New Jersey for normal retirement costs related to TPAF and \$1,278,654 for employer's share of social security contributions for TPAF members, as calculated on their base salaries.

12. RISK MANAGEMENT

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

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

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

12. RISK MANAGEMENT (Continued)

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

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

The Fund publishes its own financial report which can be obtained at: School Alliance Insurance Fund, c/o PEGAS, 51 Everett Drive, 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>
2015-2016	\$ 25,000	\$ 43,494	\$ 266	\$ 18,825	\$ 317,199
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

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, 2016, the liability for compensated absences in the governmental activities was \$1,551,288.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

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, 2017. The following interfund balances were recorded on the various balance sheets as of June 30, 2016:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 324,072	\$ 4,198
Special Revenue		112,958
Debt Service	151,029	137,963
Capital Projects		189,367
Fiduciary		30,615
	\$ 475,101	\$ 475,101

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, 2016, 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>
2015-2016	\$ 13	\$ 84,374	\$ 83,919	\$ 15,773
2014-2015	14	82,989	82,775	15,305
2013-2014	11	87,054	81,252	15,077

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

18. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2016, a deficit of \$15,164,205 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, 2016:	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds)	
Unassigned	\$ 3,481
Liabilities:	
Net Pension Differences	(13,061,923)
Accrued Interest Payable	(554,475)
Compensated Absences	<u>(1,551,288)</u>
Unrestricted Net Position (Deficit)	<u><u>\$ (15,164,205)</u></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, 2016, the balance in the capital reserve account is \$1,244,332 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 2016-2017 budget.

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, 2016 is \$2,704,700. Additionally, \$1,992,060 of excess fund balance generated during the 2014-2015 fiscal year has been restricted and designated for utilization in the 2016-2017 budget.

Maintenance Reserve Account – As of June 30, 2016, the balance in the maintenance reserve account is \$1,362,256. 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 \$250,000 has been designated for use in the 2016-2017 budget.

Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

19. FUND BALANCES (Continued)

Assigned:

General Fund:

Year-end Encumbrances – At June 30, 2016 a total of \$91,342 in the General Fund is committed to meet contractual obligations. The School District has purchase orders outstanding with vendors in this amount and expects the vendors to deliver the goods and services in the upcoming year.

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2016, \$103,982 of general fund balance.

Capital Projects Fund:

Year-end Encumbrances – At June 30, 2016 a total of \$739,450 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.

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, \$12 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, 2016, \$3,481 of the general fund balance was unassigned.

Capital Projects Fund – As of June 30, 2016, \$387,322 of the capital projects fund balance was unassigned.

Debt Service Fund – As of June 30, 2016, \$13,054 of debt service fund balance was unassigned.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 31,187,085	\$ -	\$ 31,187,085	\$ 31,187,085	\$ -
Tuition from Individuals				58,397	58,397
Tuition from other LEAs	50,000		50,000	310,743	260,743
Transportation fees from other LEAs	775,000		775,000	1,182,154	407,154
Capital reserve interest	100		100	1,073	973
Other restricted revenues	50,000		50,000	49,080	(920)
Unrestricted miscellaneous revenue	52,851		52,851	208,005	155,154
Total local sources	32,115,036		32,115,036	32,996,537	881,501
State sources:					
Extraordinary Aid	500,000		500,000	407,749	(92,251)
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				15,312	15,312
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)				1,380,914	1,380,914
On-behalf TPAF Medical contributions (non-budgeted)				1,644,287	1,644,287
Reimbursed TPAF social security contributions (non-budgeted)				1,278,654	1,278,654
Total state sources	9,495,720		9,495,720	13,722,636	4,226,916
Federal sources:					
Medicaid reimbursement	24,278		24,278	19,236	(5,042)
Total federal sources	24,278		24,278	19,236	(5,042)
TOTAL REVENUES	41,635,034		41,635,034	46,738,409	5,103,375
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool	61,850	(9,735)	52,115	30,684	21,431
Kindergarten	314,346	2,596	316,942	314,711	2,231
Grades 1-5	3,781,469	(49,144)	3,732,325	3,681,651	50,674
Grades 6-8	3,090,462	(59,610)	3,030,852	3,006,820	24,032
Grades 9-12	3,913,229	(46,591)	3,866,638	3,833,074	33,564
Total Instruction	11,161,356	(162,484)	10,998,872	10,866,940	131,932
Regular Programs - Home Instruction:					
Salaries of teachers	35,000		35,000	32,899	2,101
Purchased professional - educ services	20,000		20,000	12,864	7,136
Total Home Instruction	55,000		55,000	45,763	9,237
Regular Programs - Undistributed Instruction:					
Purchased professional - educ services	12,445	1,300	13,745	11,238	2,507
Other purchased services	246,022	(7,084)	238,938	199,611	39,327
General supplies	511,150	(4,689)	506,461	455,293	51,168
Textbooks	125,000	(6,100)	118,900	103,957	14,943
Other objects	14,248	(870)	13,378	6,110	7,268
Total Undistributed Instruction	908,865	(17,443)	891,422	776,209	115,213
Total - Regular Programs - Instruction	12,125,221	(179,927)	11,945,294	11,688,912	256,382

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, 2016

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Educ Instruction: Learning/Lang.					
Salaries of teachers	\$ 222,981	\$ 45,000	\$ 267,981	\$ 265,633	\$ 2,348
Other salaries for instruction	28,500		28,500	19,233	9,267
General supplies	6,100		6,100	6,100	
Total Learning/Language Disabilities	<u>257,581</u>	<u>45,000</u>	<u>302,581</u>	<u>290,966</u>	<u>11,615</u>
Special Educ Instruction: Multiple Disabilities					
Salaries of teachers	194,896	710	195,606	195,471	135
Other salaries for instruction	75,835	(970)	74,865	64,724	10,141
General supplies	7,000		7,000	6,556	444
Textbooks	1,000		1,000	96	904
Total Multiple Disabilities	<u>278,731</u>	<u>(260)</u>	<u>278,471</u>	<u>266,847</u>	<u>11,624</u>
Special Educ Instruction: Res. Room/Res. Center					
Salaries of teachers	2,091,222	(102,212)	1,989,010	1,967,958	21,052
Other salaries for instruction	111,286		111,286	107,687	3,599
General supplies	25,295		25,295	25,295	
Total Resource Room/Resource Center	<u>2,227,803</u>	<u>(102,212)</u>	<u>2,125,591</u>	<u>2,100,940</u>	<u>24,651</u>
Special Educ Instruction: Preschool Disb - PT					
Salaries of teachers	76,314	52,940	129,254	123,131	6,123
Other salaries for instruction	14,120		14,120		14,120
General supplies	1,100		1,100	1,100	
Total Preschool Disabilities - Part-Time	<u>91,534</u>	<u>52,940</u>	<u>144,474</u>	<u>124,231</u>	<u>20,243</u>
Special Educ Instruction: Home Instruction					
Salaries of teachers	55,000		55,000	10,289	44,711
Purchased professional - educ services	40,000	30,800	70,800	70,729	71
General Supplies	500		500		500
Total Home Instruction	<u>95,500</u>	<u>30,800</u>	<u>126,300</u>	<u>81,018</u>	<u>45,282</u>
Total Special Education - Instruction	<u>2,951,149</u>	<u>26,268</u>	<u>2,977,417</u>	<u>2,864,002</u>	<u>113,415</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	1,287,193	81,917	1,369,110	1,367,901	1,209
Other salaries for instruction	242,614	260	242,874	241,620	1,254
General supplies	19,500		19,500	15,405	4,095
Total Basic Skills/Remedial - Instruction	<u>1,549,307</u>	<u>82,177</u>	<u>1,631,484</u>	<u>1,624,926</u>	<u>6,558</u>
Bilingual Education - Instruction					
Salaries of teachers	103,727		103,727	102,252	1,475
Purchased professional - educ services	1,000		1,000		1,000
Other purchased services	1,200		1,200	112	1,088
General supplies	1,100	2,800	3,900	3,846	54
Total Bilingual Education - Instruction	<u>107,027</u>	<u>2,800</u>	<u>109,827</u>	<u>106,210</u>	<u>3,617</u>
School-Sponsored Cocurricular Act - Inst.					
Salaries	280,950	(1,435)	279,515	252,620	26,895
Purchased services	47,222	2,260	49,482	46,923	2,559
Supplies and materials	16,980	(70)	16,910	14,123	2,787
Other objects	772		772	400	372
Total School-Sponsored Cocurr. Act. - Inst.	<u>345,924</u>	<u>755</u>	<u>346,679</u>	<u>314,066</u>	<u>32,613</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, 2016

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Athletics - Inst.					
Salaries	\$ 817,853	\$ -	\$ 817,853	\$ 806,858	\$ 10,995
Purchased services	112,257	(3,900)	108,357	56,089	52,268
Supplies and materials	142,154	6,820	148,974	143,241	5,733
Other objects	34,275	2,000	36,275	35,239	1,036
Total School-Sponsored Athletics - Inst.	1,106,539	4,920	1,111,459	1,041,427	70,032
Other Instructional Programs - Instruction					
Salaries	26,500		26,500	20,689	5,811
Purchased prof ed services	2,500		2,500		2,500
Supplies and materials	1,000	(430)	570		570
Total Other Instructional Programs - Inst.	30,000	(430)	29,570	20,689	8,881
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - regular	56,040	9,552	65,592	55,515	10,077
Tuition to other LEAs within the state - special	400,703		400,703	344,480	56,223
Tuition county voc. school dist. - regular	38,208	(9,552)	28,656	28,656	
Tuition county voc. school dist. - special	12,736		12,736	12,736	
Tuition to CSSD & reg. day schools	620,720	(22,000)	598,720	545,722	52,998
Tuition to priv. sch. for the disabled w/ state	1,436,960	(279,205)	1,157,755	1,003,933	153,822
Tuition to priv. sch. disabled & other LEAs - Spl, O/S		238,161	238,161	225,450	12,711
Tuition - state facilities	69,112		69,112	69,112	
Total Undistributed Expenditures - Instruction	2,634,479	(63,044)	2,571,435	2,285,604	285,831
Undistributed Expenditures - Attendance & Social Work					
Salaries	157,679	2,152	159,831	157,727	2,104
Other Purchased services	14,250		14,250	13,956	294
Total Undistributed Expenditures - Attendance & Soc.	171,929	2,152	174,081	171,683	2,398
Undistributed Expenditures - Health Services					
Salaries	385,528	(12,300)	373,228	357,728	15,500
Purchased Professional and Technical Services	17,500		17,500	17,340	160
Other purchased services	11,136		11,136	6,665	4,471
Supplies and materials	14,796	1,000	15,796	10,491	5,305
Other objects	534		534	305	229
Total Undistributed Expenditures - Health Svcs.	429,494	(11,300)	418,194	392,529	25,665
Undist. Expend. - Speech, OT, PT & Rel. Serv					
Salaries	290,855		290,855	283,800	7,055
Purchased professional - educ services	236,679	1,044	237,723	184,971	52,752
Supplies and materials	1,800		1,800	1,393	407
Total Undist. Expend. - OT, PT & Rel. Serv	529,334	1,044	530,378	470,164	60,214
Undist. Expend. - Other Supp. Serv. Stud. - Extra					
Salaries	876,999	(29,561)	847,438	817,886	29,552
Purchased professional - educ services	173,208	11,420	184,628	169,861	14,767
Supplies and materials	5,500		5,500	1,328	4,172
Total Undst. Expend. - Other Supp. Serv. Stud. - Extra	1,055,707	(18,141)	1,037,566	989,075	48,491
Undist. Expend. - Guidance					
Salaries of other professional staff	510,199	49,972	560,171	556,212	3,959
Salaries of secretarial and clerical assistants	190,972	82	191,054	183,440	7,614
Other purchased services	8,252	278	8,530	7,766	764
Supplies and materials	4,341	(278)	4,063	3,943	120
Other objects	3,399	500	3,899	3,325	574
Total Undst. Expend. - Guidance	717,163	50,554	767,717	754,686	13,031

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, 2016

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Child Study Team					
Salaries of other professional staff	\$ 713,695	\$ -	\$ 713,695	\$ 682,497	\$ 31,198
Salaries of secretarial and clerical assistants	131,700	10,505	142,205	142,203	2
Other purchased prof. and tech. services	93,190	(800)	92,390	40,664	51,726
Travel	15,000	3,000	18,000	13,744	4,256
Rentals and Leases	4,200	400	4,600	4,529	71
Misc Purchased Services	23,500	(400)	23,100	13,540	9,560
Supplies and materials	44,000	10,000	54,000	45,783	8,217
Other objects	4,680		4,680	2,468	2,212
Total Undst. Expend. - Child Study Team	1,029,965	22,705	1,052,670	945,428	107,242
Undist. Expend. - Improvement of Instr. Services					
Salaries of supervisor of instruction	635,998	15,235	651,233	635,403	15,830
Salaries of other professional staff	9,317	1,500	10,817	9,625	1,192
Salaries of secretarial and clerical assistants	75,630	(1,500)	74,130	72,357	1,773
Purchased professional - educ services	3,000		3,000		3,000
Other purchased services	11,350	800	12,150	10,993	1,157
Supplies and materials	6,240		6,240	2,923	3,317
Other objects	9,800		9,800	8,330	1,470
Total Undst. Expend. - Improvement of Instr. Services	751,335	16,035	767,370	739,631	27,739
Undist. Expend. - Educ Media Serv./Sch. Library					
Salaries	258,048	2	258,050	242,633	15,417
Other purchased services	33,300	1,000	34,300	32,847	1,453
Supplies and materials	42,775	(1,000)	41,775	39,233	2,542
Total Undst. Expend. - Educ. Media Serv./Sch. Library	334,123	2	334,125	314,713	19,412
Undist. Expend. - Instructional Staff Training Services					
Salaries of supervisor of instruction	65,000	(730)	64,270	53,126	11,144
Salaries of secretarial and clerical assistance	28,500	730	29,230	29,227	3
Other purchased services	9,000	5,000	14,000	13,179	821
Total Undst. Expend. - Instructional Staff Training Services	102,500	5,000	107,500	95,532	11,968
Undist. Expend. - Supp. Serv. General Admin					
Salaries	318,706		318,706	315,966	2,740
Legal services	60,000	27,500	87,500	76,718	10,782
Audit fees	28,500		28,500	28,300	200
Other purchased professional services	6,600		6,600	4,340	2,260
Communications / telephone	128,050		128,050	89,149	38,901
BOE - Other purchased services	5,000		5,000	2,385	2,615
Other purchased services	120,500	2,355	122,855	93,789	29,066
General supplies	8,000		8,000	5,955	2,045
Miscellaneous expenditures	6,000		6,000	5,976	24
BOE Membership dues and fees	19,000		19,000	17,864	1,136
Total Undst. Expend. - Supp. Serv. General Admin	700,356	29,855	730,211	640,442	89,769
Undist. Expend. - Supp. Serv. School Admin.					
Salaries of principals/assist. principals	799,580	3	799,583	799,580	3
Salaries of other professional staff	129,074		129,074	126,050	3,024
Salaries of secretarial and clerical assistants	538,463	33,199	571,662	567,057	4,605
Other purchased services	17,229		17,229	12,185	5,044
Supplies and materials	51,865	(1,420)	50,445	35,270	15,175
Other objects	15,145	1,509	16,654	12,522	4,132
Total Undst. Expend. - Supp. Serv. School Admin.	1,551,356	33,291	1,584,647	1,552,664	31,983

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, 2016

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services					
Salaries	\$ 493,800	\$ (5,001)	\$ 488,799	\$ 487,026	\$ 1,773
Purchased professional services	48,000	805	48,805	48,804	1
Miscellaneous purchased services	24,800	(264)	24,536	20,955	3,581
Supplies and materials	21,066	(61)	21,005	18,141	2,864
Miscellaneous expenditures	9,450		9,450	7,666	1,784
Total Undst. Expend. - Central services	597,116	(4,521)	592,595	582,592	10,003
Undist. Expend. - Admin. Info. Tech.					
Salaries	327,186	68,754	395,940	354,197	41,743
Purchased technical services	45,000	(45,000)			
Other purchased services	45,770	(32,481)	13,289	12,877	412
Supplies and materials	6,444		6,444	6,444	
Total Undst. Expend. - Admin. Info. Tech.	424,400	(6,727)	415,673	373,518	42,155
Undist. Expend. - Required Maint. Sch. Facilities					
Salaries	209,500	25,000	234,500	231,610	2,890
Cleaning, repair, and maintenance services	215,754		215,754	130,178	85,576
General supplies	58,000		58,000	53,651	4,349
Total Undst. Expend. - Required Maint. Sch. Facilities	483,254	25,000	508,254	415,439	92,815
Undist. Expend. - Custodial Services					
Salaries	988,261	40,001	1,028,262	1,020,023	8,239
Purchased professional & tech. services	10,000		10,000	9,555	445
Cleaning, repair, and maintenance services	73,700	(20,195)	53,505	40,790	12,715
Other purchased property services	435,000	(12,000)	423,000	386,850	36,150
Insurance	242,220		242,220	242,220	
Miscellaneous purchased services	43,000	1,920	44,920	44,738	182
General supplies	158,730	20,490	179,220	178,889	331
Energy (electricity)	615,000	(10,000)	605,000	494,112	110,888
Other objects	4,000	80	4,080	4,076	4
Salaries of Non-Instructional Aides	89,660	21,200	110,860	107,510	3,350
Energy (natural gas)	270,500	(20,000)	250,500	128,554	121,946
Total Undst. Expend. - Other oper. & Maint. of Plant	2,930,071	21,496	2,951,567	2,657,317	294,250
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	129,520	2,346	131,866	131,866	
Total Undst. Expend. - Care & Upkeep of Grounds	129,520	2,346	131,866	131,866	
Undist. Expend. - Security					
Purchased professional and technical services	92,820		92,820	92,595	225
Cleaning, Repair, and Maintenance services	14,536	1,755	16,291	16,291	
General supplies	9,582	8,245	17,827	8,754	9,073
Total Undst. Expend. - Security	116,938	10,000	126,938	117,640	9,298
Total Undst. Expend. - Oper. & Maint. of Plant Services	3,659,783	58,842	3,718,625	3,322,262	396,363

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
Undist. Expend. - Student Transportation Services					
Salaries of non-instructional aides	\$ 315,000	\$ 11,500	\$ 326,500	\$ 255,079	\$ 71,421
Salaries for pupil trans. (bet home & sch) - reg.	751,000		751,000	694,277	56,723
Salaries for pupil trans. (bet home & sch) - spec ed.	555,000	(5,000)	550,000	492,668	57,332
Salaries for pupil trans. (other than bet home & sch)	145,665	(325)	145,340	126,387	18,953
Salaries for pupil trans. (bet h&s) - nonpublic sch	60,000		60,000	60,000	
Purchased professional and technical services	4,500		4,500	2,320	2,180
Cleaning, repair, and maintenance services	25,000	(6,830)	18,170	15,940	2,230
Lease purchase payments - school buses	334,000		334,000	316,889	17,111
Contr. serv. (bet. home & sch.) - vendors	123,200	(10,000)	113,200	73,412	39,788
Contr. serv. (other than bet. home & sch.) - vendors	5,250		5,250	5,250	
Contr. serv. (bet home & sch) - joint agreements	10,000		10,000	4,990	5,010
Contr. serv. (sp ed stds) - vendors	20,000	(6,000)	14,000	14,000	
Contr. serv. (sp ed stds) - joint agreements	25,000	(7,932)	17,068	9,467	7,601
Contr. serv. (other than bet. home & sch.)		162	162	162	
Contr. serv. (sp ed stds) - ESCs & CTSA's	52,000	(16,500)	35,500	11,629	23,871
Contr. serv. - aid in lieu of payments	80,000	1,770	81,770	80,630	1,140
Miscellaneous purchased services - transportation	29,081	(370)	28,711	23,962	4,749
Transportation Supplies	543,583		543,583	317,405	226,178
Other objects	6,500		6,500	3,312	3,188
Total Undst. Expend. - Student Transportation Services	3,084,779	(39,525)	3,045,254	2,488,529	556,725
Operation and Maintenance of Plant Services - Employee Benefits					
Workers Compensation	75,433		75,433	75,433	
Total Operation and Maintenance of Plant Service	75,433		75,433	75,433	
Student Transportation Services - Employee Benefits					
Social security contributions	141,000		141,000	118,265	22,735
Workmen's compensation	80,500		80,500	80,500	
Health benefits	383,000		383,000	355,898	27,102
Total Student Transportation Services - Employee Ben.	604,500		604,500	554,663	49,837
Unallocated Benefits - Employee Benefits					
Social security contributions	530,000	4,700	534,700	532,977	1,723
Other retirement contributions - PERS	695,000	(5,270)	689,730	613,998	75,732
Unemployment compensation	25,000		25,000	25,000	
Workmen's compensation	192,000	(15,000)	177,000	169,515	7,485
Health benefits	5,450,000	(37,000)	5,413,000	4,692,100	720,900
Tuition reimbursement	40,000		40,000	32,029	7,971
Other employee benefits	122,500	4,529	127,029	127,029	
Unused sick payment to terminated/retired staff	70,000		70,000	39,569	30,431
Total Unallocated Benefits - Employee Benefits	7,124,500	(48,041)	7,076,459	6,232,217	844,242
On-behalf TPAF Pension (non-budgeted)				1,380,914	(1,380,914)
On-behalf TPAF Medical contributions (non-budgeted)				1,644,287	(1,644,287)
Reimbursed TPAF social security contributions (non-budgeted)				1,278,654	(1,278,654)
Total Undistributed Expenditures - TPAF				4,303,855	(4,303,855)
Total Undistributed Expenditures	25,578,252	26,181	25,604,433	27,285,220	(1,680,787)
Total General Current Expense	43,793,419	(37,256)	43,756,163	44,945,452	(1,189,289)

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)	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CAPITAL OUTLAY:					
Equipment:					
Grades 9-12	120,200	11,296	131,496	131,496	
School-sponsored and other instructional programs	20,000	5,957	25,957	25,917	40
Undist. expend. - admin info tech	12,600		12,600	12,600	
Undist. expend. - child study teams		7,580	7,580	7,580	
Undist. expend. - custodial services	18,105		18,105	15,695	2,410
Undist. expend. - student trans. - non-instructional equip.	6,777	12,423	19,200	16,080	3,120
Total Equipment	<u>177,682</u>	<u>37,256</u>	<u>214,938</u>	<u>209,368</u>	<u>5,570</u>
Facilities acquisition and construction services:					
Construction services	500,000		500,000	490,274	9,726
Assessment for Debt Service on SDA Funding	534		534	534	
Total Facilities acquisition and construction services	<u>500,534</u>		<u>500,534</u>	<u>490,808</u>	<u>9,726</u>
Assets acquired under capital leases (non-budgeted):					
Equipment					
Transportation vehicles				755,000	(755,000)
Total Facilities Acquisition and Construction Services				<u>755,000</u>	<u>(755,000)</u>
Total Capital Outlay	<u>678,216</u>	<u>37,256</u>	<u>715,472</u>	<u>1,455,176</u>	<u>(739,704)</u>
Transfer of Funds to Charter Schools	11,466		11,466	11,466	
Total Expenditures	<u>44,483,101</u>		<u>44,483,101</u>	<u>46,412,094</u>	<u>(1,928,993)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:					
	<u>(2,848,067)</u>		<u>(2,848,067)</u>	<u>326,315</u>	<u>3,174,382</u>
Other Financing Sources (Uses):					
Proceeds of Capital Lease				755,000	755,000
Total Other Financing Sources				<u>755,000</u>	<u>755,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):					
	\$ (2,848,067)		\$ (2,848,067)	\$ 1,081,315	\$ 3,929,382
Fund Balance, July 1	7,259,734		7,259,734	7,259,734	
Fund Balance, June 30	<u>\$ 4,411,667</u>		<u>\$ 4,411,667</u>	<u>\$ 8,341,049</u>	<u>\$ 3,929,382</u>
Recapitulation of fund balance:					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Years Expenditures				\$ 1,992,060	
Reserve for Excess Surplus				2,704,700	
Maintenance Reserve				1,362,256	
Capital Reserve				1,244,332	
Committed Fund Balance:					
Year-end Encumbrances				91,342	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				103,982	
Unassigned Fund Balance				<u>842,377</u>	
				8,341,049	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(838,896)</u>	
Fund balance per Governmental Funds (GAAP)				<u>\$ 7,502,153</u>	

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

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
REVENUES:					
Local sources	\$ 20,000	\$ 4,940	\$ 24,940	\$ 19,287	\$ (5,653)
State sources	119,015	84,994	204,009	194,793	(9,216)
Federal sources	676,532	267,706	944,238	825,838	(118,400)
Total revenues	<u>815,547</u>	<u>357,640</u>	<u>1,173,187</u>	<u>1,039,918</u>	<u>(133,269)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	99,000	(53,550)	45,450	45,450	-
Purchased professional - educ. services		175	175	150	25
Purchased professional - tech. services	500	2,841	3,341	3,341	-
Other purchased services		500	500	500	-
General supplies	20,525	52,694	73,219	55,411	17,808
Tuition	450,000	92,005	542,005	542,005	-
Textbooks	19,500	2,827	22,327	22,007	320
Miscellaneous	20,000	4,940	24,940	19,287	5,653
Total instruction	<u>609,525</u>	<u>102,432</u>	<u>711,957</u>	<u>688,151</u>	<u>23,806</u>
Support services:					
Salaries - Support Staff	52,462	71,459	123,921	89,950	33,971
Personal services - employee benefits	12,500	4,677	17,177	14,335	2,842
Purchased professional and technical services	36,005	85,628	121,633	104,006	17,627
Other purchased services	95,055	77,176	172,231	131,160	41,071
Supplies and materials	10,000	16,268	26,268	12,316	13,952
Total support services	<u>206,022</u>	<u>255,208</u>	<u>461,230</u>	<u>351,767</u>	<u>109,463</u>
Facilities acquisition and construction services:					
Construction services					
Supplies and materials					
Instructional equipment					
Total facilities acq. and const. services					
Total expenditures	<u>815,547</u>	<u>357,640</u>	<u>1,173,187</u>	<u>1,039,918</u>	<u>133,269</u>
Total outflows	<u>815,547</u>	<u>357,640</u>	<u>1,173,187</u>	<u>1,039,918</u>	<u>133,269</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**

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 46,738,409	\$ 1,039,918
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.	839,176	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(838,896)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 46,738,689	\$ 1,039,918
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 46,412,094	\$ 1,039,918
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	\$ 46,412,094	\$ 1,039,918

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 Three Fiscal Years

	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0714173882%	0.0711656070%	0.0681418604%
District's proportionate share of the net pension liability (asset)	\$ 16,031,773	\$ 13,324,148	\$ 13,023,263
District's covered-employee payroll	4,942,772	5,027,300	4,850,733
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	324.35%	265.04%	268.48%
Plan fiduciary net position as a percentage of the total pension liability	38.21%	42.74%	40.71%

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

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

	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 685,042	\$ 613,998	\$ 586,679
Contributions in relation to the contractually required contributions	<u>(685,042)</u>	<u>(613,998)</u>	<u>(586,679)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	4,942,772	5,027,300	4,850,733
Contributions as a percentage of covered-employee payroll	13.86%	12.21%	12.09%

This schedule does not contain ten years of information as GASB 68 was implemented during the 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 Three Fiscal Years

	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.1692070049%	0.1639022100%	0.1679719794%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 106,946,053	\$ 87,600,397	\$ 84,891,717
Total	\$ 106,946,053	\$ 87,600,397	\$ 84,891,717
District's covered-employee payroll	18,058,763	17,435,627	16,823,260
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

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

Cinnaminson Township School District
Notes to Required Supplementary Information
Pension Schedules
For the Fiscal Year Ended June 30, 2016

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

Changes of benefit term: 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.

1. Public Employees' Retirement System (PERS)

Changes of benefit term: 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) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

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, 2016

	Brought Forward (Exh. E-1B)	Brought Forward (Exh. E-1C)	Brought Forward (Exh. E-1D)	Total
REVENUES:				
Local sources	\$ -	\$ 19,287	\$ -	\$ 19,287
State sources	116,035	-	78,758	194,793
Federal sources	-	825,838	-	825,838
Total Revenues	116,035	845,125	78,758	1,039,918
EXPENDITURES:				
Instruction:				
Salaries of teachers	-	45,450	-	45,450
Professional education services	-	-	150	150
Purchased professional and technical services	3,341	-	-	3,341
Other purchased services	-	-	500	500
General supplies	-	44,620	10,791	55,411
Tuition	-	542,005	-	542,005
Textbooks	-	-	22,007	22,007
Miscellaneous	-	19,287	-	19,287
Total instruction	3,341	651,362	33,448	688,151
Support services:				
Salaries - Other Support Staff	-	89,950	-	89,950
Personal services-employee benefits	-	14,335	-	14,335
Purchased professional and technical services	-	65,346	38,660	104,006
Other purchased services	112,694	18,466	-	131,160
Supplies and materials	-	5,666	6,650	12,316
Total support services	112,694	193,763	45,310	351,767
Facilities acquisition and const. serv.:				
Construction services	-	-	-	-
Instructional equipment	-	-	-	-
Supplies and materials	-	-	-	-
Total facilities acquisition and const. serv.:	-	-	-	-
Total Expenditures	116,035	845,125	78,758	1,039,918
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, 2016

	Chapter 192 - Auxillary Services		Chapter 193 - Handicapped Services			Carried Forward (Exh. E-1A)
	Comp. Education	Nonpublic Home Instruction	Exam & Classification	Corrective Speech	Suppl. Instruction	
REVENUES:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	49,999	3,341	17,060	25,585	20,050	116,035
Federal sources						
Total Revenues	49,999	3,341	17,060	25,585	20,050	116,035
EXPENDITURES:						
Instruction:						
Salaries of teachers						
Professional education services						
Purchased professional and technical services		3,341				3,341
Other purchased services						
General supplies						
Tuition						
Textbooks						
Miscellaneous						
Total instruction		3,341				3,341
Support services:						
Salaries - Other Support Staff						
Personal services-employee benefits						
Purchased professional and technical services						
Other purchased services	49,999		17,060	25,585	20,050	112,694
Supplies and materials						
Total support services	49,999	-	17,060	25,585	20,050	112,694
Facilities acquisition and const. serv.:						
Construction services						
Instructional equipment						
Non-instructional equipment						
Total facilities acquisition and const. serv.:						
Total Expenditures	49,999	3,341	17,060	25,585	20,050	116,035
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, 2016

	No Child Left Behind (N.C.L.B.)		IDEA - Part B		Real Data Society of Chemistry Industry	Cinnaminson Ed. Foundation Grant	Carried Forward (Exh. E-1A)
	Title I Current Yr.	Title II - Part A Current Yr.	Basic Current Yr.	Preschool Current Yr.			
REVENUES:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 895	\$ 18,392	\$ 19,287
State sources							
Federal sources	109,497	48,431	643,542	24,368			825,838
Total Revenues	109,497	48,431	643,542	24,368	895	18,392	845,125
EXPENDITURES:							
Instruction:							
Salaries of teachers		23,000		22,450			45,450
Professional education services							
Purchased professional and technical services							
Other purchased services							
General supplies		2,905	41,514	201			44,620
Tuition			542,005				542,005
Textbooks							
Miscellaneous					895	18,392	19,287
Total instruction		25,905	583,519	22,651	895	18,392	651,362
Support services:							
Salaries - Other Support Staff	89,950						89,950
Personal services-employee benefits	6,881	5,737		1,717			14,335
Purchased professional and technical services	2,750	2,573	60,023				65,346
Other purchased services	4,250	14,216					18,466
Supplies and materials	5,666						5,666
Total support services	109,497	22,526	60,023	1,717			193,763
Facilities acquisition and const. serv.:							
Construction services							
Instructional equipment							
Non-instructional equipment							
Total facilities acquisition and const. serv.:							
Total Expenditures	109,497	48,431	643,542	24,368	895	18,392	845,125
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, 2016

	Nonpublic Nursing	Nonpublic Textbook	Nonpublic Technology	Nonpublic Security	NJ Wet Project	Carried Forward (Exh. E-1A)
REVENUES:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	35,460	22,007	10,081	9,850	1,360	78,758
Federal sources						-
Total Revenues	35,460	22,007	10,081	9,850	1,360	78,758
EXPENDITURES:						
Instruction:						
Salaries of teachers						
Professional education services					150	150
Purchased professional and technical services					500	500
Other purchased services					710	10,791
General supplies			10,081			10,791
Tuition						
Textbooks		22,007				22,007
Miscellaneous						
Total instruction		22,007	10,081		1,360	33,448
Support services:						
Salaries - other support staff						
Personal services-employee benefits						
Purchased professional and technical services	35,460			3,200		38,660
Other purchased services (400-500)						
Supplies and materials				6,650		6,650
Total support services	35,460			9,850		45,310
Facilities acquisition and const. serv.:						
Construction services						
Non-instructional equipment						
Supplies and Materials						
Total facilities acquisition and const. serv.:						
Total Expenditures	35,460	22,007	10,081	9,850	1,360	78,758
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, 2016**

Revenues and Other Financing Sources:

Proceeds of Serial Bonds	\$ -
Interest earned on investments	87,812
	87,812
Total revenues and other financing sources	87,812

Expenditures and Other Financing (Uses):

Purchased professional services	\$ 1,195,022
Construction services	32,878,859
Equipment	576,010
Other Objects	145,788
Transfer to Debt Service Fund	87,812
Total expenditures and other financing (uses)	34,883,491

Excess (deficiency) or revenues over (under) expenditures	(34,795,679)
Fund Balance - July 1, 2015	35,922,451
Fund Balance - June 30, 2016	\$ 1,126,772

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, 2016

	<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> </u>	<u>40,048,000</u>	<u>40,048,000</u>
Expenditures and Other Financing Uses:				
Purchased professional services	\$ 2,844,527	\$ 1,195,022	\$ 4,039,549	\$ 4,039,549
Construction services	1,281,022	32,878,859	34,159,881	34,159,881
Equipment		576,010	576,010	576,010
Other Objects		145,788	145,788	145,788
	<u>4,125,549</u>	<u>34,795,679</u>	<u>38,921,228</u>	<u>38,921,228</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 35,922,451</u>	<u>\$ (34,795,679)</u>	<u>\$ 1,126,772</u>	<u>\$ 1,126,772</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, 2016

Issue/Project Title	Appropriations	Expenditures to Date		Transfers	Balance
		Prior Years	Current Year		
Construction and Various Improvements to the District's Facilities	\$ 40,048,000	\$ 4,125,549	\$ 34,795,679	\$ -	\$ 1,126,772
	<u>\$ 40,048,000</u>	<u>\$ 4,125,549</u>	<u>\$ 34,795,679</u>	<u>\$ -</u>	<u>\$ 1,126,772</u>

Proprietary Funds

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Net Position
as of June 30, 2016

	Food Service Fund	School Age Child Care Program	School Store	Total
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 94,552	\$ 496,587	\$ 11,383	\$ 602,522
Accounts receivable:				
State	495			495
Federal	12,300			12,300
Milk	196			196
Other	6,399			6,399
Inventories	7,843		11,574	19,417
Total current assets	121,785	496,587	22,957	641,329
Fixed assets:				
Equipment	440,215	29,123		469,338
Less Accumulated depreciation	(402,510)	(15,289)		(417,799)
Total fixed assets	37,705	13,834		51,539
Total assets	\$ 159,490	\$ 510,421	\$ 22,957	\$ 692,868
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 43,381	\$ -	\$ 1	\$ 43,382
Unearned revenue	9,745	31,670		41,415
Total current liabilities	53,126	31,670	1	84,797
NET POSITION				
Net investment in capital assets	37,705	13,834		51,539
Unrestricted	68,659	464,917	22,956	556,532
Total net position	\$ 106,364	\$ 478,751	\$ 22,956	\$ 608,071

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
for the Fiscal Year ended June 30, 2016

	Food Service Fund	School Age Child Care Program	School Store	Total
OPERATING REVENUES:				
Local sources:				
Daily sales-reimbursable programs:				
School lunch program	\$ 285,783	\$ -	\$ -	\$ 285,783
Total-daily sales-reimbursable programs	285,783			285,783
Daily sales non-reimbursable programs:				
Adult and AlaCarte meals	160,435			160,435
Special functions	45,883			45,883
Sales			32,623	32,623
Program fees		417,758		417,758
Miscellaneous	49			49
Total operating revenue	492,150	417,758	32,623	942,531
OPERATING EXPENSES:				
Salaries	252,468	209,976		462,444
Employee benefits	60,153	53,437		113,590
Supplies and materials	31,226	16,070		47,296
Depreciation	6,917	1,456		8,373
Management fee	45,450			45,450
Direct expenses	5,618	895		6,513
Cost of sales - reimbursable programs	153,592			153,592
Cost of sales - non-reimbursable programs	110,911	5,924	28,962	145,797
Building usage		25,000		25,000
Other	5,224	8,412		13,636
Total operating expenses	671,559	321,170	28,962	1,021,691
Operating income (loss)	(179,409)	96,588	3,661	(79,160)
Non-operating revenues:				
State sources:				
State school lunch program	6,164			6,164
Federal sources:				
National school lunch program	158,048			158,048
Special milk program	2,175			2,175
U.S.D.A. commodities	41,878			41,878
Interest revenue	40	392	5	437
Total non-operating revenues	208,305	392	5	208,702
Change in net position	28,896	96,980	3,666	129,542
Net position - July 1	77,468	381,771	19,290	478,529
Net position - June 30	\$ 106,364	\$ 478,751	\$ 22,956	\$ 608,071

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
for the Fiscal Year ended June 30, 2016

	Food Service Fund	School Age Child Care Program	School Store	Total
Cash flows from operating activities:				
Cash receipts from customers	\$ 504,381	\$ 422,473	\$ 32,732	\$ 959,586
Cash payments to employees for services	(286,581)	(263,413)		(549,994)
Cash payments to suppliers for goods and services	(321,747)	(56,301)	(32,754)	(410,802)
Net cash used by operating activities	<u>(103,947)</u>	<u>102,759</u>	<u>(22)</u>	<u>(1,210)</u>
Cash flows from noncapital financing activities:				
Donations				
Cash received from state and federal reimbursements	164,307			164,307
Net cash provided by noncapital financing activities	<u>164,307</u>			<u>164,307</u>
Cash flows from capital financing activities:				
Purchases of fixed assets	(2,633)			(2,633)
Net cash used by capital financing activities	<u>(2,633)</u>			<u>(2,633)</u>
Cash flows from investing activities:				
Interest on investments	41	392	5	438
Net cash provided by investing activities	<u>41</u>	<u>392</u>	<u>5</u>	<u>438</u>
Net increase (decrease) in cash and cash equivalents	57,768	103,151	(17)	160,902
Cash and cash equivalents, July 1	36,784	393,436	11,400	441,620
Cash and cash equivalents, June 30	<u>\$ 94,552</u>	<u>\$ 496,587</u>	<u>\$ 11,383</u>	<u>\$ 602,522</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (179,409)	\$ 96,588	\$ 3,661	\$ (79,160)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	6,917	1,456		8,373
Federal commodities	41,878			41,878
Change in assets and liabilities:				
(Increase)/decrease in accounts receivable	10,326		109	10,435
(Increase)/decrease in inventory	8,624		(3,792)	4,832
Increase/(decrease) in accounts payable	5,811			5,811
Increase/(decrease) in unearned revenue	1,906	4,715		6,621
Net cash used by operating activities	<u>\$ (103,947)</u>	<u>\$ 102,759</u>	<u>\$ (22)</u>	<u>\$ (1,210)</u>

Fiduciary Funds

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Net Position
June 30, 2016

	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	\$ 347,598	\$ 1,341,897	\$ 49,687	\$ 14,056	\$ 28,367	\$ 318,992	\$ 2,100,597
Total assets	<u>\$ 347,598</u>	<u>\$ 1,341,897</u>	<u>\$ 49,687</u>	<u>\$ 14,056</u>	<u>\$ 28,367</u>	<u>\$ 318,992</u>	<u>\$ 2,100,597</u>
LIABILITIES							
LIABILITIES:							
Accounts payable						1,793	1,793
Payroll deductions and withholdings		379,605					379,605
Due to Cinnaminson Education Assoc.		100					100
Due to employees		944,171					944,171
Interfund payable		18,021			12,594		30,615
Due to student groups	347,598						347,598
Total liabilities	<u>347,598</u>	<u>1,341,897</u>			<u>12,594</u>	<u>1,793</u>	<u>1,703,882</u>
NET POSITION							
Reserved for private purpose trusts			49,687	14,056			63,743
Reserved for unemployment claims						317,199	317,199
Reserved for flexible benefits					15,773		15,773
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,687</u>	<u>\$ 14,056</u>	<u>\$ 15,773</u>	<u>\$ 317,199</u>	<u>\$ 396,715</u>

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Changes in Fiduciary Net Position
for the Fiscal Year ended June 30, 2016

	Private Purpose Trust Fund		Trust Funds		Total
	Scholarship Fund	Organ Repair Fund	Flexible Benefits Program	Unemployment Compensation Insurance Trust Fund	
REVENUES:					
Local sources:					
Donations	\$ 11,310	\$ -	\$ -	\$ -	\$ 11,310
Board contribution				25,000	25,000
Employee withholdings			84,387	43,494	127,881
Interest on Investments	25	6		266	297
Total Revenues	11,335	6	84,387	68,760	164,488
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures:					
Unemployment claims				18,825	18,825
Flexible benefit payments			83,919		83,919
Organ Repair					
Scholarship payments	10,100				10,100
Total Expenditures	10,100		83,919	18,825	112,844
Excess (deficiency) of revenues over (under) expenditures)	1,235	6	468	49,935	51,644
Net Position July 1	48,452	14,050	15,305	267,264	345,071
Net Position June 30	\$ 49,687	\$ 14,056	\$ 15,773	\$ 317,199	\$ 396,715

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2016

	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable June 30, 2016</u>	<u>Balance June 30, 2016</u>
JUNIOR/SENIOR HIGH SCHOOLS:					
Cinnaminson:					
Activities	\$ 272,836	\$ 584,926	\$ 569,951	\$ -	\$ 287,811
Athletic	85,721	34,813	60,747		59,787
Total	<u>\$ 358,557</u>	<u>\$ 619,739</u>	<u>\$ 630,698</u>	<u>\$ -</u>	<u>\$ 347,598</u>

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2016

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
ASSETS:				
Cash and cash equivalents	\$ 1,254,499	\$ 36,389,774	\$ 36,302,376	\$ 1,341,897
Interfund receivable	12		12	
Total assets	<u>\$ 1,254,511</u>	<u>\$ 36,389,774</u>	<u>\$ 36,302,388</u>	<u>\$ 1,341,897</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 345,417	\$ 18,675,830	\$ 18,641,642	\$ 379,605
Net payroll		16,523,684	16,523,684	
Due to employees	897,957	1,181,201	1,134,987	944,171
Due to Cinnaminson Education Assoc.	464	512	876	100
Interfund payable	10,673	8,547	1,199	18,021
Total liabilities	<u>\$ 1,254,511</u>	<u>\$ 36,389,774</u>	<u>\$ 36,302,388</u>	<u>\$ 1,341,897</u>

Long-Term Debt Schedules

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
 Statement of Serial Bonds
 June 30, 2016

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance July 1, 2015	Issued	Retired	Balance June 30, 2016
			Date	Amount					
Refunding Bonds	02/04/14	\$ 3,610,000	8/1/16	\$ 730,000	3.00%	\$ 2,865,000	\$ -	\$ 735,000	\$ 2,130,000
			8/1/17	710,000	3.00%				
			8/1/18	690,000	4.00%				
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%							
						\$ 42,913,000	\$ -	\$ 735,000	\$ 42,178,000

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Obligations Under Capital Leases
June 30, 2016

Series	Interest Rate Payable	Amount of Original Issue	Amount Outstanding July 1, 2015	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2016
2 School Buses and 1 Dump Truck	2.52%	\$ 240,000	\$ 49,805	\$ -	\$ 49,805	\$ -
3 Buses, 1 Lawnmower, and 1 Gator	1.78%	285,000	114,987		56,986	58,001
4 Buses, 1 Cargo Van	1.21%	446,000	268,955		88,573	180,382
3 Buses, 1 Four Wheel Drive Pickup	1.44%	320,000	255,371		62,480	192,891
4 Buses	1.91%	350,000		350,000	74,270	275,730
3 Buses, 1 Van	1.78%	405,000		405,000		405,000
			<u>\$ 689,118</u>	<u>\$ 755,000</u>	<u>\$ 332,114</u>	<u>\$ 1,112,004</u>

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 1,544,360	\$ -	\$ 1,544,360	\$ 1,544,360	\$ -
Miscellaneous					
Total revenues - local sources	<u>1,544,360</u>		<u>1,544,360</u>	<u>1,544,360</u>	
State sources:					
Debt service aid type II	544,927		544,927	544,927	
Total revenues - state sources	<u>544,927</u>		<u>544,927</u>	<u>544,927</u>	
Total Revenues	<u>2,089,287</u>		<u>2,089,287</u>	<u>2,089,287</u>	
EXPENDITURES:					
Regular debt service:					
Interest	1,492,500		1,492,500	1,492,258	242
Redemption of principal	735,000		735,000	735,000	
Total Expenditures	<u>2,227,500</u>		<u>2,227,500</u>	<u>2,227,258</u>	<u>242</u>
Excess (Deficiency) of revenues over (under) expenditures	(138,213)		(138,213)	(137,971)	242
Other Financing Sources (Uses):					
Transfer from Capital Projects Fund				87,812	87,812
Total Other Financing Sources (Uses)				<u>87,812</u>	<u>87,812</u>
Excess (Deficiency) of revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(138,213)		(138,213)	(50,159)	88,054
Fund Balances, July 1	<u>63,225</u>		<u>63,225</u>	<u>63,225</u>	
Fund Balances, June 30	<u>\$ (74,988)</u>	<u>\$ -</u>	<u>\$ (74,988)</u>	<u>\$ 13,066</u>	<u>\$ 88,054</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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Net investment in capital assets	\$ 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)	\$ (2,659,793)
Restricted for:										
Special Revenue										
Capital projects	40,947	113,733	114,822	315,135	510,142	581,025	743,241	855,544	37,155,985	2,371,104
Debt service	(234,750)	(206,088)	(143,866)	(115,838)	(112,672)					
Other purposes	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	6,267,406
Unrestricted	(973,173)	(808,163)	(758,962)	(827,109)	(998,228)	(1,132,236)	(1,419,159)	(1,385,252)	(14,988,324)	(15,164,205)
Total governmental activities net position	\$ 2,795,059	\$ 3,607,026	\$ 4,882,933	\$ 4,975,011	\$ 7,392,886	\$ 9,643,466	\$ 11,521,694	\$ 12,128,887	\$ 542,894	\$ (9,185,488)
Business-type activities:										
Net investment in capital assets	\$ 75,537	\$ 128,920	\$ 82,380	\$ 73,275	\$ 64,170	\$ 55,285	\$ 51,718	\$ 59,817	\$ 57,279	\$ 51,539
Unrestricted	204,684	92,869	97,912	100,276	101,296	234,570	238,233	315,412	421,250	556,532
Total business-type activities net position	\$ 280,221	\$ 221,789	\$ 180,292	\$ 173,551	\$ 165,466	\$ 289,855	\$ 289,951	\$ 375,229	\$ 478,529	\$ 608,071
District-wide:										
Net investment in capital assets	\$ 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)	\$ (2,608,254)
Restricted:										
Special Revenue										
Capital projects	40,947	113,733	114,822	315,135	510,142	581,025	743,241	855,544	37,155,985	2,371,104
Debt service	(234,750)	(206,088)	(143,866)	(115,838)	(112,672)					
Other purposes	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	6,267,406
Unrestricted	(768,489)	(715,294)	(661,050)	(726,833)	(896,932)	(897,666)	(1,180,926)	(1,069,840)	(14,567,074)	(14,607,673)
Total district net position	\$ 3,075,280	\$ 3,828,815	\$ 5,063,225	\$ 5,148,562	\$ 7,558,352	\$ 9,933,321	\$ 11,811,645	\$ 12,504,116	\$ 1,021,423	\$ (8,577,417)

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

Exhibit J-2

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 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	\$ 12,346,152
Special education	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	3,470,172
Other instruction	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	3,107,318
Support Services:										
Tuition	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	2,285,604
Student & instruction related services	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	5,225,208
School administrative services	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	1,552,664
General and business administrative services	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	1,596,552
Plant operations and maintenance	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	14,559,553
Pupil transportation	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	2,635,508
Unallocated employee benefits	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	11,528,287
Special schools	18,349	21,507	22,942	25,599	460				21	11,466
Charter Schools					15,459	27,988	11,480	-	-	-
Interest on long-term debt	551,091	484,536	395,548	323,547	282,809	243,579	198,110	138,902	744,238	1,357,660
Unallocated depreciation	74,774	77,293	75,901	87,983	69,316	69,021	41,414	53,443	46,703	7,944
Total governmental activities expenses	<u>39,085,271</u>	<u>40,729,548</u>	<u>39,987,562</u>	<u>42,041,307</u>	<u>40,670,915</u>	<u>41,881,757</u>	<u>43,322,342</u>	<u>45,346,629</u>	<u>46,302,231</u>	<u>59,684,088</u>
Business-type activities:										
Food service	676,104	748,401	671,924	654,289	623,309	574,047	637,598	666,236	696,434	671,559
School age child care program	316,503	321,452	341,590	329,504	301,250	250,227	255,008	296,114	305,109	321,170
Employment orientation program/School store	58,473	51,782	37,304	48,895	22,723	23,835	20,433	24,141	30,938	28,962
Total business-type activities expense	<u>1,051,080</u>	<u>1,121,635</u>	<u>1,050,818</u>	<u>1,032,688</u>	<u>947,282</u>	<u>848,109</u>	<u>913,039</u>	<u>986,491</u>	<u>1,032,481</u>	<u>1,021,691</u>
Total district expenses	<u>\$ 40,136,351</u>	<u>\$ 41,851,184</u>	<u>\$ 41,038,380</u>	<u>\$ 43,073,995</u>	<u>\$ 41,618,197</u>	<u>\$ 42,729,866</u>	<u>\$ 44,235,381</u>	<u>\$ 46,333,120</u>	<u>\$ 47,334,712</u>	<u>\$ 60,705,779</u>
Program Revenues:										
Governmental activities:										
Operating grants and contributions	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	5,888,700
Total governmental activities program revenues	<u>5,212,946</u>	<u>5,166,028</u>	<u>3,761,287</u>	<u>4,128,834</u>	<u>3,850,827</u>	<u>4,085,218</u>	<u>4,837,817</u>	<u>4,334,604</u>	<u>4,944,119</u>	<u>5,888,700</u>
Business-type activities:										
Charges for services:										
Food service	501,618	521,561	527,779	495,958	479,568	486,018	453,695	456,210	483,538	492,150
School age child care program	282,222	329,352	335,176	333,518	305,613	306,881	326,318	372,734	406,655	417,758
School store	56,742	60,792	35,394	35,345	20,974	25,845	22,931	26,841	28,004	32,623
Operating grants and contributions	116,308	130,018	136,801	159,302	131,147	151,826	187,085	197,505	217,164	208,265
Capital grants and contributions										
Total business type activities program revenues	<u>956,890</u>	<u>1,041,723</u>	<u>1,035,150</u>	<u>1,024,123</u>	<u>937,302</u>	<u>970,570</u>	<u>990,029</u>	<u>1,053,290</u>	<u>1,135,361</u>	<u>1,150,796</u>
Total district program revenues	<u>\$ 6,169,836</u>	<u>\$ 6,207,751</u>	<u>\$ 4,796,437</u>	<u>\$ 5,152,957</u>	<u>\$ 4,788,129</u>	<u>\$ 5,055,788</u>	<u>\$ 5,827,846</u>	<u>\$ 5,387,894</u>	<u>\$ 6,079,480</u>	<u>\$ 7,039,496</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (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)	\$ (53,795,388)
Business-type activities	(94,190)	(79,912)	(15,668)	(8,565)	(9,980)	122,461	76,990	66,799	102,880	129,105
Total district-wide net expense	<u>\$ (33,966,515)</u>	<u>\$ (35,643,433)</u>	<u>\$ (36,241,943)</u>	<u>\$ (37,921,038)</u>	<u>\$ (36,830,068)</u>	<u>\$ (37,674,078)</u>	<u>\$ (38,407,535)</u>	<u>\$ (40,945,226)</u>	<u>\$ (41,255,232)</u>	<u>\$ (53,666,283)</u>

(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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 31,187,085
Taxes levied for debt service	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	1,544,360
Unrestricted grants and contributions	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	9,438,297
State aid restricted for capital projects	-	-	-	-	-	-	-	-	-	-
Tuition revenue	171,961	61,264	61,629	115,415	92,044	94,682	105,182	176,702	166,274	369,140
Transportation revenue	376,193	486,650	542,656	561,603	563,503	744,284	772,982	1,185,061	1,263,898	1,182,154
Miscellaneous revenue	311,191	230,842	236,589	236,984	215,074	200,943	152,168	202,220	215,015	345,970
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<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>	<u>44,067,006</u>
Business-type activities:										
Miscellaneous income	29,217	21,480	2,170	1,824	1,895	1,928	544	275	420	437
Contributed capital	-	-	29,123	-	-	-	-	18,204	-	-
Retirement of Fixed Assets	-	-	(57,122)	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<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>	<u>437</u>
Total district-wide	<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>	<u>\$ 44,067,443</u>
Change in Net Position:										
Governmental activities	\$ 1,075,313	\$ 811,967	\$ 1,275,907	\$ 92,078	\$ 2,417,865	\$ 2,250,580	\$ 1,967,329	\$ 607,193	\$ 923,835	\$ (9,728,382)
Business-type activities	(64,973)	(58,432)	(41,497)	(6,741)	(8,085)	124,389	77,534	85,278	103,300	129,542
Total district-wide	<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>	<u>\$ (9,598,840)</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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Reserved for:										
Encumbrances	\$ 301,165	\$ 117,006	\$ 92,341	\$ 61,796	\$ 279,781	\$ 18,135	\$ 76,090	\$ 76,357	\$ 84,291	\$ 91,342
Legally restricted	-	-	-	-	-	-	-	-	-	-
Capital reserve	12,599	113,733	114,822	315,135	510,142	581,025	743,241	855,544	1,233,534	1,244,332
Maintenance reserve				100,000	250,000	501,569	603,390	818,557	1,122,255	1,362,256
Emergency reserve				300,000	194,922	194,922	194,922	194,922	194,922	194,922
Other purposes									7,493	
Excess surplus	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	2,704,700
Excess surplus - designated for subsequent year's expenditures	912,303	1,465,776	874,057	794,709	109,575	1,282,332	2,248,582	1,952,549	1,467,318	1,992,060
Unreserved										
Undesignated	396,133	478,831	725,943	273,081	196,346	203,668	-	201,633	(12,950)	3,481
Designated for subsequent year's expenditures	173,078	150,316	315,226	455,409	890,425	113,291	74,241	182,574	331,635	103,982
Total general fund	<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>	<u>\$ 7,502,153</u>
All Other Governmental Funds										
Reserved:										
Encumbrances									\$ 34,671,640	\$ 739,450
Unreserved, reported in:										
Special revenue fund	\$ 28,348	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,250,811	387,332
Capital projects fund	1,708	1,631	1,140	20,179	5,879	-	1	3,213	63,225	13,066
Debt service fund										
Total all other governmental funds	<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>	<u>\$ 1,139,848</u>

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

Exhibit J-4

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax levy	\$ 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	\$ 32,731,445
Tuition charges	171,961	61,264	61,629	115,415	92,044	94,682	105,182	176,702	166,274	369,140
Transportation charges	376,193	486,650	542,656	561,603	563,503	744,284	772,982	1,185,061	1,263,898	1,182,154
Interest earnings	233,889	146,009	67,787	56,842	58,601	60,976	23,729	7,777	995	1,073
Miscellaneous	102,427	100,074	190,590	211,923	187,839	165,041	170,972	212,199	244,935	364,184
State sources	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	14,462,636
Federal sources	799,854	704,937	709,026	2,454,597	1,092,516	897,595	767,360	753,085	809,170	845,074
Total revenue	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	49,955,706
Expenditures										
Instruction										
Regular Instruction	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	11,770,893
Special education instruction	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	3,470,172
Other instruction	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	3,107,318
Support Services:										
Tuition	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	2,285,604
Student & instruction related services	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	5,225,208
School administrative services	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	1,552,664
General and business admin. services	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	1,596,552
Plant operations and maintenance	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	3,397,695
Pupil transportation	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	2,488,529
Employee benefits	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	11,090,735
Special Schools	18,349	21,507	22,942	25,599	460					
Charter school					15,459	27,988	11,480		21	11,466
Capital outlay	567,262	340,070	359,299	557,934	412,510	847,841	217,800	796,491	4,721,251	36,250,855
Debt service:										
Principal	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	735,000
Interest and other charges	564,098	513,275	525,169	332,536	300,275	260,275	217,689	231,255	101,995	1,492,258
Total expenditures	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	84,474,949

Continued

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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	\$ 515,636	\$ (259,645)	\$ (116,719)	\$ (1,196,278)	\$ 1,122,238	\$ 899,122	\$ 749,492	\$ (646,466)	\$ (3,714,433)	\$(34,519,243)
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	500,000	164,508	225,000	255,000	167,280	525,000	-	446,000	-	755,000
Transfers in	8,072	29,487	-	-	-	-	-	-	65,219	87,812
Transfers out	(8,072)	(29,487)	-	-	-	-	-	-	(65,219)	(87,812)
Total other financing sources (uses)	<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>	<u>755,000</u>
Net change in fund balances	<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>	<u>\$(33,764,243)</u>
Debt service as a percentage of noncapital expenditures	4.73%	4.54%	4.74%	4.28%	4.33%	4.07%	3.81%	3.26%	2.82%	4.62%

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

Fiscal Year Ending June 30,	Interest on Investments	Program Fees	Tuition	Transportation	Prior Year Refunds	Other Refunds	Rentals	Technology Services	Miscellaneous	Total
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
2016	6,331	49,080	369,140	1,182,154	83,668	13,984	25,000	32,928	46,094	1,808,379
	<u>\$ 658,051</u>	<u>\$ 377,667</u>	<u>\$ 1,414,293</u>	<u>\$ 7,678,984</u>	<u>\$ 374,598</u>	<u>\$ 270,780</u>	<u>\$ 204,312</u>	<u>\$ 148,143</u>	<u>\$ 151,265</u>	<u>\$11,278,093</u>

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Source: District records

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

Exhibit J-5

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
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
2016	14,131,900	1,338,267,300	721,900	103,000	144,414,500	86,175,800	19,289,500	1,603,103,900	2,447,128	1,605,551,028	143,746,800	2.133	1,801,221,796

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	
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	1.956	0.096	2.052	0.607	0.017	0.175	0.454	3.305
2016	1.996	0.137	2.133	0.627	0.017	0.181	0.455	3.413

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	2016		Taxpayer	2007	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
National Keystone Property	\$ 23,302,300	1.45%	Whitesell Enterprises	\$ 21,849,100	2.30%
Camelot at Cinnaminson Harbour, LLC	19,157,900	1.19%	National Keystone Property	10,926,800	1.15%
Whitesell Enterprises et al	7,039,000	0.44%	N.J. Float Glass Company	7,004,700	0.74%
Progida, LLC	6,246,900	0.39%	Riverton Country Club	4,725,300	0.50%
New Plan Cinnaminson Urban Renewal	6,095,400	0.38%	Hoeganaes Corp.	3,736,400	0.39%
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	0.31%	ACME/Albertsons	2,607,500	0.27%
Cinnaminson Development	4,750,000	0.30%	New Plan Reality Trust	2,576,500	0.27%
Hoeganaes Spircorp.	4,588,000	0.29%	Cheskin Rheta	2,193,400	0.23%
Riverton Country Club	4,507,200	0.28%	Triboro Investments	2,121,600	0.22%
Total	\$ 86,012,600	5.36%		\$ 60,641,300	6.39%

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	
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%	-
2016	32,731,445	32,731,445	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		
2007	\$ 14,115,000	\$ -	\$ 681,706	\$ -	\$ -	\$ 14,796,706	2.11%	\$ 972
2008	12,745,000	-	590,684	-	-	13,335,684	1.82%	869
2009	11,380,000	-	553,894	-	-	11,933,894	1.61%	769
2010	9,880,000	-	344,751	-	-	10,224,751	1.36%	656
2011	8,380,000	-	284,185	-	-	8,664,185	1.09%	544
2012	6,915,000	-	735,471	-	-	7,650,471	0.91%	467
2013	5,445,000	-	496,807	-	-	5,941,807	0.70%	360
2014	4,065,000	-	661,772	-	-	4,726,772	0.53%	284
2015	42,913,000	-	689,118	-	-	43,602,118	c	2,619
2016	42,178,000	-	1,112,004	-	-	43,290,004	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		
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%	633
2011	8,380,000	-	8,380,000	0.43%	526
2012	6,915,000	-	6,915,000	0.35%	422
2013	5,445,000	-	5,445,000	0.28%	330
2014	4,065,000	-	4,065,000	0.26%	245
2015	42,913,000	-	42,913,000	2.69%	2,577
2016	42,178,000	-	42,178,000	2.64%	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, 2015**

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	\$ 16,122,088	100.00%	\$ 16,122,088
Burlington County General Obligation Debt	282,131,755	3.830%	<u>10,805,646</u>
Subtotal, overlapping debt			26,927,734
Cinnaminson Township School District Direct Debt			<u>42,178,000</u>
Total direct and overlapping debt			<u><u>\$ 69,105,734</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 2016

	Equalized valuation basis	
	2013	\$ 1,720,550,192
	2014	1,734,092,348
	2015	1,776,211,489
	[A]	<u>\$ 5,230,854,029</u>
Average equalized valuation of taxable property	[A/3]	\$ 1,743,618,010
Debt limit (4% of average equalized valuation)	[B]	69,744,720 ^a
Net bonded school debt	[C]	42,178,000
Legal debt margin	[B-C]	<u>\$ 27,566,720</u>

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	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 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	\$ 69,744,720
Total net debt applicable to limit	<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>	<u>42,178,000</u>
Legal debt margin	<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>	<u>\$ 27,566,720</u>
Total net debt applicable to the limit as a percentage of debt limit	22.75%	18.64%	15.30%	12.69%	10.76%	8.93%	7.34%	5.68%	61.85%	60.47%

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>
2007	15,217	\$ 702,842,796	\$ 46,188	3.7%
2008	15,351	734,023,416	47,816	5.1%
2009	15,524	739,703,076	47,649	8.8%
2010	15,597	749,389,059	48,047	9.4%
2011	15,930	795,783,150	49,955	9.1%
2012	16,386	842,076,540	51,390	9.5%
2013	16,490	853,934,650	51,785	7.2%
2014	16,623	893,436,381	53,747	5.5%
2015	16,651	e	e	4.4%
2016	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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction										
Regular	191.1	190.9	187.5	174.4	169.9	173.6	178.9	182.5	177.7	175.0
Special education	54.5	55.3	57.2	54.9	41.6	39.6	42.8	42.9	42.1	42.9
Other special education	23.6	22.6	22.6	22.6	20.4	22.4	26.7	30.3	45.0	46.2
Vocational										3.1
Other instruction										
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	32.0	31.5	32.5	33.4	28.9	28.2	29.7	30.7	31.8	31.8
School administrative services	28.7	25.9	26.4	24.4	23.1	21.0	21.9	20.8	21.0	21.0
General administrative services	3.4	4.4	4.4	4.0	3.1	3.1	3.1	3.1	3.1	3.1
Plant operations and maintenance	30.0	40.0	40.0	46.0	39.9	30.0	27.5	28.4	28.5	28.5
Pupil transportation	48.0	47.0	47.0	52.0	55.5	59.0	55.5	55.5	55.5	58.5
Business and other support services	14.5	14.5	14.5	12.4	12.4	12.4	12.4	12.4	12.4	13.4
Special Schools										
Food Service										
Child Care	23.0	21.0	19.0	21.0	15.0	17.0	16.0	16.0	16.0	13.0
Total	448.8	453.1	451.1	445.1	409.8	406.3	414.5	422.6	433.1	436.5

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				
2007	2,525	\$ 37,228,588	\$ 14,744	1.03%	227	1:12	1:9	1:12	2,521.1	2,391.2	-2.16%	94.85%
2008	2,469	39,577,816	16,030	8.72%	227	1:11	1:10	1:11	2,459.9	2,337.7	-2.43%	95.03%
2009	2,420	39,075,720	16,147	0.73%	211	1:11	1:9	1:11	2,385.7	2,272.1	-2.43%	95.24%
2010	2,407	40,939,193	17,008	5.33%	208	1:12	1:10	1:12	2,419.8	2,299.5	1.43%	95.03%
2011	2,326	39,753,767	17,091	0.48%	211	1:12	1:10	1:12	2,338.6	2,241.3	-3.36%	95.84%
2012	2,350	40,660,099	17,302	1.23%	213	1:12	1:10	1:12	2,354.9	2,261.4	0.70%	96.03%
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%
2016	2,441	45,996,836	18,843	1.19%	207	1:13	1:10	1:12	2,439.1	2,321.9	1.10%	95.19%

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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).

Cinnaminson Township School District
 School Building Information
 Last Ten Fiscal Years

Exhibit J-18

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>District Building</u>										
<u>Elementary</u>										
New Albany Elementary (1966)										
Square Feet	47,966	47,966	47,966	47,966	47,966	47,966	47,966	47,966	47,966	47,966
Capacity (students)	470	470	470	470	470	470	470	470	470	470
Enrollment	530	527	487	517	513	503	520	531	524	549
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	504	507	531	544	538	537	547	535	503	536
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	567	554	516	536	555	580	577	579	554	579
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	920	872	852	823	733	735	716	718	719	775
<u>Other</u>										
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, 2016										
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

* School Facilities	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Cinnaminson School District											
New Albany Elementary	\$ 53,537	\$ 55,640	\$ 61,109	\$ 62,926	\$ 50,486	\$ 49,080	\$ 44,209	\$ 48,783	\$ 45,064	\$ 49,852	\$ 520,686
Rush Intermediate	53,604	56,650	54,475	55,707	53,318	50,074	45,998	55,656	52,921	54,007	532,410
Middle School	83,111	79,418	77,941	87,148	75,042	80,965	84,777	108,082	112,661	124,632	913,777
High School	114,103	118,756	110,102	122,049	111,503	116,516	167,332	199,436	273,096	157,867	1,490,760
Central Office	61,969	70,406	47,590	56,811	41,491	105,743	91,383	50,099	41,128	29,081	595,701
Total School Facilities	\$ 366,324	\$ 380,870	\$ 351,217	\$ 384,641	\$ 331,840	\$ 402,378	\$ 433,699	\$ 462,056	\$ 524,870	\$ 415,439	\$ 4,053,334

* 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, 2016**

Exhibit J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - School Alliance Insurance Fund		
Property - Blanket Buildings and Contents	\$ 80,957,486	\$ 2,500
Liability (General and Auto)	15,000,000	1,000
Pollution Liability	1,000,000	10,000
Blanket Dishonesty Bond	100,000/500,000	
Crime Coverage - Employee Dishonesty	100,000/500,000	1,000
School Board Legal Liability (1)	15,000,000	15,000
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

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 American Institute of CPAs
 New Jersey Society of CPAs

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
 REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
 ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE
 UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
 ASSISTANCE AS REQUIRED BY NEW JERSEY TREASURY CIRCULAR OMB 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 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, 2016. 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 federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and New Jersey Treasury Circular OMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, Uniform Guidance and New Jersey Treasury Circular OMB 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, 2016.

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 program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey Treasury Circular OMB 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 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 the Uniform Guidance and the New Jersey Treasury Circular OMB 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 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 fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. I issued my report thereon dated October 6, 2016, which contained unmodified opinions on those financial statements. My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey Treasury Circular OMB 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 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 schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

This report is intended for the information of the Board of Education, the New Jersey Department of Education, and Federal awarding agencies.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
October 6, 2016

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2016

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period	Balance at June 30, 2015			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balance	Adjustment	Balance at June 30 2016		
						Defered 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 (SEMI)	93.778	1605NJ5MAP	N/A	19,236	7/1/15 - 6/30/16	\$ -	\$ -	\$ -	\$ 18,455	\$ (19,236)	\$ -	\$ -	\$ (781)	\$ -	\$ -
Total General Fund						-	-	-	18,455	(19,236)	-	-	(781)	-	-
Special Revenue Fund:															
No Child Left Behind (N.C.L.B.)															
Title I - Current Year	84.010	S010A150030	NCLB-0840-16	192,167	7/1/15 - 6/30/16				78,309	(109,497)			(31,188)		
Title I - Prior Year	84.010	S010A150030	NCLB-0840-15	145,271	7/1/14 - 6/30/15	(34,485)			34,485					(11,013)	
Title II - A - Current Year	84.367	S367A150029	NCLB-0840-16	61,517	7/1/15 - 6/30/16				37,418	(48,431)					
Title II - A - Prior Year	84.367	S367A150029	NCLB-0840-15	66,635	7/1/14 - 6/30/15	(9,566)			9,566						
Individuals With Disabilities Act (I.D.E.A.)															
Part B - Basic Current Year	84.027	H027A150100	IDEA-0840-16	666,186	7/1/15 - 6/30/16				541,776	(643,542)			(101,766)		
Part B - Basic Prior Year	84.027	H027A150100	IDEA-0840-15	626,273	7/1/14 - 6/30/15	(60,555)			60,555						
Part B - Preschool Current Year	84.173	H173A150114	IDEA-0840-16	24,368	7/1/15 - 6/30/16				22,450	(24,368)			(1,918)		
Part B - Preschool Current Year	84.173	H173A150114	IDEA-0840-15	33,276	7/1/14 - 6/30/15	(13,010)			13,010						
Total Special Revenue Fund						(117,616)	-	-	797,569	(825,838)	-	-	(145,885)	-	-
NJ DEP Pass through Rutgers															
Capital Projects Fund															
Pompeston Creek Watershed Imp Plan	66.460	N/A	SNJ-DEP-RP09-066	132,000	4/1/15-12/31/15							(24,750)	(24,750)		
Total Capital Projects Fund						-	-	-	-	-	-	(24,750)	(24,750)	-	-
U.S. Department of Agriculture															
Enterprise Fund:															
Food Distribution Program	10.555	16161NJ304N1099	N/A	41,878	7/1/15 - 6/30/16				41,878	(41,878)					
National School Lunch Program	10.555	16161NJ304N1099	N/A	158,047	7/1/15 - 6/30/16				145,748	(158,048)			(12,300)		
National School Lunch Program	10.555	16161NJ304N1099	N/A	163,872	7/1/14 - 6/30/15	(10,328)			10,328						
Special Milk Program	10.556	16161NJ304N1099	N/A	2,174	7/1/15 - 6/30/16				1,979	(2,175)			(196)		
Special Milk Program	10.556	16161NJ304N1099	N/A	2,472	7/1/14 - 6/30/15	(193)			193						
Total Enterprise Fund						(10,521)	-	-	200,126	(202,101)	-	-	(12,496)	-	-
Total Federal Awards						\$ (128,137)	\$ -	\$ -	\$ 1,016,150	\$ (1,047,175)	\$ -	\$ (24,750)	\$ (183,912)	\$ -	\$ -

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, 2016

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	Balance at June 30, 2015		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2016		
				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	16-103190	\$ 15,312	7/1/15 - 6/30/16	\$ -	\$ -	\$ -	\$ -	\$ (15,312)	\$ -	\$ (15,312)	\$ -	\$ -
Nonpublic Transportation Aid	15-103190	14,616	7/1/14 - 6/30/15	(14,616)	-	-	14,616	-	-	-	-	-
Extraordinary Aid	16-495-034-5120-044	407,749	7/1/15 - 6/30/16	-	-	-	-	(407,749)	-	(407,749)	-	-
Extraordinary Aid	15-495-034-5120-044	383,907	7/1/14 - 6/30/15	(383,907)	-	-	383,907	-	-	-	-	-
Equalization Aid	16-495-034-5120-078	7,388,894	7/1/15 - 6/30/16	-	-	-	6,699,842	(7,388,894)	-	(689,052)	-	-
Equalization Aid	15-495-034-5120-078	7,388,894	7/1/14 - 6/30/15	(689,281)	-	-	689,281	-	-	-	-	-
Special Education Categorical Aid	16-495-034-5120-089	1,345,009	7/1/15 - 6/30/16	-	-	-	1,219,580	(1,345,009)	-	(125,429)	-	-
Special Education Categorical Aid	15-495-034-5120-089	1,345,009	7/1/14 - 6/30/15	(125,471)	-	-	125,471	-	-	-	-	-
Security Aid	16-495-034-5120-085	50,849	7/1/15 - 6/30/16	-	-	-	46,107	(50,849)	-	(4,742)	-	-
Security Aid	15-495-034-5120-085	50,849	7/1/14 - 6/30/15	(4,744)	-	-	4,744	-	-	-	-	-
Transportation Aid	16-495-034-5120-014	164,548	7/1/15 - 6/30/16	-	-	-	149,203	(164,548)	-	(15,345)	-	-
Transportation Aid	15-495-034-5120-014	164,548	7/1/14 - 6/30/15	(15,350)	-	-	15,350	-	-	-	-	-
PARCC Readiness Aid	16-495-034-5120-098	23,210	7/1/15 - 6/30/16	-	-	-	21,046	(23,210)	-	(2,164)	-	-
PARCC Readiness Aid	15-495-034-5120-098	23,210	7/1/14 - 6/30/15	(2,165)	-	-	2,165	-	-	-	-	-
Per Pupil Growth Aid	16-495-034-5120-097	23,210	7/1/15 - 6/30/16	-	-	-	21,046	(23,210)	-	(2,164)	-	-
Per Pupil Growth Aid	15-495-034-5120-097	23,210	7/1/14 - 6/30/15	(2,165)	-	-	2,165	-	-	-	-	-
On Behalf TPAF Pension Contributions	16-495-034-5094-002	1,380,914	7/1/15 - 6/30/16	-	-	-	1,380,914	(1,380,914)	-	-	-	-
On Behalf TPAF Post Retirement Medical	16-495-034-5094-001	1,644,287	7/1/15 - 6/30/16	-	-	-	1,644,287	(1,644,287)	-	-	-	-
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	1,278,654	7/1/15 - 6/30/16	-	-	-	1,215,966	(1,278,654)	-	(62,688)	-	-
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	1,236,441	7/1/14 - 6/30/15	(60,937)	-	-	60,937	-	-	-	-	-
Total General Fund				(1,298,636)	-	-	13,696,627	(13,722,636)	-	(1,324,645)	-	-
<u>Special Revenue Fund</u>												
<u>N.J. Nonpublic Aid:</u>												
Textbook Aid	16-100-034-5120-064	22,327	7/1/15 - 6/30/16	-	-	-	22,327	(22,007)	-	-	-	320
Textbook Aid	15-100-034-5120-064	23,057	7/1/14 - 6/30/15	-	657	-	-	-	(657)	-	-	-
Technology Aid	16-100-034-5120-373	10,166	7/1/15 - 6/30/16	-	-	-	10,166	(10,081)	-	-	-	85
Technology Aid	15-100-034-5120-373	12,384	7/1/14 - 6/30/15	-	8	-	-	-	(8)	-	-	-
Nursing Aid	16-100-034-5120-070	35,460	7/1/15 - 6/30/16	-	-	-	35,460	(35,460)	-	-	-	-
Security Aid	16-100-034-5120-509	10,038	7/1/15 - 6/30/16	-	-	-	9,850	(9,850)	-	-	-	-
<u>Auxiliary Services:</u>												
Compensatory Education	16-100-034-5120-067	54,992	7/1/15 - 6/30/16	-	-	-	54,992	(49,999)	-	-	-	4,993
Compensatory Education	15-100-034-5120-067	74,172	7/1/14 - 6/30/15	-	11,824	-	-	-	(11,824)	-	-	-
Home Instruction	16-100-034-5120-067	3,341	7/1/15 - 6/30/16	-	-	-	-	(3,341)	-	(3,341)	-	-
<u>Handicapped Services:</u>												
Examination & Classification	16-100-034-5120-066	19,444	7/1/15 - 6/30/16	-	-	-	19,444	(17,060)	-	-	-	2,384
Examination & Classification	15-100-034-5120-066	25,042	7/1/14 - 6/30/15	-	1,621	-	-	-	(1,621)	-	-	-
Corrective Speech	16-100-034-5120-066	26,252	7/1/15 - 6/30/16	-	-	-	26,252	(25,585)	-	-	-	667
Corrective Speech	15-100-034-5120-066	30,304	7/1/14 - 6/30/15	-	5,831	-	-	-	(5,831)	-	-	-
Supplemental Instruction	16-100-034-5120-066	20,792	7/1/15 - 6/30/16	-	-	-	20,792	(20,050)	-	-	-	742
Supplemental Instruction	15-100-034-5120-066	29,740	7/1/14 - 6/30/15	-	11,300	-	-	-	(11,300)	-	-	-
State Department of Environmental Protection												
N.J. Wet Grant	NJ03084003	1,385	7/1/15 - 6/30/16	-	-	-	1,385	(1,360)	-	-	25	-
Total Special Revenue Fund				-	31,241	-	200,668	(194,793)	(31,241)	(3,341)	25	9,191

(Continued)

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2016

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	Balance at June 30, 2015		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2016		
				Deferred Revenue (Accts. Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
Debt Service Fund												
Debt Service Aid Type II	16-100-034-5120-017	\$ 544,927	7/1/15 - 6/30/16	\$ -	\$ -	\$ -	\$ 544,927	\$ (544,927)	\$ -	\$ -	\$ -	\$ -
State Department of Agriculture												
Enterprise Fund:												
State School Lunch Program	16-100-010-3350-023	6,164	7/1/15 - 6/30/16				5,669	(6,164)		(495)	-	-
State School Lunch Program	15-100-010-3350-023	6,220	7/1/14 - 6/30/15	(391)			391					
Total Enterprise Fund				(391)	-	-	6,060	(6,164)	-	(495)	-	-
Total State Financial Assistance				\$ (1,299,027)	\$ 31,241	\$ -	\$ 14,448,282	\$ (14,468,520)	\$ (31,241)	\$ (1,328,481)	\$ 25	\$ 9,191
Less: State Financial Expenditures Not Subject to Major Program Determination												
On-Behalf TPAF Contribution - Pension (Non-Budgeted)									(1,380,914)			
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted)									(1,644,287)			
Total State Financial Expenditures Subject to Major Program Determination									\$ (11,443,319)			

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 Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2016**

1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Maple Shade 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 Title 2 U.S. Code of Federal Regulations Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 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 \$280 in the general fund and \$-0- in 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>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 19,236	\$ 13,722,916	\$ 13,742,152
Special Revenue	825,838	194,793	1,020,631
Debt Service		544,927	544,927
Food Service	202,101	6,164	208,265
	<u>\$ 1,047,175</u>	<u>\$ 14,468,800</u>	<u>\$ 15,515,975</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, 2016
(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 distribution, respectively. TPAF Pension Contributions represents the amount paid by the State on behalf of the School District for the year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

6. MAJOR PROGRAMS

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

7. ADJUSTMENTS

Amounts reported in the column entitled "Adjustments" represent the following:

	Federal	State
Rutgers Grant Reimbursement	\$ 24,750	\$ -

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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 that are not considered to be a material weakness? 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 that are not considered to be a 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 2 CFR 200 section .516 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A150100</u>	<u>IDEA Part B - Basic</u>
<u>84.173</u>	<u>H173A150114</u>	<u>IDEA Preschool</u>
<u>10.555</u>	<u>16161NJ304N1099</u>	<u>National School Lunch Program</u>
<u>10.556</u>	<u>16161NJ304N1099</u>	<u>Special Milk Program</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

Dollar threshold used to distinguish between type A and type B programs: \$750,000

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, 2016

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

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$750,000

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 NJOMB Circular Letter 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>16-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>16-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>16-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u>16-100-010-3350-023</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, 2016**

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, 2016**

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* and NJOMB Circular Letter 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**

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 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and NJOMB's Circular 14-04 and/or 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.