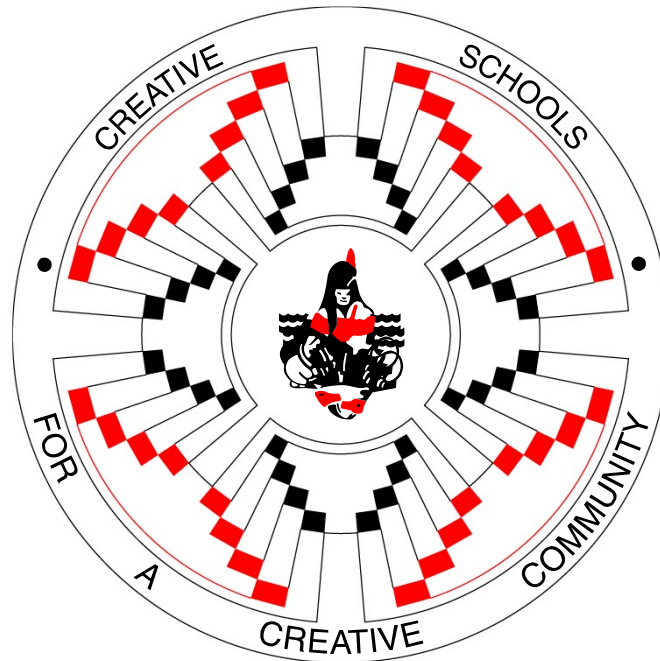


**Board of Education
of
Cinnaminson Township
School District
Cinnaminson, New Jersey**



**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended
JUNE 30, 2020**

**Comprehensive Annual
Financial Report**

of the

**Cinnaminson Township
Board of Education**

Cinnaminson, New Jersey

For the Fiscal Year Ended June 30, 2020

**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

December 18, 2020

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, 2020, 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 in conformity with the provisions of the Title 2 U.S. Code of federal regulations, cost principals, and audit requirements for federal awards (uniform guidance); and the State of New Jersey Circular OMB15-08. 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 average daily enrollment of 2,686.82 students is 132.32 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>
2019 - 2020	2,686.82	5.17%
2018 – 2019	2,554.50	2.44%
2017 – 2018	2,493.44	.77%
2016 – 2017	2,474.50	1.45%
2015 – 2016	2,439.1	1.10%
2014 – 2015	2,412.64	2.10%
2013 – 2014	2,363.1	.12%
2012 – 2013	2,360.2	.2%
2011 – 2012	2,354.9	.69%
2010 – 2011	2,338.6	(1.03%)
2009 – 2010	2,419.8	1.43%

2. ECONOMIC CONDITIONS AND OUTLOOK

Cinnaminson Township continues to be a desirable, high-performing district. 2020-21 state aid initially increased by \$1,108,178 or 10.71% and had provided the necessary funds to maintain and, where appropriate, add to the instructional staff as well as continue a quality instructional program. However, due to the COVID-19 pandemic, \$753,032 of state aid was reduced prior to the start of the 2020-21 school year. The number of state and federal unfunded or partially funded mandates have been and will continue to be a serious fiscal burden on our taxpayer. The increased enrollment from the “Riverfront” properties continues to have an effect on class size and special program needs.

The COVID-19 pandemic has caused district’s to rethink the traditional classroom instructional settings and provide virtual/remote education or a combination of both via a Hybrid method.

On June 22, 2020, the Cinnaminson Township Public [School Reopening Task Force](#) began the lofty task of preparing a plan to welcome students back to school for the 2020-2021 school year. The Task Force, which remains active, is comprised of a variety of stakeholders including: teachers, staff members, administration, Board of Education Members, students, parents, Cinnaminson Township Police representatives, and members of the community. In addition to the taskforce, sub-committees were formed to consider plans through the lens of these groups representing specific considerations. These subcommittees included:

- Health and Human Services
- Teaching, Learning, and Technology
- Special Education and Mental Health
- Governance and Communication

Sub-committees and the Task Force met throughout the summer weeks to begin the monumental task of planning for the reopening Cinnaminson Schools. On June 26, 2020 The New Jersey Department of Education published “*The Road Back – Restart and Recovery Plan for Education*”, a framework to assist New Jersey school districts to develop a plan to reopen schools. Districts were charged with creating plans that consider four key subject areas including: Conditions for Learning, Leadership and Planning, Policy and Funding, and Continuity of Learning.

The requirements outlined in the NJDOE Guidance and incorporated into this restart plan are controlled by the Executive Orders of the Governor of New Jersey and are subject to change over the course of this pandemic. We remain committed to adjusting this plan as necessary to create the safest environment for our students, staff, and members of our educational community. Although we cannot totally eliminate the risk of COVID-19 exposure and infection, working together and following the guidance from the experts at the Burlington County Department of Health and CDC, we can make sure our schools are safer so that we can continue to learn together.

The collective work of the Task Force and sub-committees propose the following recommendations included in the document titled, The Pirate Path Back: A Comprehensive Framework for Reopening Our Schools.

By November 30, 2020, the district has been impacted by COVID-19 positive cases and the necessary quarantine periods. Cinnaminson School has moved to 100% remote instruction through the January 11, 2021.

3. MAJOR INITIATIVES

The Cinnaminson Township School District has embarked on a number of new as well as continuing initiatives.

Our district continues to address curricular improvement per New Jersey Learning Standards, including the purchase of instructional materials and texts that align with New Jersey standards, staff development, and technology. The district remains confident that personnel, will be able to refine existing programs to better meet student needs in grades Pre-kindergarten through 12th grade. Lastly, the district continues to address the needs of our special education population while expanding the multiple disability programs at all buildings and life skills at the High School. In addition, the district is offering an in-house Behavioral Disability Program at the Rush Intermediate School, grades 3 thru 5.

The continued funding levels from the State have provided moneys to assist with continuing these special education programs to support the ever growing needs of students. The MD class and BD class allows us to continue to economize 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 programs initiated last year are still in place. The district continues to evaluate its technology infrastructure to accommodate State assessments and to upgrade the wireless networks. The district continues to acquire chrome book laptop carts to assist with the implementation of State testing. The improvements support the District's Bring Your Own Device program. The district continues 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 State assessments. Training is 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 advises in the District's response to the state teacher evaluation initiative. The District uses the Danielson format as the teacher evaluation tool. The district continues to offer ongoing in-house, building and department level, web-based and outside training for administrators and teachers. Assessments continued to be analyzed by supervisors/principals as they collaborate in developing meaningful SGO's. Further, 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. Classrooms in our elementary schools use interactive whiteboards to enhance learning. The curriculum was fully aligned to the New Jersey Student Learning Standards during the summer of 2017 and implemented in the fall of 2017. Curriculum updates are ongoing as part of the upcoming QSAC process. All sixth graders at the Middle School have double periods of Math and all Middle School students who need additional assistance are offered a refresher course. Algebra I is offered at the Middle School and for a small group of students Honors Geometry may be taken in eighth grade. AP courses in Calculus and Statistics are available at the High School. Budget Accounts supporting the curriculum for instructional services, supplies and materials, textbooks, and professional development are as follows: 11-190-100-320, 11-190-100-500, 11-190-100-610, 11-190-100-640, 11-190-100-890, 11-000-223-500, and Federal Title funds and salaries of staff.

The Science Department updated its curriculum maps to focus on NGSS & STEM initiatives. The core standards in science support the use of graphing calculators and computers. The department revised the 6-12 curriculum in the summer of 2016 to meet the Next Generation Science Standards (NGSS). Curriculum revisions were made in the science program, grades K-5, during the summer of 2017 and implemented in the fall of 2017 to ensure alignment with the NGSS. Curriculum updates are ongoing as part of the upcoming QSAC process. New K-5 Science textbooks, TCI lab kits and online activities were acquired for use starting in the fall of 2017. All department members use computers for lab activities. The Human Anatomy and Forensic Science electives remain well subscribed. AP courses are available in Environmental Science, Biology, Chemistry, Physics 1 and Physics C. Budget Accounts supporting the curriculum for instructional services, supplies and materials, textbooks, and professional development are as follows: 11-190-100-320, 11-190-100-500, 11-190-100-610, 11-190-100-640, 11-190-100-890, 11-000-223-500, and Federal Title funds and salaries of staff. Reviewing curriculum with anticipation of updating prior to September 2021.

The entire English Language Arts curriculum was fully aligned to the New Jersey Student Learning Standards during the summer of 2017 and implemented in the fall of 2017. Curriculum updates are ongoing as part of the upcoming QSAC process. The writing process is emphasized at every grade including the important steps of revising and editing. Students have courses in both reading and writing in grades K-8, with a comprehensive literature & composition course in grades 9-12. Our K-12 reading program employs at least two full-time 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, "Literature of the Holocaust" and "The Monsters Among and Within Us" are popular with students at the secondary level. AP Literature courses are offered for juniors and seniors. Budget Accounts supporting the curriculum for instructional services, supplies and materials, textbooks, and professional development are as follows: 11-190-100-320, 11-190-100-500, 11-190-100-610, 11-190-100-640, 11-190-100-890, 11-000-223-500, and Federal Title funds and salaries of staff.

Curriculum updates are ongoing as part of the upcoming QSAC process. The social studies curriculum focuses on teaching historical thinking skills (reading and writing) and historiography through the study of American and global history. Advanced Placement courses include Psychology, United States History, and European History. The social studies department incorporates primary source documents and historical perspectives as a major focus of study and assessment. The department also emphasizes historical writing skills and protocols. The use of these documents and writing activities mirrors the Research Simulation Task initiative in the English Language Arts area. The department offers a wide array of full year and semester electives including American Law, Macroeconomics, Human Behavior, Sociology, Gender and Society, Contemporary World Issues, and Sports in Society. The curriculum is enriched through a variety of extra-curricular activities including Mock Trial, World Affairs Council, and Debate Club. Budget Accounts supporting the curriculum for instructional services, supplies and materials, textbooks, and professional development are as follows: 11-190-100-320, 11-190-100-500, 11-190-100-610, 11-

190-100-640, 11-190-100-890, 11-000-223-500, and Federal Title funds and salaries of staff. Reviewing curriculum with anticipation of updating prior to September 2022.

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) throughout all content areas. Teachers address and track 21st Century Skills in their lesson plans. Personal Financial Literacy is incorporated in several classes in the high school. Additionally, a stand-alone Financial Literacy is available to students. 21st century Career Awareness, Exploration and Preparation is addressed in the two school-to-work classes at the high school. Budget Accounts supporting the curriculum for instructional services, supplies and materials, textbooks, and professional development are as follows: 11-190-100-320, 11-190-100-500, 11-190-100-610, 11-190-100-640, 11-190-100-890, 11-000-223-500, and Federal Title funds and salaries of staff. Reviewing curriculum with anticipation of updating prior to September 2021.

Music and Art classes encompass offerings for students at all skill levels. Curriculum updates are ongoing as part of the upcoming QSAC process. Children enjoy our music and arts courses beginning in kindergarten. Our vocal and instrumental students consistently earn positions in highly-competitive honors ensembles on the state and regional levels, as well as individual accolades, and present numerous concerts for the community throughout the year. Visual Arts students can prepare a portfolio for college entrance, as well as compete in county-wide Teen Arts Festivals and local and national contests. Classes range from Photography, Graphic Design and Sculpture, to traditional drawing and painting classes. The Visual and Performing Arts program has enhanced connections with other content areas (especially Social Studies and English Language Arts) by infusing 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 was added to the high school in the fall of 2016. This offering is an extension of the program offered at the middle school. Budget Accounts supporting the curriculum for instructional services, supplies and materials, textbooks, and professional development are as follows: 11-190-100-320, 11-190-100-500, 11-190-100-610, 11-190-100-640, 11-190-100-890, 11-000-223-500, and Federal Title funds and salaries of staff. Reviewing curriculum with anticipation of updating prior to September 2021.

The Physical Education program provides each student with the opportunity to participate in a comprehensive program consisting of skill development, lead up games, team sports, lifetime and physical fitness activities. Curriculum updates are ongoing as part of the upcoming QSAC process. The students receive instruction in rules, skills, and strategies associated with the different sports as well as learning experiences involving physical conditioning activities. The students will also have opportunities to become involved in life-long activities through individual sports units. The program promotes the spirit of cooperation, leadership, fair play, and friendly competition.

Health lessons are infused in the classroom in grades K-2. Intermediate school students meet with their health teacher on a weekly basis. Middle and high school students attend health class for a marking period. The 9th – 12th grade health curriculum is designed to familiarize students with issues they will encounter during their high school years. The courses are designed to provide knowledge and skills, which will enable students to make healthy choices. Units covered include communicable diseases, wellness, tobacco, fitness, first aid, mental health, drug and alcohol, reproduction, character education, harassment, intimidation and bullying. Budget Accounts supporting the curriculum for instructional services, supplies and materials, textbooks, and professional development are as follows: 11-190-100-320, 11-190-100-500, 11-190-100-610, 11-190-100-640, 11-190-100-890, 11-000-223-500, and Federal Title funds and salaries of staff. Reviewing curriculum with anticipation of updating prior to September 2022.

The mission of the Cinnaminson World Languages Department is to impart an understanding and appreciation of the cultural diversity existing in today's society. It is also to instill in all students an

interest in being multi-lingual and to view this as a 21st century life skill which will enable them to better compete in the global workforce. Beginning with the 2016-2017 school year, Cinnaminson began as a participant in the NJ Seal of Biliteracy program with participation growing annually. Qualifying seniors who have demonstrated a score of Intermediate-Mid via a third party assessment in all four domains of second language acquisition: reading, writing, listening and speaking are awarded a state-issued certificate conferred at graduation.

To ensure that Cinnaminson students are successful in second language acquisition, the World Languages program begins in grades K-2 with minimal exposure to Spanish via a video series. Exposure to Spanish continues in grades 3-5 where it is taught on a rotational schedule of one day per week with an instructor. In the Middle School, students in grade 6 are exposed to both French and Spanish on a rotational schedule. In grade 7, students will choose either French or Spanish to begin their study at the introductory level. Level one study is continued in grade 8. The World Languages program at the high school offers a complete range of study. French and Spanish courses are offered at various ability levels from grades 9 through 12: modified academic, accelerated/college preparatory, honors, and advanced placement. Curriculum updates are ongoing as part of the upcoming QSAC process. Budget Accounts supporting the curriculum for instructional services, supplies and materials, textbooks, and professional development are as follows: 11-190-100-320, 11-190-100-500, 11-190-100-610, 11-190-100-640, 11-190-100-890, 11-000-223-500, and Federal Title funds and salaries of staff. Reviewing curriculum with anticipation of updating prior to September 2021.

Students in K-8 explore computer use and applications as part of their regular curriculum. Computer programming is infused at all levels, with early elementary students learning to program robot bees, upper elementary students using MIT's simple drag-and-drop coding software (Scratch), and middle school students refining their use of Scratch while taking a brief look at a full-scale programming language, Python. Students at all levels, K-12, receive instruction in basic computer applications. These enhance reading and math skills at the K-5 level, and introduce word processing, spreadsheet and presentation software from grades 3-8. Keyboarding proficiency is stressed from second grade on. Middle School students also take a test in technology literacy, to ensure they are meeting New Jersey computer literacy standards. Classroom and subject teachers increasingly use the building computer labs and laptop carts to enhance lessons.

Cinnaminson High School offers numerous technology electives, with freshmen strongly encouraged to enroll in Computing for College to enhance keyboarding proficiency and expand knowledge of the features of Microsoft Word and Excel. Honors Office expands student familiarity with Excel spreadsheets, Access databases, Word, and PowerPoint. Electives are offered in Introduction to Computer Programming, and upper level Computer Programming I and II were implemented starting in the Fall of 2017. An Honors-level course teaches students to design web sites, and introduces them to the functions and analytics of web servers. Technology enhances all courses. Bring Your Own Technology is offered throughout the school, to enhance availability of real-time data, research, and opportunities to create output. Curriculum updates are ongoing as part of the upcoming QSAC process. Budget Accounts supporting the curriculum for instructional services, supplies and materials, textbooks, and professional development are as follows: 11-190-100-320, 11-190-100-500, 11-190-100-610, 11-190-100-640, 11-190-100-890, 11-000-223-500, and Federal Title funds and salaries of staff. Reviewing curriculum with anticipation of updating prior to September 2022.

Whether it be in student accomplishments, staff commitment, rigorous instructional programs, or district governance and operations, the district continues to rank among the very best in the South Jersey region.

4. 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.

5. 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, 2020.

6. 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.

7. 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.

8. 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.

9. 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, LLC, performs the annual statutory audit of the Cinnaminson Township Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations, cost principles, and audit requirements for federal awards (uniform guidance): and State of New Jersey Circular OMB15-08. The auditor’s report on the general purpose financial statements and combining and individual fund statements and schedules is in the financial section of this report. The auditor’s report related specifically to the single audit is included in the single audit section of this report.

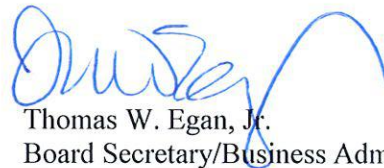
10. ACKNOWLEDGEMENTS

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.

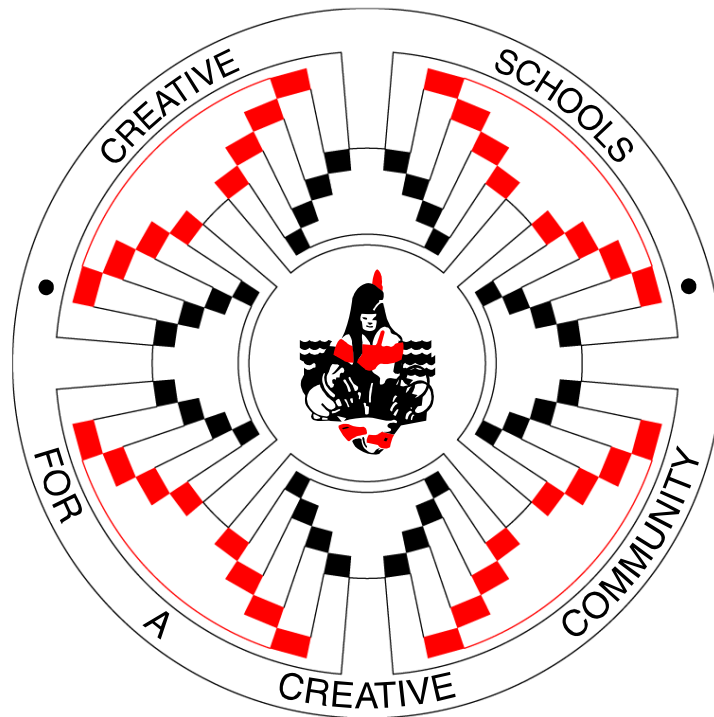
Respectfully submitted,



Stephen M. Cappello
Superintendent of Schools



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



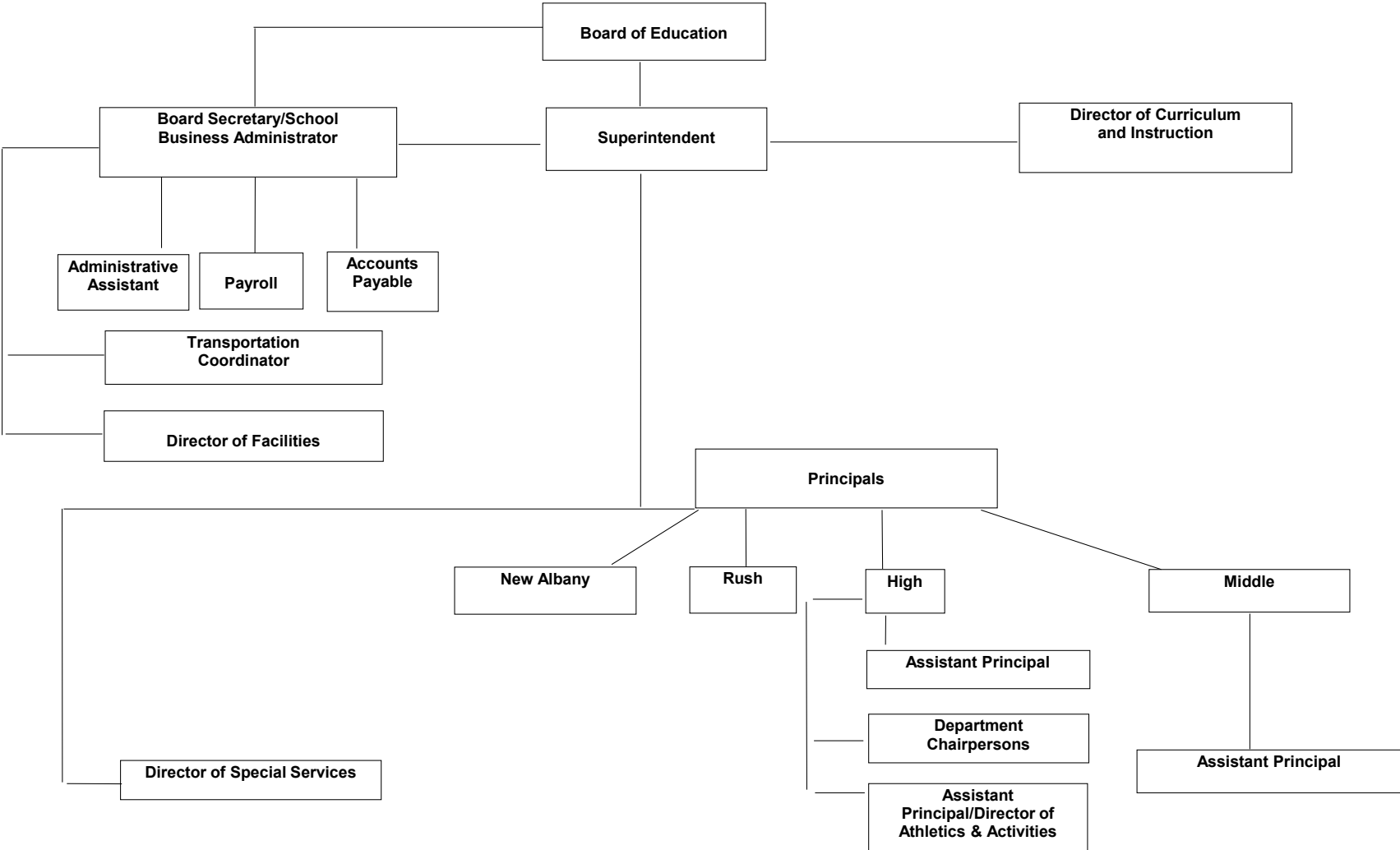
MISSION STATEMENT

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 New Jersey Student Learning 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, 2020**

	<u>Term Expires</u>
Laura Fitzwater, President	2021
James J. McGuckin, Jr., Vice-President	2021
Michael Bramhall	2022
Daniel P. Gaffney	2020
Ed Kenney	2020
Kathleen Quinn	2020
Christine R. Trampé	2022
Christine L. Turner	2022
Delores Woodington	2021

Other Officials

Stephen Cappello, Superintendent
Thomas W. Egan, Jr., Business Administrator

Mark Gidjunis, Treasurer
Frank Cavallo, Esq., Solicitor

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

Inverso & Stewart, LLC
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INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Cinnaminson Township School District
County of Burlington
Cinnaminson Township, 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, 2020, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2020, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability and schedule of the School District's contributions, schedule of the State's proportionate share of the net OPEB liability associated with the School District and changes in the total OPEB liability and related ratios 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 introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedules of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are also presented for purposes of additional analysis and are not a required part of the 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 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 accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections listed in the table of contents 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 December 18, 2020 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, 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

A handwritten signature in black ink, appearing to read 'R. P. Inverso', written in a cursive style.

Robert P. Inverso

Certified Public Accountant

Public School Accountant No. CS001095

Marlton, New Jersey
December 18, 2020

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Cinnaminson Township School District
For the Fiscal Year Ended June 30, 2020
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, 2020. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$5,631,014 (*net position*).
- Governmental activities have an unrestricted net position deficit of \$19,435,263. The accounting treatments in the governmental funds for compensated absences payable, net pension liability, and the last two state aid payments, and the state statute that prohibits school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net position of the School District increased by \$1,568,422 or a 36.61% increase from the prior fiscal year-end balance.
- Fund balance of the School District's governmental funds increased by \$1,070,394 resulting in an ending fund balance of \$11,588,794. This increase is primarily due to the results of operations in the General Fund.
- Business-type activities have unrestricted net position of \$735,254, which may be used to meet the School District's ongoing obligations of the food service operations, school age child care program, and student store.
- The School District's long-term obligations decreased by \$2,720,272 which is the net result of the reduction of serial bond debt and net pension liability and the increase in compensated absences and capital leases payable.

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 2021. 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 2021.

The assets of the primary government activities exceeded liabilities by \$4,744,367 with an unrestricted deficit balance of \$19,435,263. The net position of the primary government does not include internal balances.

A net investment of \$12,764,137 in land, improvements, buildings, equipment and vehicles which provide the services to the School District's 2,687 public school students, represents 269.04% of the School District's net position. Net position of \$2,952,987 has been restricted to provide resources for future capital expansion and renovation projects, \$2,332,736 for maintenance reserve, \$6,769 has been reserved for repayment of debt, \$6,029,461 has been restricted for future budget appropriations and \$93,540 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, 2020 and 2019**

	Governmental Activities		Business-Type Activites		District-Wide	
	2020	2019	2020	2019	2020	2019
ASSETS						
Current assets	\$ 12,211,704	\$ 10,791,645	\$ 824,737	\$ 993,828	\$ 13,036,441	\$ 11,785,473
Capital assets	49,285,838	49,889,972	151,393	117,890	49,437,231	50,007,862
Total assets	61,497,542	60,681,617	976,130	1,111,718	62,473,672	61,793,335
Deferred Outflows of Resources	3,264,512	4,768,424			3,264,512	4,768,424
LIABILITIES						
Current liabilities	3,979,621	3,423,068	89,483	138,227	4,069,104	3,561,295
Noncurrent liabilities	50,450,521	53,280,260			50,450,521	53,280,260
Total Liabilities	54,430,142	56,703,328	89,483	138,227	54,519,625	56,841,555
Deferred Inflows of Resources	5,587,545	5,657,612			5,587,545	5,657,612
Net Position	\$ 4,744,367	\$ 3,089,101	\$ 886,647	\$ 973,491	\$ 5,631,014	\$ 4,062,592
Net Position Consists of:						
Net investment in						
Capital Assets	12,764,137	11,910,452	151,393	117,890	12,915,530	12,028,342
Restricted Assets	11,415,493	10,294,857			11,415,493	10,294,857
Unrestricted Assets	(19,435,263)	(19,116,208)	735,254	855,601	(18,700,009)	(18,260,607)
Net Position	\$ 4,744,367	\$ 3,089,101	\$ 886,647	\$ 973,491	\$ 5,631,014	\$ 4,062,592

Cinnaminson Township School District
Comparative Schedule of Changes in Net Position
As of and for the Fiscal Years Ended June 30, 2020 and 2019

	Governmental Activities		Business-Type Activities		District-Wide	
	2020	2019	2020	2019	2020	2019
Revenues:						
Charges for services	\$ -	\$ -	\$ 681,556	\$ 992,071	\$ 681,556	\$ 992,071
Operating Grants and contributions	18,243,636	20,748,973	193,585	269,072	18,437,221	21,018,045
Property taxes	36,058,962	35,635,487			36,058,962	35,635,487
State aid - unrestricted	11,015,727	9,769,198			11,015,727	9,769,198
Other revenues	1,792,513	1,737,675	10,714	6,225	1,803,227	1,743,900
Total Revenues	67,110,838	67,891,333	885,855	1,267,368	67,996,693	69,158,701
Expenses:						
Governmental Activities:						
Instruction	21,859,882	21,624,771			21,859,882	21,624,771
Tuition	1,472,679	1,041,634			1,472,679	1,041,634
Related Services	5,681,254	5,534,420			5,681,254	5,534,420
Administrative Services	2,565,688	2,639,899			2,565,688	2,639,899
Operations and Maintenance	4,158,014	3,503,950			4,158,014	3,503,950
Transportation	2,859,579	2,966,304			2,859,579	2,966,304
Central services	1,136,584	1,074,925			1,136,584	1,074,925
Employee benefits	24,502,980	26,839,396			24,502,980	26,839,396
Charter Schools					-	-
Interest on debt	1,130,075	1,177,575			1,130,075	1,177,575
Other	88,837	112,606			88,837	112,606
Business-Type Activities:						
Food Service			607,189	756,534	607,189	756,534
School Store			32,214	34,508	32,214	34,508
School Age Child Care			333,296	333,236	333,296	333,236
Total Expenses	65,455,572	66,515,480	972,699	1,124,278	66,428,271	67,639,758
Increase (Decrease) in Net Position before transfers	1,655,266	1,375,853	(86,844)	143,090	1,568,422	1,518,943
Transfers						
Change in Net Position	1,655,266	1,375,853	(86,844)	143,090	1,568,422	1,518,943
Net Position, July 1	3,089,101	1,713,248	973,491	830,401	4,062,592	2,543,649
Net Position, June 30	\$ 4,744,367	\$ 3,089,101	\$ 886,647	\$ 973,491	\$ 5,631,014	\$ 4,062,592

Governmental Activities

Governmental activities increased the net position of the School District by \$1,655,266 during the current fiscal year. Key elements of the decrease in net position for governmental activities are as follows:

- General obligation bonds decreased by \$1,550,000.
- Results of operations in the Governmental funds was a gain of \$1,070,394.

Business-type Activities

Business-type activities decreased the School District's net position by \$86,844. Key elements of the increase in net position for governmental activities are as follows:

- The School Age Child Care Program had a net loss of \$53,188, the Food Service Fund had a net loss of \$31,601 and School Store had a net loss of \$2,055.

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 \$11,588,794, an increase of \$1,070,394 in comparison with the prior year. This increase is primarily due to the results of operations in the General Fund.

The unassigned fund balance for the School District at the end of the fiscal year includes unassigned fund balance for the General Fund of \$173,301. 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 \$2,952,987, 2) \$2,332,736 maintenance reserve, 3) \$6,769 reserved for repayment of debt, 4) \$3,815,423 appropriated as a revenue source in the subsequent year's budget, 5) \$93,540 reserved for encumbrances, and 7) \$2,214,038 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 \$1,098,872 while total fund balance (budgetary basis) was \$12,507,596. 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 \$52,622,475. Unreserved fund balance (budgetary basis) represents 2.09% of expenditures while total fund balance (budgetary basis) represents 23.77% 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, 2020, totaled \$49,437,231 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was \$570,631 or a 1.14% decrease. The decrease is primarily due to depreciation.

**Capital Assets (net of accumulated depreciation)
June 30, 2020 and 2019**

	Governmental Activities		Business-Type Activities		District-Wide	
	2020	2019	2020	2019	2020	2019
Land	\$ 4,252,300	\$ 4,252,300	\$ -	\$ -	\$ 4,252,300	\$ 4,252,300
Construction in Progress					-	-
Building and Building Improvements	42,155,170	43,085,217			42,155,170	43,085,217
Equipment	2,878,368	2,552,455	151,393	117,890	3,029,761	2,670,345
Net Assets	\$ 49,285,838	\$ 49,889,972	\$ 151,393	\$ 117,890	\$ 49,437,231	\$ 50,007,862

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, 2020, the School District had \$35,590,000 in serial bonds payable, \$931,701 in capital leases, and \$1,900,330 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 \$71,322,324. The available amount as of June 30, 2020 is \$35,732,324.

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 2020-21 fiscal year.

- For the 2020-21 fiscal year the School District will be receiving a slight increase in state aid. The local tax levy in the General Fund increased by \$775,973 or a 2.28% increase. The 2020-21 General Fund Budget is \$2,228,519 more than the previous year.
- The tax rate for 2020 is \$2.288, which is an increase of 0.41 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, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 5,768,900	\$ 795,743	\$ 6,564,643
Receivables, net	1,157,081	5,291	1,162,372
Inventory		23,703	23,703
Restricted assets:			
Capital reserve account	2,952,987		2,952,987
Maintenance reserve account	2,332,736		2,332,736
Capital assets, net (Note 5)	49,285,838	151,393	49,437,231
Total assets	61,497,542	976,130	62,473,672
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	3,264,512		3,264,512
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	64,762,054	976,130	65,738,184
LIABILITIES:			
Accounts payable			
Related to pensions	878,359		878,359
Other	566,242	14,146	580,388
Internal balances	(52,532)	52,532	-
Intergovernmental payable:			
State	101,551		101,551
Unearned revenue	7,649	22,805	30,454
Accrued interest due within one year	469,250		469,250
Noncurrent liabilities:			
Due within one year	2,009,102		2,009,102
Due beyond one year	50,450,521		50,450,521
Total liabilities	54,430,142	89,483	54,519,625
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of resources from pensions	5,587,545		5,587,545
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	60,017,687	89,483	60,107,170
NET POSITION:			
Net investment in capital assets	12,764,137	151,393	12,915,530
Restricted for:			
Capital Projects	2,952,987		2,952,987
Other purposes	8,462,506		8,462,506
Unrestricted	(19,435,263)	735,254	(18,700,009)
Total net position	\$ 4,744,367	\$ 886,647	\$ 5,631,014

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, 2020

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	\$ 14,805,789	\$ 316,864	\$ 340,404	\$ (14,148,521)	\$ -	\$ (14,148,521)
Special education	3,798,782		550,031	(3,248,751)		(3,248,751)
Other instruction	3,255,311			(3,255,311)		(3,255,311)
Support Services:						
Tuition	1,472,679			(1,472,679)		(1,472,679)
Student & instruction related services	5,681,254		173,500	(5,507,754)		(5,507,754)
General administrative services	753,151			(753,151)		(753,151)
School administrative services	1,812,537			(1,812,537)		(1,812,537)
Central and technology adm. services	1,136,584			(1,136,584)		(1,136,584)
Plant operations and maintenance	4,158,014		181,693	(3,976,321)		(3,976,321)
Pupil transportation	2,859,579			(2,859,579)		(2,859,579)
Employee benefits	24,502,980		16,998,008	(7,504,972)		(7,504,972)
Interest on long-term debt	1,130,075		-	(1,130,075)		(1,130,075)
Unallocated depreciation and amortization	88,837			(88,837)		(88,837)
Total governmental activities	<u>65,455,572</u>	<u>316,864</u>	<u>18,243,636</u>	<u>(46,895,072)</u>		<u>(46,895,072)</u>
Business-type activities:						
Food service program	607,189	379,053	193,585		(34,551)	(34,551)
School age child care program	333,296	272,486			(60,810)	(60,810)
School store	32,214	30,017			(2,197)	(2,197)
Total business-type activities	<u>972,699</u>	<u>681,556</u>	<u>193,585</u>		<u>(97,558)</u>	<u>(97,558)</u>
Total primary government	<u>\$ 66,428,271</u>	<u>\$ 998,420</u>	<u>\$ 18,437,221</u>	<u>\$ (46,895,072)</u>	<u>\$ (97,558)</u>	<u>\$ (46,992,630)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net				34,033,912		34,033,912
Taxes levied for debt service				2,025,050		2,025,050
Federal and state aid not restricted				11,015,727		11,015,727
Transportation revenue				1,221,705		1,221,705
Miscellaneous revenue				253,944	10,714	264,658
Total general revenues, special items, and transfers				<u>48,550,338</u>	<u>10,714</u>	<u>48,561,052</u>
Change in Net Position				1,655,266	(86,844)	1,568,422
Net Position--July 1				3,089,101	973,491	4,062,592
Net Position--June 30				<u>\$ 4,744,367</u>	<u>\$ 886,647</u>	<u>\$ 5,631,014</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, 2020

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 5,762,131	\$ -	\$ -	\$ 6,769	\$ 5,768,900
Receivables, net	868,397	258,012			1,126,409
Interfund receivable	89,920	767		-	90,687
Restricted cash and cash equivalents	<u>5,285,723</u>				<u>5,285,723</u>
Total assets	<u><u>\$ 12,006,171</u></u>	<u><u>\$ 258,779</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,769</u></u>	<u><u>\$ 12,271,719</u></u>
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	419,971	146,271			566,242
Intergovernmental payable:					
State		101,551			101,551
Interfund payables	767	6,716			7,483
Unearned revenue	<u>3,408</u>	<u>4,241</u>			<u>7,649</u>
Total liabilities	<u>424,146</u>	<u>258,779</u>			<u>682,925</u>
Fund Balances:					
Restricted for:					
Excess surplus	2,214,038				2,214,038
Excess surplus - designated for subsequent year's expenditures	2,610,794				2,610,794
Maintenance reserve	2,332,736				2,332,736
Capital reserve	2,952,987				2,952,987
Assigned to:					
Year-end encumbrances	93,540				93,540
Subsequent year's expenditures	1,204,629			5,899	1,210,528
Unassigned	<u>173,301</u>			<u>870</u>	<u>174,171</u>
Total fund balances	<u>11,582,025</u>			<u>6,769</u>	<u>11,588,794</u>
Total liabilities and fund balances	<u><u>\$ 12,006,171</u></u>	<u><u>\$ 258,779</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,769</u></u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$82,423,958 and the accumulated depreciation is \$33,138,120. 49,285,838

Accounts payable related to the April 1, 2020 required PERS contribution that is not to be liquidated with current financial resources. (878,359)

Accrued interest is not due and payable in the current period and, therefore is not reported as a liability in the funds. (469,250)

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	\$ 3,264,512	
Net Pension Liability	(14,037,592)	
Deferred Inflows of resources from Pensions	<u>(5,587,545)</u>	(16,360,625)

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	(35,590,000)	
Capital Leases Payable	(931,701)	
Compensated Absences	<u>(1,900,330)</u>	<u>(38,422,031)</u>

Net position of governmental activities \$ 4,744,367

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, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 34,033,912	\$ -	\$ -	\$ 2,025,050	\$ 36,058,962
Tuition charges	316,864				316,864
Transportation fees	1,221,705				1,221,705
Maintenance reserve interest	25,452				25,452
Capital reserve interest	13,577				13,577
Other restricted revenues	26,705				26,705
Miscellaneous	187,911		299		188,210
Total revenues-local sources	35,826,126		299	2,025,050	37,851,475
Local Sources		214,973			214,973
State sources	17,369,031	116,177		673,458	18,158,666
Federal sources	39,787	933,298			973,085
Total revenues	53,234,944	1,264,448	299	2,698,508	57,198,199
EXPENDITURES:					
Current expense:					
Regular instruction	13,158,176	340,404			13,498,580
Special education instruction	3,248,751	550,031			3,798,782
Other instruction	3,255,311				3,255,311
Support services and undistributed costs:					
Tuition	1,472,679				1,472,679
Student & instruction related services	5,507,754	173,500			5,681,254
General administrative services	753,151				753,151
School administrative services	1,812,537				1,812,537
Central services	647,825				647,825
Administrative technology services	488,759				488,759
Plant operations and maintenance	4,123,599				4,123,599
Pupil transportation	2,593,067				2,593,067
Employee benefits	14,346,820	18,820			14,365,640
Capital outlay	1,214,046	181,693	51,572		1,447,311
Debt service:					
Principal				1,550,000	1,550,000
Interest and other charges				1,149,450	1,149,450
Total expenditures	52,622,475	1,264,448	51,572	2,699,450	56,637,945
Excess (deficiency) of revenues over (under) expenditures	612,469		(51,273)	(942)	560,254
Other Financing Sources (Uses):					
Proceeds of Capital Lease	510,140				510,140
Transfer in				5,451	5,451
Transfer out			(5,451)		(5,451)
Total other financing sources (uses)	510,140	-	(5,451)	5,451	510,140
Net change in fund balance	1,122,609		(56,724)	4,509	1,070,394
Fund balances, July 1	10,459,416		56,724	2,260	10,518,400
Fund balances, June 30	\$ 11,582,025	\$ -	\$ -	\$ 6,769	\$ 11,588,794

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, 2020**

Total net change in fund balances - governmental funds (from B-2)		\$ 1,070,394
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p style="padding-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	\$ (1,776,746)	
Adjustment	(11,838)	
Capital outlay	<u>1,184,450</u>	(604,134)
<p>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.</p>		
		1,550,000
<p>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.</p>		
<p>The issuance of a capital lease increases long-term liabilities, however has no effect on fund balance.</p>		
		(510,140)
<p>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.</p>		
		417,959
<p>Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.</p>		
		(224,701)
<p>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.</p>		
		19,375
<p>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 (+).</p>		
		<u>(63,487)</u>
Change in net position of governmental activities		<u>\$ 1,655,266</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, 2020

	Business-type Activities			Total
	Enterprise Funds			
	Food Service Fund	School Age Child Care Program	School Store	
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 201,296	\$ 587,334	\$ 7,113	\$ 795,743
Accounts receivable	5,291			5,291
Inventories	17,730		5,973	23,703
Total current assets	224,317	587,334	13,086	824,737
Noncurrent assets:				
Equipment	562,011	29,123		591,134
Less accumulated depreciation	(418,405)	(21,336)		(439,741)
Total noncurrent assets	143,606	7,787		151,393
Total assets	\$ 367,923	\$ 595,121	\$ 13,086	\$ 976,130
LIABILITIES:				
Current liabilities:				
Accounts payable	\$ 14,146	\$ -	\$ -	\$ 14,146
Interfunds payable	52,532			52,532
Unearned revenue	22,805	-		22,805
Total liabilities	89,483	-	-	89,483
NET POSITION:				
Net investment in capital assets	143,606	7,787		151,393
Unrestricted	134,834	587,334	13,086	735,254
Total net position	\$ 278,440	\$ 595,121	\$ 13,086	\$ 886,647

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, 2020

	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	\$ 197,110	\$ -	\$ -	\$ 197,110
Daily sales-non-reimbursable programs	151,918			151,918
Special Functions	30,023			30,023
Sales			30,017	30,017
Program fees		272,486		272,486
Miscellaneous	2			2
Total operating revenue	<u>379,053</u>	<u>272,486</u>	<u>30,017</u>	<u>681,556</u>
Operating expenses:				
Salaries	202,854	232,276		435,130
Employee benefits	42,675	58,679		101,354
Supplies and materials	26,515	2,886		29,401
Depreciation	11,153	1,456		12,609
Management Fee	53,700			53,700
Direct expenses	18,385	799		19,184
Cost of sales - reimbursable programs	136,455			136,455
Cost of sales - nonreimbursable programs	75,396	4,903	32,214	112,513
Building usage		25,000		25,000
Other	40,056	7,297		47,353
Total operating expenses	<u>607,189</u>	<u>333,296</u>	<u>32,214</u>	<u>972,699</u>
Operating income (loss)	<u>(228,136)</u>	<u>(60,810)</u>	<u>(2,197)</u>	<u>(291,143)</u>
Nonoperating revenues (expenses):				
State sources:				
State school lunch program	6,644			6,644
Federal sources:				
National school lunch program	124,113			124,113
Special milk program	1,414			1,414
U.S.D.A. commodities	61,414			61,414
Local sources:				
Contributed Capital	-			-
Interest revenue	2,950	7,622	142	10,714
Total nonoperating revenues (expenses)	<u>196,535</u>	<u>7,622</u>	<u>142</u>	<u>204,299</u>
Change in net position	(31,601)	(53,188)	(2,055)	(86,844)
Total net position - July 1	<u>310,041</u>	<u>648,309</u>	<u>15,141</u>	<u>973,491</u>
Total net position - June 30	<u>\$ 278,440</u>	<u>\$ 595,121</u>	<u>\$ 13,086</u>	<u>\$ 886,647</u>

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

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
for the Fiscal Year Ended June 30, 2020

	Business-type Activities			Enterprise Funds
	Food Service Fund	School Age Child Care Program	Student Store	
Cash flows from operating activities:				
Receipts from customers	\$ 387,287	\$ 235,285	\$ 30,017	\$ 652,589
Payments to employees for services	(238,992)	(290,955)		(529,947)
Payments to suppliers	(321,745)	(41,407)	(35,650)	(398,802)
Net cash used for operating activities	<u>(173,450)</u>	<u>(97,077)</u>	<u>(5,633)</u>	<u>(276,160)</u>
Cash flows from noncapital financing activities:				
Donations				
Cash received from federal and state sources	<u>139,413</u>			<u>139,413</u>
Net cash provided by non-capital financing activities	<u>139,413</u>			<u>139,413</u>
Cash flows from capital activities:				
Purchases of fixed assets	<u>(46,113)</u>			<u>(46,113)</u>
	<u>(46,113)</u>			<u>(46,113)</u>
Cash flows from investing activities:				
Interest and dividends	<u>2,950</u>	<u>7,622</u>	<u>142</u>	<u>10,714</u>
Net cash provided by investing activities	<u>2,950</u>	<u>7,622</u>	<u>142</u>	<u>10,714</u>
Net increase in cash and cash equivalents	(77,200)	(89,455)	(5,491)	(172,146)
Balances - July 1	<u>278,496</u>	<u>676,789</u>	<u>12,604</u>	<u>967,889</u>
Balances - June 30	<u>\$ 201,296</u>	<u>\$ 587,334</u>	<u>\$ 7,113</u>	<u>\$ 795,743</u>
Reconciliation of operating loss to net cash provided				
(used) by operating activities:				
Operating income (loss)	\$ (228,136)	\$ (60,810)	\$ (2,197)	\$ (291,143)
Adjustments to reconcile operating income (loss) to net				
cash provided by (used for) operating activities:				
Depreciation	11,153	1,456		12,609
Federal commodities	61,414			61,414
(Increase) decrease in accounts receivable	(1,256)	1,735		479
(Increase) decrease in inventory	(7,339)		(3,436)	(10,775)
Increase (decrease) in unearned revenue	9,490	(39,105)		(29,615)
Increase (decrease) in interfunds payable	-			0
Increase (decrease) in accounts payable	<u>(18,776)</u>	<u>(353)</u>		<u>(19,129)</u>
Total adjustments	<u>54,686</u>	<u>(36,267)</u>	<u>(3,436)</u>	<u>14,983</u>
Net cash provided by (used for) operating activities	<u>\$ (173,450)</u>	<u>\$ (97,077)</u>	<u>\$ (5,633)</u>	<u>\$ (276,160)</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, 2020

	Private Purpose Trusts	Flexible Benefits Account	Unemployment Compensation Insurance Trust	Agency Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS:				
Cash and cash equivalents	\$ 50,941	\$ 25,977	\$ 482,618	\$ 1,761,834
Total assets	<u>50,941</u>	<u>25,977</u>	<u>482,618</u>	<u>1,761,834</u>
LIABILITIES:				
Accounts payable	-	-	-	-
Payroll deductions and withholdings	-	-	-	257,448
Due to Cinnaminson Education Assoc.	-	-	-	3,416
Due to employees	-	-	-	1,140,493
Interfund payable	-	12,785	-	17,887
Due to student groups	-	-	-	342,590
Total liabilities	<u>-</u>	<u>12,785</u>	<u>-</u>	<u>\$ 1,761,834</u>
NET POSITION:				
Reserved for private purpose trusts	<u>\$ 50,941</u>			
Held in trust for unemployment claims			<u>\$ 482,618</u>	
Held in trust for flexible benefit expenditures		<u>\$ 13,192</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, 2020

	Private Purpose Trust Funds		Unemployment Compensation Insurance Trust
	Scholarship Fund	Flexible Benefit Trust	
ADDITIONS:			
Donations	\$ 7,351	\$ -	\$ -
Board contribution			
Employee withholdings		80,541	49,558
Total Contributions	<u>7,351</u>	<u>80,541</u>	<u>49,558</u>
Investment earnings:			
Interest	1,536		5,146
Net investment earnings	<u>1,536</u>		<u>5,146</u>
Total additions	<u>8,887</u>	<u>80,541</u>	<u>54,704</u>
DEDUCTIONS:			
Unemployment claims			2,005
Flexible benefit payments		69,096	
Transfer to General Fund			
Bank service charges			
Scholarships awarded	11,900		
Total deductions	<u>11,900</u>	<u>69,096</u>	<u>2,005</u>
Change in net position	(3,013)	11,445	52,699
Net position - July 1	<u>53,954</u>	<u>1,747</u>	<u>429,919</u>
Net position - June 30	<u>\$ 50,941</u>	<u>\$ 13,192</u>	<u>\$ 482,618</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, 2020

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, 2020 of 2,687 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. GASB Statement No. 80, *Blending Requirements for Certain Component Units* - an Amendment of GASB Statement No. 14 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criteria requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. 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.

Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Statements (Continued) - 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.

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.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The School District’s enterprise funds are:

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

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

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

All proprietary funds are accounted for on a cost of services or “capital maintenance” measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net 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.

Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued) – 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.

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.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, 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.

Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents and Investments (Continued) - 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, 2020 and 2019 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

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

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

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

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

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.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued) - 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.

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, 2020, 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.

Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Liabilities and Long-Term Obligations (Continued) - 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.

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, 2020.

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

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

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

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

Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program, 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.

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 January 2017, the GASB issued Statement 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this Statement on the District’s financial statements.

In June 2017, the GASB issued Statement 87, *Leases*. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this Statement on the District’s financial statements.

In June 2018, the GASB issued Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this Statement on the District’s financial statements.

Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued) - In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. This Statement should have no impact on the District's financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objectives of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after December 15, 2022. This Statement should have no impact on the District's financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosure regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is currently evaluating the impact of the adoption of this Statement on the 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 \$14,798,293 as of June 30, 2020, \$500,000 was insured under FDIC and the remaining balance of \$14,298,293 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, 2020**

3. CAPITAL RESERVE ACCOUNT (Continued)

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Balance – July 1, 2019		\$	2,427,535
Increased by:			
Interest earned	\$	25,452	
Board Resolution	<u>750,000</u>		<u>775,452</u>
			3,202,987
Decreased by:			
Budget withdrawal			<u>250,000</u>
Balance – June 30, 2020		\$	<u>2,952,987</u>

The June 30, 2020 capital reserve balance does not exceed the LRFPS balance of local support costs of uncompleted projects.

4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2020 consisted of tuition fees charged other governmental units and governmental grants. All receivables are considered collectible in full due to the stable condition of the other governmental units, State programs and the current fiscal year guarantee of federal funds.

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

	General Fund	Special Revenue Fund	Proprietary Funds	Total
State Aid	\$ 759,056	\$ 12,868	\$ 1,758	\$ 773,682
Federal Aid		202,561	1,545	204,106
Transportation Fees	92,217			92,217
Tuition Fees	17,124			17,124
Other		<u>42,583</u>	<u>1,988</u>	<u>44,571</u>
Total Accounts Receivable	<u>\$ 868,397</u>	<u>\$ 258,012</u>	<u>\$ 5,291</u>	<u>\$ 1,131,700</u>

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	Balance June 30, 2019	Additions	Adjustments/ Deletions	Balance June 30, 2020
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 4,252,300	\$ -	\$ -	\$ 4,252,300
Construction in Progress	-			-
Total Capital Assets not being Depreciated	<u>4,252,300</u>	<u>-</u>	<u>-</u>	<u>4,252,300</u>
<i>Capital Assets, being depreciated:</i>				
Building and Improvements	67,271,925			67,271,925
Equipment	9,889,101	1,184,450	173,818	10,899,733
Total Historical Cost	<u>77,161,026</u>	<u>1,184,450</u>	<u>173,818</u>	<u>78,171,658</u>
<i>Less Accumulated Depreciation:</i>				
Building and Improvements	(24,186,708)	(1,092,027)	(161,980)	(25,116,755)
Equipment	(7,336,646)	(684,719)		(8,021,365)
Total Accumulated Depreciation	<u>(31,523,354)</u>	<u>(1,776,746)</u>	<u>(161,980)</u>	<u>(33,138,120)</u>
Total Capital Assets, being depreciated, net	<u>45,637,672</u>	<u>(592,296)</u>	<u>11,838</u>	<u>45,033,538</u>
Governmental Activities Capital Assets, Net	<u>\$ 49,889,972</u>	<u>\$ (592,296)</u>	<u>\$ 11,838</u>	<u>\$ 49,285,838</u>
Business-Type Activities:				
Equipment	\$ 545,021	\$ 46,113	\$ -	\$ 591,134
Less - Accumulated Depreciation	<u>(427,131)</u>	<u>(12,610)</u>		<u>(439,741)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 117,890</u>	<u>\$ 33,503</u>	<u>\$ -</u>	<u>\$ 151,393</u>

Depreciation expense in the amount of \$1,776,746 was charged to governmental functions as follows:

Function	Amount
Instruction	\$ 1,243,722
Plant Operations and Maintenance	177,675
Transportation	266,512
Unallocated	<u>88,837</u>
Total	<u>\$ 1,776,746</u>

6. INVENTORY

Inventory in the Proprietary Funds at June 30, 2020 consisted of the following:

	Food Service	School Store
Food	\$ 16,187	\$ -
Supplies	<u>1,543</u>	<u>5,973</u>
	<u>\$ 17,730</u>	<u>\$ 5,973</u>

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2020, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2020</u>	<u>Amounts Due Within One Year</u>
School Bonds	\$ 37,140,000	\$ -	\$ 1,550,000	\$ 35,590,000	\$ 1,615,000
Capital Leases Payable	839,520	510,140	417,959	931,701	353,170
Compensated Absences	1,836,843	200,638	137,151	1,900,330	40,932
Net Pension Liability	<u>15,363,532</u>		<u>1,325,940</u>	<u>14,037,592</u>	
	<u>\$ 55,179,895</u>	<u>\$ 710,778</u>	<u>\$ 3,431,050</u>	<u>\$ 52,459,623</u>	<u>\$ 2,009,102</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. Outstanding bonds issued by the District are as follows:

2014 School Bonds dated December 18, 2014 in the amount of \$35,590,000 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>
2021	\$ 1,615,000	\$ 1,101,975	\$ 2,716,975
2022	1,675,000	1,052,625	2,727,625
2023	1,725,000	1,001,625	2,726,625
2024	1,775,000	949,125	2,724,125
2025	1,800,000	895,500	2,695,500
2026-2030	9,000,000	3,667,500	12,667,500
2031-2035	9,000,000	2,289,375	11,289,375
2036-2040	<u>9,000,000</u>	<u>786,375</u>	<u>9,786,375</u>
	<u>\$ 35,590,000</u>	<u>\$ 11,744,100</u>	<u>\$ 47,334,100</u>

As of June 30, 2020 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, 2020**

7. LONG-TERM OBLIGATIONS (Continued)

Capital Leases

The District is leasing seventeen school buses, one van, and one truck totaling \$931,701 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>
2021	\$ 353,170	\$ 18,582	\$ 371,752
2022	277,518	11,082	288,600
2023	194,639	7,866	202,505
2024	<u>106,374</u>	<u>2,487</u>	<u>108,861</u>
	<u>\$ 931,701</u>	<u>\$ 40,017</u>	<u>\$ 971,718</u>

8. OPERATING LEASES

At June 30, 2020, the District had operating lease agreements in effect for the following:

Office Equipment

Total operating lease payments made during the year ended June 30, 2019 and 2020 were \$40,816 and \$34,320 respectively. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2021	\$ 36,596
June 30, 2022	35,755
June 30, 2023	35,475
June 30, 2024	<u>13,545</u>
Total future minimum lease payments	<u>\$ 121,371</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) and the Public Employees' Retirement System (PERS). In addition, several School District employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. 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)

Plan Description - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement, death and disability, and medical benefits to qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

9. PENSION PLANS (Continued)

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

Vesting and Benefit Provisions – 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 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.

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

Contributions - The contribution requirements of plan members are determined by N.J.S.A.18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the member contribution rate was 7.50% in State fiscal year 2020. The State’s pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

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. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2020 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2019, the State’s contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2020 was \$3,672,526 and was paid by April 1, 2020. School District employee contributions to the pension plan during the fiscal year ended June 30, 2020 were \$1,533,435.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

9. PENSION PLANS (Continued)

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

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and 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.

At June 30, 2020, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

For the year ended June 30, 2020, the School District recognized pension expense of \$6,611,763 and revenue of \$6,611,763 for support provided by the State. Although the School 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 School District.

The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	06/30/19	06/30/18
Collective deferred outflows of resources	\$ 9,932,767,606	\$ 12,473,998,870
Collective deferred inflows of resources	17,539,845,423	16,180,773,643
Collective net pension liability (Non-Employer – State of New Jersey)	61,519,112,443	63,617,852,031
State's portion of the net pension liability that was associated with the School District	112,096,694	112,712,505
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.1826543426%	.1771711895%

Actuarial assumptions – The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019.

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55- 4.45%
	based on years of service
Thereafter	2.75 – 5.65%
	based on years of service
Investment Rate of Return:	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality tables with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

9. PENSION PLANS (Continued)

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

Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Discount rate. The discount rate used to measure the State's total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, 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 based on 70% of the actuarially determined contributions for the State. 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 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

9. PENSION PLANS (Continued)

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

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2019, the pension plans measurement date, attributable to the School District is \$0.00, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 5.60%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.60%) or 1 percentage point higher (6.60%) that the current rate:

	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	132,186,813	112,096,694	95,428,239
	\$ 132,186,813	\$ 112,096,694	\$ 95,428,239

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)

Plan Description - 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 Membership in the PERS is mandatory for substantially all full-time employees of the Authority, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS. For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR), which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

Vesting and Benefit Provisions – 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 medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

Contributions - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. The member contribution rate was 7.50% in State fiscal year 2019. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2020 was 15.08% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2019, the School Districts contractually required contribution to the pension plan for the fiscal year ended June 30, 2020 was \$761,563 and was paid by April 1, 2020. School District employee contributions to the pension plan during the fiscal year ended June 30, 2020 were \$443,377.

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:

Fiscal Year	Normal Contributions	Accrued Liability	Non Contributory Life	Longterm Disability	Total Liability Paid by District
2020	\$ 100,277	\$ 735,627	\$ 42,455	\$ -	\$ 878,359
2019	96,989	643,856	35,292	4,140	780,277
2018	98,573	613,841	36,505	14,698	763,617

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 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.

At June 30, 2020, the School District reported a liability of \$14,037,592 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The School District's proportion of the of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

For the year ended June 30, 2020, the School District recognized pension expense of \$982,475. At June 30, 2020, the School District reported a liability of \$14,037,592 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 251,926	\$ 62,012
Changes of assumptions	1,401,705	4,872,404
Net Difference between projected and actual earnings on pension plan investments		221,589
Changes in proportion	732,522	431,540
District contributions subsequent to the measurement date	878,359	
Total	\$ 3,264,512	\$ 5,587,545

\$878,359 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, 2020, the plan measurement date is June 30, 2020) will be recognized as a reduction of the net liability in the year ended June 30, 2020.

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 (Inflows) of Resources
2021	\$ (380,517)
2022	(1,079,153)
2023	(958,765)
2024	(712,895)
2025	(70,062)
Total	\$ (3,201,392)

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2015	5.00	5.00
June 30, 2016	5.00	5.00
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
June 30, 2019	5.00	5.00

Additional Information

Collective balances at June 30, 2019 and 2018 are as follows:

	<u>6/30/2019</u>	<u>6/30/2018</u>
Collective deferred outflows of resources	\$ 3,149,522,616	\$ 4,684,852,302
Collective deferred inflows of resources	\$ 7,645,087,574	\$ 7,646,736,226
Collective net pension liability	\$ 18,143,832,135	\$ 19,689,501,539
School District's Proportion	.0779066274%	.0780290550%

Actuarial assumptions – The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
Total	100.00%	

Discount rate. The discount rate used to measure the State's total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, 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 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. The following presents the School District's proportionate share of the net pension liability measured as of June 30, 2019, calculated using the discount rate of 6.28%, as well as what the School 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 (5.28%) or 1 percentage point higher (7.28%) than the current rate:

	1% Decrease	Current	1% Increase
	(5.28%)	(6.28%)	(7.28%)
School District's proportionate share of the net pension liability	\$ 17,731,760	\$ 14,037,592	\$ 10,924,732

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.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

9. PENSION PLANS (CONTINUED)

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 School District</u>
2020	\$ 9,655	\$ 9,655
2019	9,038	9,038
2018	7,054	7,054

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided

The State Health Benefit Local Education Retired Employees Plan (the “OPEB Plan”) is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated io. 75 – Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the “Division”) and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Contributions

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey (the “State”) in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32F, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teacher’s Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

Plan Membership

As of June 30, 2018, the program membership consisted of the following:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
	364,943

Total Non-Employer OPEB Liability

The State of New Jersey, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB Plan for qualified retired PERS, TPAF and PFRS participants. The School District’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Actuarial assumptions and other imputes - The total nonemployer OPEB liability as of the June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member enrolled in.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%		
	TPAF/ABP	PERS	PFRS
Salary Increases Through 2026	1.55 – 3.05% based on years of service	2.00 – 6.00% based on age	3.25 – 15.25% based on age
Thereafter	1.55 - 3.05% based on years of service	3.00 - 7.00% based on age	3.10 - 9.98% based on age

Preretirement mortality rates were based on the Pub-2010 Healthy Teacher’s (TPAF), and “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational improvement projections from the central year using the Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational improvement projections from the central year using the Scale MP-2019.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate - The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in the Total Nonemployer OPEB Liability

The table below summarizes the State's proportionate share of the change in the total nonemployer OPEB liability associated with the School District:

	Total OPEB Liability
Balance as of June 30, 2018	\$ 86,515,675
Changes for the years'	
Service Cost	3,432,633
Interest	3,436,408
Changes of benefit terms	
Differences between expected and actual experience	(14,116,512)
Changes in assumptions	1,164,570
Gross Benefit Payments	(2,397,628)
Contributions from the Non-employer	N/A
Contributions from the Member	71,072
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	\$ (8,409,457)
Balance at 06/30/2019	\$ 78,106,218

Sensitivity of the total nonemployer OPEB liability to changes in the discount rate - The following presents the total nonemployer OPEB liability as of June 30, 2019, respectively, associated with the School District, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage -point lower or 1percentage-point higher than the current rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 92,274,309	\$ 78,106,218	\$ 66,851,863

Sensitivity of the total nonemployer OPEB liability to changes in the healthcare cost trend rate - The following presents the total nonemployer OPEB liability as of June 30, 2019, associated with the School District, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage -point lower or 1percentage-point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 94,794,227	\$ 78,106,218	\$ 63,344,079

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

For the year ended June 30, 2020, the School District recognized \$2,318,401 in OPEB expense and revenue, in the government-wide financial statements, for the State’s proportionate share of the OPEB Plan’s OPEB Expense, associated with the School District. This expense and revenue was based on the OPEB Plan’s June 30, 2019 measurement date.

In accordance with GASBS No. 75, the School District’s proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District.

At June 30, 2020, the State’s proportionate share of the total nonemployer OPEB liability’s deferred outflows of resources and deferred inflows of resources, associated with the School District, from the following sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and		
actual experiences	\$ -	\$ 16,500,397
Changes of assumptions	-	13,347,550
Total	\$ -	\$ 29,847,947

Amounts reported as deferred outflows of resources and deferred inflows of resources related to State’s proportionate share of the total nonemployer OPEB Liability, associated with the School District, will be recognized in OPEB expense as follows:

For the year ended:	
2020	\$ (4,007,520)
2021	(4,007,520)
2022	(4,007,520)
2023	(4,007,520)
2024	(4,007,520)
Therafter	(9,810,347)
Total	\$ (29,847,947)

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.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2020, the School District has recognized as revenues and expenditures on-behalf payments made by the state for normal retirement costs, post-retirement medical costs and long term disability insurance related to TPAF, in the fund statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs and long term disability insurance were \$4,097,981, \$1,520,276 and \$2,732 respectively. In addition, \$1,445,560 on-behalf payments were made by the state for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

12. RISK MANAGEMENT

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

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

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

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>
2019-2020	\$ -	\$ 49,558	\$ 5,146	\$ 2,005	\$ 482,618
2018-2019	-	47,826	3,009	4,623	429,919
2017-2018	-	46,709	1,891	6,844	383,707
2016-2017	-	45,369	298	20,915	341,951
2015-2016	25,000	43,494	266	18,825	317,199

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.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

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, 2020, the liability for compensated absences in the governmental activities was \$1,900,330.

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, 2020. The following interfund balances were recorded on the various balance sheets as of June 30, 2020:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 89,920	\$ 767
Special Revenue	767	6,716
Proprietary		52,532
Fiduciary		30,672
	<u>\$ 90,687</u>	<u>\$ 90,687</u>

16. CONTINGENCIES

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

At June 30, 2020, 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.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

17. FLEXIBLE BENEFITS PROGRAM (Continued)

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 four years.

<u>Fiscal Year</u>	<u>Interest Earnings</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$ -	\$ 80,541	\$ 69,096	\$ 13,192
2018-2019	-	78,736	85,624	1,747
2017-2018	-	79,460	84,040	8,635
2016-2017	-	79,259	81,817	13,215
2015-2016	13	84,374	83,919	15,773

18. TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district’s local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

The Township of Cinnaminson (Municipality) provides for long-term tax exemptions, as authorized by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemptions provided by the Municipality are for affordable housing and other permitted purposes. Taxes abated include municipal, local school, and county taxes.

The assessed value on these tax exemption properties amounted to \$21,390,300 which would have resulted in 2019 taxes billed in full of \$753,366. A portion of the abatement would have been allocated to the District.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

19. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2020, a deficit of \$19,435,263 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, 2019:	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds)	
Unassigned	\$ 173,301
Liabilities:	
Net Pension Differences	(17,238,984)
Accrued Interest Payable	(469,250)
Compensated Absences	<u>(1,900,330)</u>
Unrestricted Net Position (Deficit)	<u>\$ (19,435,263)</u>

20. 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, 2020, the balance in the capital reserve account is \$2,952,987 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 2020-2021 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, 2020 is \$2,214,038. Additionally, \$2,610,794 of excess fund balance generated during the 2018-2019 fiscal year has been restricted and designated for utilization in the 2020-2021 budget.

Maintenance Reserve Account – As of June 30, 2020, the balance in the maintenance reserve account is \$2,332,736. 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 \$500,000 has been designated for use in the 2020-2021 budget.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

20. FUND BALANCES (CONTINUED)

Assigned:

General Fund:

Year-end Encumbrances – At June 30, 2020 a total of \$93,540 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 – In the original 2020-2021 budget, the School District appropriated \$451,597 as an anticipated revenue for the fiscal year ending June 30, 2021. In addition, due to the subsequent reduction in state aid for 2020-2021 budget, the district appropriated an additional \$753,032 as anticipated revenue for the fiscal year ending June 30, 2021.

Debt Service Fund:

Designated for Subsequent Year's Expenditures – The School District has appropriated \$5,899 and included as an anticipated revenue for the fiscal year ending June 30, 2021.

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, 2020, \$173,301 of the general fund balance was unassigned.

Debt Service Fund – As of June 30, 2020, \$870 of debt service fund balance was unassigned.

21. SUBSEQUENT EVENTS

COVID-19 - the management of the School District has evaluated its financial statements for subsequent events through the date that the financial statements were issued. As a result of the spread of the COVID-19 coronavirus in New Jersey, economic uncertainties have arisen which could negatively impact the financial position of the School District. While the impact that COVID-19 will have is currently expected to be temporary, as of the date of the financial statements, the related financial impact and duration cannot be reasonably estimated.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 34,033,912	\$ -	\$ 34,033,912	\$ 34,033,912	\$ -
Tuition from Individuals				56,095	56,095
Tuition from other LEAs	100,000		100,000	260,769	160,769
Transportation fees from other LEAs	900,000		900,000	1,221,705	321,705
Maintenance reserve interest	100		100	25,452	25,352
Capital reserve interest	100		100	13,577	13,477
Other restricted revenues	30,000		30,000	26,705	(3,295)
Unrestricted miscellaneous revenue	74,035		74,035	187,911	113,876
Total local sources	35,138,147		35,138,147	35,826,126	687,979
State sources:					
Extraordinary Aid	250,000	194,125	444,125	641,759	197,634
Additional Non-Public Transportation Aid				322	322
Homeless Aid				45,291	45,291
Categorical Special Education Aid	1,385,471		1,385,471	1,385,471	
Equalization Aid	7,746,535		7,746,535	7,746,535	
Categorical Security Aid	57,475		57,475	57,475	
Categorical Transportation Aid	483,083		483,083	483,083	
On-behalf TPAF Pension (non-budgeted)				4,097,981	4,097,981
On-behalf TPAF Medical contributions (non-budgeted)				1,520,276	1,520,276
On-behalf TPAF Pension LTDI (non-budgeted)				2,732	2,732
Reimbursed TPAF social security contributions (non-budgeted)				1,445,560	1,445,560
Total state sources	9,922,564	194,125	10,116,689	17,426,485	7,309,796
Federal sources:					
Medicaid reimbursement	28,546		28,546	39,787	11,241
Total federal sources	28,546		28,546	39,787	11,241
TOTAL REVENUES	45,089,257	194,125	45,283,382	53,292,398	8,009,016
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool	70,100		70,100	69,103	997
Kindergarten	384,424		384,424	379,476	4,948
Grades 1-5	4,424,387	(2,500)	4,421,887	4,172,953	248,934
Grades 6-8	3,553,082		3,553,082	3,441,289	111,793
Grades 9-12	4,535,065	(107,800)	4,427,265	4,204,801	222,464
Total Instruction	12,967,058	(110,300)	12,856,758	12,267,622	589,136
Regular Programs - Home Instruction:					
Salaries of teachers	35,000		35,000	10,781	24,219
Purchased professional - educ services	20,000		20,000	14,248	5,752
Total Home Instruction	55,000		55,000	25,029	29,971
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	20,665		20,665	11,546	9,119
Purchased professional - educ services	12,860	225	13,085	7,923	5,162
Other purchased services	236,022	5,879	241,901	185,731	56,170
General supplies	655,524	1,710	657,234	556,277	100,957
Textbooks	97,124	2,000	99,124	98,711	413
Other objects	13,370	1,200	14,570	5,337	9,233
Total Undistributed Instruction	1,035,565	11,014	1,046,579	865,525	181,054
Total - Regular Programs - Instruction	14,057,623	(99,286)	13,958,337	13,158,176	800,161

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, 2020

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Educ Instruction: Behavioral Disabilities					
Salaries of teachers	\$ 61,245	\$ -	\$ 61,245	\$ 61,245	
Other salaries for instruction	29,584	39,300	68,884	68,861	23
General supplies	2,500	3,000	5,500	1,643	3,857
Total Behavioral Disabilities	<u>93,329</u>	<u>42,300</u>	<u>135,629</u>	<u>131,749</u>	<u>3,880</u>
Special Educ Instruction: Multiple Disabilities					
Salaries of teachers	589,436	(48,792)	540,644	407,820	132,824
Other salaries for instruction	222,480	(3,108)	219,372	166,913	52,459
General supplies	17,050		17,050	3,876	13,174
Other Objects		1,500	1,500	294	1,206
Total Multiple Disabilities	<u>828,966</u>	<u>(50,400)</u>	<u>778,566</u>	<u>578,903</u>	<u>199,663</u>
Special Educ Instruction: Res. Room/Res. Center					
Salaries of teachers	2,085,207	14,000	2,099,207	2,098,849	358
Other salaries for instruction	218,627	98,500	317,127	277,471	39,656
General supplies	26,350	(3,500)	22,850	18,425	4,425
Total Resource Room/Resource Center	<u>2,330,184</u>	<u>109,000</u>	<u>2,439,184</u>	<u>2,394,745</u>	<u>44,439</u>
Special Educ Instruction: Preschool Disb - PT					
Salaries of teachers	124,370		124,370	116,580	7,790
Other salaries for instruction	18,000		18,000		18,000
General supplies	3,000		3,000	1,227	1,773
Total Preschool Disabilities - Part-Time	<u>145,370</u>		<u>145,370</u>	<u>117,807</u>	<u>27,563</u>
Special Educ Instruction: Home Instruction					
Salaries of teachers	25,000		25,000	4,696	20,304
Purchased professional - educ services	80,000	(59,100)	20,900	20,851	49
General Supplies	500		500		500
Total Home Instruction	<u>105,500</u>	<u>(59,100)</u>	<u>46,400</u>	<u>25,547</u>	<u>20,853</u>
Total Special Education - Instruction	<u>3,503,349</u>	<u>41,800</u>	<u>3,545,149</u>	<u>3,248,751</u>	<u>296,398</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	1,421,212	50,000	1,471,212	1,359,409	111,803
Other salaries for instruction	341,966	(22,400)	319,566	317,190	2,376
General supplies	18,750	(2,800)	15,950	12,312	3,638
Total Basic Skills/Remedial - Instruction	<u>1,781,928</u>	<u>24,800</u>	<u>1,806,728</u>	<u>1,688,911</u>	<u>117,817</u>
Bilingual Education - Instruction					
Salaries of teachers	143,270	2,500	145,770	144,155	1,615
Purchased professional - educ services	2,000	4,700	6,700	4,628	2,072
Other purchased services	250	(200)	50		50
Textbooks	2,000		2,000	2,000	
General supplies	3,000		3,000	2,654	346
Total Bilingual Education - Instruction	<u>150,520</u>	<u>7,000</u>	<u>157,520</u>	<u>153,437</u>	<u>4,083</u>
School-Sponsored Cocurricular Act - Inst.					
Salaries	329,078		329,078	287,737	41,341
Purchased services	54,950		54,950	17,016	37,934
Supplies and materials	23,320	1,336	24,656	11,094	13,562
Other objects	2,222	(1,336)	886	494	392
Total School-Sponsored Cocurr. Act. - Inst.	<u>409,570</u>		<u>409,570</u>	<u>316,341</u>	<u>93,229</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, 2020**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Athletics - Inst.					
Salaries	\$ 892,667	\$ -	\$ 892,667	\$ 876,529	\$ 16,138
Unused vacation to retired/terminated employees					
Purchased services	106,823		106,823	58,241	48,582
Supplies and materials	149,477		149,477	111,088	38,389
Other objects	33,380		33,380	27,340	6,040
Total School-Sponsored Athletics - Inst.	1,182,347		1,182,347	1,073,198	109,149
Other Instructional Programs - Instruction					
Salaries	27,500		27,500	23,424	4,076
Purchased prof ed services	1,500		1,500		1,500
Supplies and materials	1,000		1,000		1,000
Total Other Instructional Programs - Inst.	30,000		30,000	23,424	6,576
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - regular	125,000	(52,000)	73,000	52,928	20,072
Tuition to other LEAs within the state - special	49,000	74,500	123,500	110,728	12,772
Tuition county voc. school dist. - regular	31,032		31,032	31,032	
Tuition county voc. school dist. - special	31,032		31,032	31,032	
Tuition to CSSD & reg. day schools	142,000	27,000	169,000	168,206	794
Tuition to priv. sch. for the disabled w/i state	570,310	407,138	977,448	977,394	54
Tuition - state facilities	44,372		44,372	44,372	
Tuition - other	56,000	987	56,987	56,987	
Total Undistributed Expenditures - Instruction	1,048,746	457,625	1,506,371	1,472,679	33,692
Undistributed Expenditures - Attendance & Social Work					
Salaries	238,543	4,300	242,843	239,786	3,057
Other Purchased services	20,496	1,840	22,336	20,871	1,465
Other Objects					
Total Undistributed Expenditures - Attendance & Soc.	259,039	6,140	265,179	260,657	4,522
Undistributed Expenditures - Health Services					
Salaries	415,615		415,615	362,887	52,728
Purchased Professional and Technical Services	18,500		18,500	18,410	90
Other purchased services	12,036	85	12,121	6,064	6,057
Supplies and materials	14,632		14,632	11,634	2,998
Other objects	569		569	337	232
Total Undistributed Expenditures - Health Svcs.	461,352	85	461,437	399,332	62,105
Undist. Expend. - Speech, OT, PT & Rel. Serv.					
Salaries	305,560		305,560	291,995	13,565
Purchased professional - educ services	262,400		262,400	207,317	55,083
Supplies and materials	1,800		1,800	481	1,319
Total Undist. Expend. - OT, PT & Rel. Serv.	569,760		569,760	499,793	69,967
Undist. Expend. - Other Supp. Serv. Stud. - Extra					
Salaries	1,141,945	26,713	1,168,658	1,168,504	154
Purchased professional - educ services	157,300	(76,713)	80,587	57,266	23,321
Supplies and materials	6,000		6,000	322	5,678
Total Undst. Expend. - Other Supp. Serv. Stud. - Extra	1,305,245	(50,000)	1,255,245	1,226,092	29,153
Undist. Expend. - Guidance					
Salaries of other professional staff	647,925		647,925	616,183	31,742
Salaries of secretarial and clerical assistants	235,783		235,783	234,435	1,348
Other purchased services	10,727	200	10,927	8,279	2,648
Supplies and materials	4,156		4,156	3,158	998
Other objects	4,100	(200)	3,900	1,120	2,780
Total Undst. Expend. - Guidance	902,691		902,691	863,175	39,516

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, 2020

(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	\$ 849,610	\$ -	\$ 849,610	\$ 834,451	\$ 15,159
Salaries of secretarial and clerical assistants	147,100	(3,900)	143,200	143,060	140
Other purchased prof. and tech. services	100,000	(19,400)	80,600	31,405	49,195
Other purchased services (400-500 series)	57,500	13,500	71,000	45,645	25,355
Misc Purchased Services					
Supplies and materials	70,000	(3,000)	67,000	23,272	43,728
Other objects	5,000		5,000	1,799	3,201
Total Undst. Expend. - Child Study Team	1,229,210	(12,800)	1,216,410	1,079,632	136,778
Undist. Expend. - Improvement of Instr. Services					
Salaries of supervisor of instruction	556,782	27,030	583,812	580,109	3,703
Salaries of other professional staff	44,888	4,070	48,958	48,957	1
Salaries of secretarial and clerical assistants	28,912	3,900	32,812	32,052	760
Purchased professional - educ services	12,000	(3,525)	8,475	8,260	215
Other purchased services	6,000	35,200	41,200	40,736	464
Supplies and materials	2,643	1,825	4,468	4,160	308
Other objects	16,600	(600)	16,000	14,132	1,868
Total Undst. Expend. - Improvement of Instr. Services	667,825	67,900	735,725	728,406	7,319
Undist. Expend. - Educ. Media Serv./Sch. Library					
Salaries	286,327		286,327	269,272	17,055
Other purchased services	37,140		37,140	29,545	7,595
Supplies and materials	36,961		36,961	36,133	828
Total Undst. Expend. - Educ. Media Serv./Sch. Library	360,428		360,428	334,950	25,478
Undist. Expend. - Instructional Staff Training Services					
Salaries of supervisor of instruction	73,760		73,760	69,509	4,251
Salaries of secretarial and clerical assistance	28,911		28,911	28,910	1
Purchased professional education services	5,000		5,000	4,329	671
Other purchased services	18,000	(2,000)	16,000	12,969	3,031
Total Undst. Expend. - Instructional Staff Training Services	125,671	(2,000)	123,671	115,717	7,954
Undist. Expend. - Supp. Serv. General Admin.					
Salaries	348,232		348,232	344,230	4,002
Legal services	80,000		80,000	73,547	6,453
Audit fees	30,500		30,500	30,500	
Other purchased professional services	6,000		6,000	4,640	1,360
Communications / telephone	128,300	3,000	131,300	103,153	28,147
BOE - Other purchased services	5,000		5,000	3,688	1,312
Other purchased services	151,000	11,600	162,600	159,980	2,620
General supplies	9,000	(850)	8,150	6,478	1,672
Judgements against the school district					
Miscellaneous expenditures	6,500	2,750	9,250	8,984	266
BOE Membership dues and fees	20,000		20,000	17,951	2,049
Total Undst. Expend. - Supp. Serv. General Admin.	784,532	16,500	801,032	753,151	47,881
Undist. Expend. - Supp. Serv. School Admin.					
Salaries of principals/assist. principals	1,063,305	(9,893)	1,053,412	1,011,587	41,825
Salaries of other professional staff	155,743	1,893	157,636	157,636	
Salaries of secretarial and clerical assistants	593,216		593,216	577,731	15,485
Unused vacation to retired/terminated employees	56,302		56,302		56,302
Purchase Prof Services - PRC		16,000	16,000	8,000	8,000
Other purchased services	17,909	(500)	17,409	9,463	7,946
Supplies and materials	49,429	(3,116)	46,313	36,204	10,109
Other objects	16,270		16,270	11,916	4,354
Total Undst. Expend. - Supp. Serv. School Admin.	1,952,174	4,384	1,956,558	1,812,537	144,021

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, 2020

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services					
Salaries	\$ 544,868	\$ 12,700	\$ 557,568	\$ 541,085	\$ 16,483
Purchased professional services	62,750	2,899	65,649	56,827	8,822
Miscellaneous purchased services	26,935	101	27,036	25,587	1,449
Supplies and materials	20,000	548	20,548	19,448	1,100
Miscellaneous expenditures	8,750	(548)	8,202	4,878	3,324
Total Undst. Expend. - Central services	<u>663,303</u>	<u>15,700</u>	<u>679,003</u>	<u>647,825</u>	<u>31,178</u>
Undist. Expend. - Admin. Info. Tech.					
Salaries	471,334	(58,500)	412,834	389,859	22,975
Used Sick/Vacation Payment - Retired Staff		35,010	35,010	35,010	
Purchase Technical Service		23,490	23,490	23,489	1
Other purchased services	22,141	14,500	36,641	14,735	21,906
Supplies and materials	14,081	16,500	30,581	25,666	4,915
Total Undst. Expend. - Admin. Info. Tech.	<u>507,556</u>	<u>31,000</u>	<u>538,556</u>	<u>488,759</u>	<u>49,797</u>
Undist. Expend. - Required Maint. Sch. Facilities					
Salaries	210,500	3,600	214,100	214,083	17
Cleaning, repair, and maintenance services	331,920		331,920	251,087	80,833
Lead testing of drinking water	2,500		2,500		2,500
General supplies	116,500		116,500	76,102	40,398
Total Undst. Expend. - Required Maint. Sch. Facilities	<u>661,420</u>	<u>3,600</u>	<u>665,020</u>	<u>541,272</u>	<u>123,748</u>
Undist. Expend. - Custodial Services					
Salaries	1,128,152	(23,100)	1,105,052	1,084,082	20,970
Salaries of Non-Instructional Aides	174,000	(18,988)	155,012	132,340	22,672
Purchased professional & tech. services	15,000	(7,500)	7,500		7,500
Cleaning, repair, and maintenance services	87,000	15,500	102,500	87,252	15,248
Other purchased property services	710,000	(59,500)	650,500	619,637	30,863
Insurance	276,000	47,755	323,755	323,754	1
Miscellaneous purchased services	40,500		40,500	31,777	8,723
General supplies	166,500	59,488	225,988	215,924	10,064
Energy (natural gas)	264,467		264,467	158,782	105,685
Energy (electricity)	773,500		773,500	551,305	222,195
Other objects	6,500		6,500	6,405	95
Total Undst. Expend. - Other oper. & Maint. of Plant	<u>3,641,619</u>	<u>13,655</u>	<u>3,655,274</u>	<u>3,211,258</u>	<u>444,016</u>
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	147,157	3,000	150,157	150,086	71
Total Undst. Expend. - Care & Upkeep of Grounds	<u>147,157</u>	<u>3,000</u>	<u>150,157</u>	<u>150,086</u>	<u>71</u>
Undist. Expend. - Security					
Purchased professional and technical services	200,000	(6,000)	194,000	171,169	22,831
Cleaning, Repair, and Maintenance services	70,365	(11,500)	58,865	24,665	34,200
Other purchased services	1,785		1,785	1,785	
General supplies	12,000	21,500	33,500	23,364	10,136
Total Undst. Expend. - Security	<u>284,150</u>	<u>4,000</u>	<u>288,150</u>	<u>220,983</u>	<u>67,167</u>
Total Undst. Expend. - Oper. & Maint. of Plant Services	<u>4,734,346</u>	<u>24,255</u>	<u>4,758,601</u>	<u>4,123,599</u>	<u>635,002</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, 2020

(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	\$ 342,500	\$ (20,000)	\$ 322,500	\$ 288,603	\$ 33,897
Salaries for pupil trans. (bet home & sch) - reg.	853,000		853,000	712,548	140,452
Salaries for pupil trans. (bet home & sch) - spec ed.	598,000	(8,500)	589,500	508,381	81,119
Salaries for pupil trans. (other than bet home & sch)	201,500	2,500	204,000	112,728	91,272
Salaries for pupil trans. (bet h&s) - nonpublic sch	68,000		68,000	68,000	
Purchased professional and technical services	4,500		4,500	2,184	2,316
Cleaning, repair, and maintenance services	34,655		34,655	29,933	4,722
Lease purchase payments - school buses	430,000		430,000	426,922	3,078
Contr. serv. (bet. home & sch.) - vendors					
Contr. serv. (other than bet. home & sch.) - vendors	4,300	1,500	5,800	1,245	4,555
Contr. serv. (bet home & sch) - joint agreements	30,000	25,000	55,000	50,850	4,150
Contr. serv. (sp ed stds) - vendors	20,000		20,000		20,000
Contr. serv. (sp ed stds) - joint agreements	20,000		20,000	9,106	10,894
Contr. serv. (sp ed stds) - ESCs & CTSA's	50,000	(29,998)	20,002		20,002
Contr. serv. - aid in lieu of payments	100,000		100,000	54,151	45,849
Miscellaneous purchased services	29,300		29,300	5,449	23,851
Transportation Supplies	450,000	(10,000)	440,000	320,913	119,087
Other objects	6,100		6,100	2,054	4,046
Total Undst. Expend. - Student Transportation Services	3,241,855	(39,498)	3,202,357	2,593,067	609,290
Custodial Services - Employee Benefits					
Workers Compensation	97,200	(3,000)	94,200	91,491	2,709
Total Custodial Service - Employee Benefits	97,200	(3,000)	94,200	91,491	2,709
Student Transportation Services - Employee Benefits					
Social security contributions	165,000		165,000	122,084	42,916
Workmen's compensation	97,200		97,200	90,000	7,200
Health benefits	378,000		378,000	364,653	13,347
Total Student Transportation Services - Employee Ben.	640,200		640,200	576,737	63,463
Total Allocated Benefits - Employee Benefits	737,400	(3,000)	734,400	668,228	66,172
Unallocated Benefits - Employee Benefits					
Social security contributions	625,000		625,000	612,338	12,662
Other retirement contributions - PERS	875,000	(91,501)	783,499	761,563	21,936
Workmen's compensation	220,000	(38,510)	181,490	181,490	
Health benefits	5,418,914	(241,745)	5,177,169	4,761,107	416,062
Tuition reimbursement	58,000		58,000	57,214	786
Other employee benefits	175,000	4,502	179,502	179,501	1
Unused sick payment to terminated/retired staff	75,000		75,000	58,830	16,170
Total Unallocated Benefits - Employee Benefits	7,446,914	(367,254)	7,079,660	6,612,043	467,617
Total Personal - Employee Benefits	8,184,314	(370,254)	7,814,060	7,280,271	533,789
On-behalf TPAF Pension (non-budgeted)				4,097,981	(4,097,981)
On-behalf TPAF Medical contributions (non-budgeted)				1,520,276	(1,520,276)
On-behalf TPAF Pension LTDI (non-budgeted)				2,732	(2,732)
Reimbursed TPAF social security contributions (non-budgeted)				1,445,560	(1,445,560)
Total Undistributed Expenditures - TPAF				7,066,549	(7,066,549)
Total Undistributed Expenditures	26,998,047	149,037	27,147,084	31,746,191	(4,599,107)
Total General Current Expense	48,113,384	123,351	48,236,735	51,408,429	(3,171,694)

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, 2020

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CAPITAL OUTLAY:					
Equipment:					
Grades 1-5	\$ -	\$ 3,500	\$ 3,500	\$ 2,834	\$ 666
Grades 6-8	2,200	650	2,850	2,834	16
Grades 9-12	50,600	15,127	65,727	57,204	8,523
Pre-School Handicapped Part-Time					
Pre-School Handicapped Full-Time					
School-sponsored co-curricular	5,700		5,700	5,064	636
School-sponsored athletic	6,955	8,000	14,955	14,935	20
Undist. expend. - related and extra					
Undist. expend. - child study team		3,500	3,500	2,834	666
Undist. expend. - admin info tech	8,100		8,100	7,917	183
Undist. expend. - Custodial Services	29,969	(1)	29,968	29,927	41
Undist. expend. - student trans. - school buses		39,998	39,998	39,998	
Total Equipment	<u>103,524</u>	<u>70,774</u>	<u>174,298</u>	<u>163,547</u>	<u>10,751</u>
Facilities acquisition and construction services:					
Architectural/Engineering Services	100,000		100,000	4,500	95,500
Construction services	650,000		650,000	535,325	114,675
Assessment for Debt Service on SDA Funding	534		534	534	
Total Facilities acquisition and construction services	<u>750,534</u>		<u>750,534</u>	<u>540,359</u>	<u>210,175</u>
Assets acquired under capital leases (non-budgeted):					
Equipment					
Transportation vehicles				510,140	(510,140)
Total Capital Outlay	<u>854,058</u>	<u>70,774</u>	<u>924,832</u>	<u>1,214,046</u>	<u>(289,214)</u>
Transfer of Funds to Charter Schools					
Total Expenditures	<u>48,967,442</u>	<u>194,125</u>	<u>49,161,567</u>	<u>52,622,475</u>	<u>(3,460,908)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>(3,878,185)</u>		<u>(3,878,185)</u>	<u>669,923</u>	<u>4,548,108</u>
Other Financing Sources (Uses):					
Proceeds of Capital Lease				510,140	510,140
Total Other Financing Sources				<u>510,140</u>	<u>510,140</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	<u>(3,878,185)</u>		<u>(3,878,185)</u>	<u>1,180,063</u>	<u>5,058,248</u>
Fund Balance, July 1	<u>11,327,533</u>		<u>11,327,533</u>	<u>11,327,533</u>	
Fund Balance, June 30	<u>\$ 7,449,348</u>	<u>\$ -</u>	<u>\$ 7,449,348</u>	<u>\$ 12,507,596</u>	<u>\$ 5,058,248</u>
Recapitulation of fund balance:					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Years Expenditures				\$ 2,610,794	
Reserve for Excess Surplus				2,214,038	
Maintenance Reserve				2,332,736	
Capital Reserve				2,952,987	
Committed Fund Balance:					
Year-end Encumbrances				93,540	
Designated for Subsequent Years Expenditures				1,204,629	
Unassigned Fund Balance				<u>1,098,872</u>	
				12,507,596	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(925,571)</u>	
Fund balance per Governmental Funds (GAAP)				<u>\$ 11,582,025</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, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
REVENUES:					
Local sources	\$ 20,000	\$ 333,240	\$ 353,240	\$ 214,973	\$ (138,267)
State sources	184,500	35,373	219,873	116,177	(103,696)
Federal sources	807,500	249,440	1,056,940	933,298	(123,642)
Total revenues	<u>1,012,000</u>	<u>618,053</u>	<u>1,630,053</u>	<u>1,264,448</u>	<u>(365,605)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	202,000	(10,210)	191,790	147,488	44,302
Purchased professional - tech. services	2,500	11,971	14,471	11,122	3,349
Other purchased services	-	5,000	5,000	3,455	1,545
General supplies	12,500	186,569	199,069	164,393	34,676
Tuition	500,000	28,741	528,741	526,765	1,976
Textbooks	14,000	707	14,707	8,840	5,867
Miscellaneous	20,000	12,612	32,612	28,372	4,240
Total instruction	<u>751,000</u>	<u>235,390</u>	<u>986,390</u>	<u>890,435</u>	<u>95,955</u>
Support services:					
Salaries - Support Staff		13,500	13,500	10,608	2,892
Transportation		500	500	500	-
Personal services - employee benefits	49,000	(27,518)	21,482	18,820	2,662
Purchased professional and technical services	69,500	43,041	112,541	83,277	29,264
Cleaning repairs and maintenance		7,605	7,605	7,605	-
Other purchased services	122,500	19,212	141,712	64,310	77,402
Supplies and materials	20,000	14,695	34,695	7,200	27,495
Total support services	<u>261,000</u>	<u>71,035</u>	<u>332,035</u>	<u>192,320</u>	<u>139,715</u>
Facilities acquisition and construction services:					
Construction services		274,651	274,651	150,085	124,566
Supplies and materials		24,171	24,171	18,941	5,230
Instructional equipment		12,806	12,806	12,667	139
Total facilities acq. and const. services		<u>311,628</u>	<u>311,628</u>	<u>181,693</u>	<u>129,935</u>
Total expenditures	<u>1,012,000</u>	<u>618,053</u>	<u>1,630,053</u>	<u>1,264,448</u>	<u>365,605</u>
Total outflows	<u>1,012,000</u>	<u>618,053</u>	<u>1,630,053</u>	<u>1,264,448</u>	<u>365,605</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 53,292,398	\$ 1,264,448
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	868,117	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(925,571)</u>	<u> </u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 53,234,944</u>	<u>\$ 1,264,448</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 52,622,475	\$ 1,264,448
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	<u> </u>	<u> </u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 52,622,475</u>	<u>\$ 1,264,448</u>

Required Supplementary Information - Part III
Schedules Related to Accounting and Reporting
For Pensions and
Other Post Employment Benefits

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

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportionate share of the net pension liability (asset)	0.0779066274%	0.0780290550%	0.0808424543%	0.0771108750%	0.0714173882%	0.0711656070%	0.0681418604%
District's proportionate share of the net pension liability (asset)	\$ 14,037,592	\$ 15,363,532	\$ 18,818,831	\$ 22,828,029	\$ 16,031,773	\$ 13,324,148	\$ 13,023,263
District's covered-employee payroll	\$ 5,826,124	\$ 5,763,725	\$ 5,537,321	\$ 5,335,617	\$ 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	240.94%	266.56%	339.85%	427.84%	324.35%	265.04%	268.48%
Plan fiduciary net position as a percentage of the total pension liability	42.04%	40.45%	36.78%	31.20%	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 Seven Fiscal Years

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 878,359	\$ 761,563	\$ 776,137	\$ 748,919	\$ 685,042	\$ 613,998	\$ 586,679
Contributions in relation to the contractually required contributions	<u>(878,359)</u>	<u>(761,563)</u>	<u>(776,137)</u>	<u>(748,919)</u>	<u>(685,042)</u>	<u>(613,998)</u>	<u>(586,679)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 5,826,124	\$ 5,763,725	\$ 5,537,321	\$ 5,335,617	\$ 4,942,772	\$ 5,027,300	\$ 4,850,733
Contributions as a percentage of covered-employee payroll	15.08%	13.21%	14.02%	14.04%	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 Seven Fiscal Years

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.1826543426%	0.1771711895%	0.1711102056%	0.1724765937%	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	<u>112,096,694</u>	<u>112,712,505</u>	<u>115,368,671</u>	<u>135,681,070</u>	<u>106,946,053</u>	<u>87,600,397</u>	<u>84,891,717</u>
Total	<u>\$ 112,096,694</u>	<u>\$ 112,712,505</u>	<u>\$ 115,368,671</u>	<u>\$ 135,681,070</u>	<u>\$ 106,946,053</u>	<u>\$ 87,600,397</u>	<u>\$ 84,891,717</u>
District's covered-employee payroll	\$ 20,316,372	\$ 19,884,152	\$ 19,615,077	\$ 18,951,375	\$ 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%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.95%	26.49%	25.41%	22.33%	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
Required Supplementary Information
Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the District
and Changes in the Total OPEB Liability and Related Ratios
Public Employee's Retirement System and Teachers' Pension and Annuity Fund
Last Three Fiscal Years

	June 30, 2020	June 30, 2019	June 30, 2018
State's proportion of the net OPEB liability (asset) associated with the District	0.19%	0.19%	0.18%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	78,106,218	86,515,675	98,568,495
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 78,106,218</u>	<u>\$ 86,515,675</u>	<u>\$ 98,568,495</u>
Plan fiduciary net position as a percentage of the total OPEB Liability			0.00%
	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability			
Service Cost	\$ 3,432,633	\$ 3,840,813	\$ 4,624,765
Interest	3,436,408	3,626,626	3,124,251
Difference between expected and actual experience	(14,116,512)	(7,358,709)	
Changes of assumptions	1,164,570	(9,928,107)	(13,071,381)
Member Contributions	71,072	79,955	84,068
Benefit payments	<u>(2,397,628)</u>	<u>(2,313,398)</u>	<u>(2,283,056)</u>
Net Change in total OPEB Liability	(8,409,457)	(12,052,820)	(7,521,353)
Total OPEB Liability - beginning	<u>86,515,675</u>	<u>98,568,495</u>	<u>106,089,848</u>
Total OPEB Liability - ending	<u>\$ 78,106,218</u>	<u>\$ 86,515,675</u>	<u>\$ 98,568,495</u>
District's covered-employee payroll	\$ 26,142,496	\$ 25,647,877	\$ 25,152,398
Total OPEB Liability as a percentage of covered-employee payroll	298.77%	337.32%	391.89%

This schedule does not contain ten years of information as GASB 75 was implemented during the fiscal year ended June 30, 2018.

Cinnaminson Township School District
Notes to Required Supplementary Information – Part III
For the Fiscal Year Ended June 30, 2020

Teacher’s Pension and Annuity Fund (TPAF)

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed to 5.60% as of June 30, 2019 from 4.86% as of June 30, 2018 and the long-term rate of return remained at 7.00%.

Public Employees’ Retirement System (PERS)

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed to 6.28% as of June 30, 2019 from 5.66% as of June 30, 2018 and the long-term rate of return remained at 7.00%.

Other Post-Retirement Plan – Public Employees’ Retirement System and Teachers’ Pension and Annuity Fund

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed to 3.50% as of June 30, 2019 from 3.87% as of June 30, 2018.

Other Supplementary Information

Special Revenue Fund

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2020

	Brought Forward (Exh. E-1B)	Brought Forward (Exh. E-1C)	Brought Forward (Exh. E-1D)	Total
REVENUES:				
Local sources	\$ 2,800	\$ -	\$ 212,173	\$ 214,973
State sources	55,150	-	61,027	116,177
Federal sources	134,536	798,762	-	933,298
	<u>192,486</u>	<u>798,762</u>	<u>273,200</u>	<u>1,264,448</u>
Total Revenues				
EXPENDITURES:				
Instruction:				
Salaries of teachers	2,000	145,488	-	147,488
Professional education services	-	-	-	-
Purchased professional and technical services	6,959	4,163	-	11,122
Other purchased services	3,455	-	-	3,455
General supplies	124,777	29,588	10,028	164,393
Tuition	-	526,765	-	526,765
Textbooks	-	-	8,840	8,840
Miscellaneous	-	-	28,372	28,372
	<u>137,191</u>	<u>706,004</u>	<u>47,240</u>	<u>890,435</u>
Total instruction				
Support services:				
Salaries - Other Support Staff	-	8,500	2,108	10,608
Transportation	500	-	-	500
Personal services-employee benefits	-	18,820	-	18,820
Purchased professional and technical services	-	55,923	27,354	83,277
Cleaning, repairs and maintenance	-	-	7,605	7,605
Other purchased services	54,795	9,515	-	64,310
Supplies and materials	-	-	7,200	7,200
	<u>55,295</u>	<u>92,758</u>	<u>44,267</u>	<u>192,320</u>
Total support services				
Facilities acquisition and const. serv.:				
Construction services	-	-	150,085	150,085
Instructional equipment	-	-	12,667	12,667
Supplies and materials	-	-	18,941	18,941
	<u>-</u>	<u>-</u>	<u>181,693</u>	<u>181,693</u>
Total facilities acquisition and const. serv.:				
Total Expenditures	<u>192,486</u>	<u>798,762</u>	<u>273,200</u>	<u>1,264,448</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2020

	Chapter 192 - Auxillary Services			Chapter 193 - Handicapped Services		CARES Act	Play Unified Grant	Carried Forward (Exh. E-1A)
	Comp. Education	ESL	Nonpublic Home Instruction	Exam & Classification	Corrective Speech			
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,800	\$ 2,800
State sources	31,714	496	355	18,028	4,557			55,150
Federal sources						134,536		134,536
Total Revenues	31,714	496	355	18,028	4,557	134,536	2,800	192,486
EXPENDITURES:								
Instruction:								
Salaries of teachers							2,000	2,000
Professional education services								
Purchased professional and technical services			355			6,604		6,959
Other purchased services						3,455		3,455
General supplies						124,477	300	124,777
Tuition								
Textbooks								
Miscellaneous								
Total instruction			355			134,536	2,300	137,191
Support services:								
Salaries - Other Support Staff								
Transportation							500	500
Personal services-employee benefits								
Purchased professional and technical services								-
Other purchased services	31,714	496		18,028	4,557			54,795
Supplies and materials								
Total support services	31,714	496	-	18,028	4,557	-	500	55,295
Facilities acquisition and const. serv.:								
Construction services								
Instructional equipment								
Non-instructional equipment								
Total facilities acquisition and const. serv.:								
Total Expenditures	31,714	496	355	18,028	4,557	134,536	2,800	192,486
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, 2020

	Every Student Succeeds Act (ESSA)					IDEA - Part B		Carried Forward (Exh. E-1A)
	Title I Current Yr.	Title II - Part A Current Yr.	Title III Current Yr.	Title III Immigrant Current Yr.	Title IV Current Yr.	Basic Current Yr.	Preschool Current Yr.	
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources								-
Federal sources	134,385	40,676	10,763	325	16,638	572,867	23,108	798,762
Total Revenues	134,385	40,676	10,763	325	16,638	572,867	23,108	798,762
EXPENDITURES:								
Instruction:								
Salaries of teachers	93,668	20,741	7,500	302	1,811		21,466	145,488
Professional education services					4,163			4,163
Purchased professional and technical services								-
Other purchased services			875		3,182	1,800		29,588
General supplies	23,731					526,765		526,765
Tuition								-
Textbooks								-
Miscellaneous								-
Total instruction	117,399	20,741	8,375	302	9,156	528,565	21,466	706,004
Support services:								
Salaries - Other Support Staff	8,500							8,500
Personal services-employee benefits	7,816	7,259	1,941	23	139		1,642	18,820
Purchased professional and technical services		9,481			2,140	44,302		55,923
Other purchased services	670	3,195	447		5,203			9,515
Supplies and materials								-
Total support services	16,986	19,935	2,388	23	7,482	44,302	1,642	92,758
Facilities acquisition and const. serv.:								
Construction services								
Instructional equipment								
Non-instructional equipment								
Total facilities acquisition and const. serv.:								
Total Expenditures	134,385	40,676	10,763	325	16,638	572,867	23,108	798,762
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, 2020

	Nonpublic Nursing	Nonpublic Textbook	Nonpublic Technology	Nonpublic Security	Burl. Co. Security Grant	Cinnaminson Ed. Foundation Grant	HS Home and School	Carried Forward (Exh. E-1A)
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 183,801	\$ 25,561	\$ 2,811	\$ 212,173
State sources	27,354	8,840	10,028	14,805				61,027
Federal sources								-
Total Revenues	<u>27,354</u>	<u>8,840</u>	<u>10,028</u>	<u>14,805</u>	<u>183,801</u>	<u>25,561</u>	<u>2,811</u>	<u>273,200</u>
EXPENDITURES:								
Instruction:								
Salaries of teachers								-
Professional education services								-
Purchased professional and technical services								-
Other purchased services								-
General supplies			10,028					10,028
Tuition								
Textbooks		8,840						8,840
Miscellaneous						25,561	2,811	28,372
Total instruction		<u>8,840</u>	<u>10,028</u>		<u>-</u>	<u>25,561</u>	<u>2,811</u>	<u>47,240</u>
Support services:								
Salaries - other support staff					2,108			2,108
Personal services-employee benefits								-
Purchased professional and technical services	27,354							27,354
Cleaning, repairs and maintenance				7,605				7,605
Other purchased services (400-500)								
Supplies and materials				7,200				7,200
Total support services	<u>27,354</u>	<u>-</u>	<u>-</u>	<u>14,805</u>	<u>2,108</u>	<u>-</u>	<u>-</u>	<u>44,267</u>
Facilities acquisition and const. serv.:								
Construction services					150,085			150,085
Instructional equipment					12,667			12,667
Supplies and Materials					18,941			18,941
Total facilities acquisition and const. serv.:					<u>181,693</u>			<u>181,693</u>
Total Expenditures	<u>27,354</u>	<u>8,840</u>	<u>10,028</u>	<u>14,805</u>	<u>183,801</u>	<u>25,561</u>	<u>2,811</u>	<u>273,200</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2020**

Revenues and Other Financing Sources:

Proceeds of Serial Bonds	\$	-
Interest earned on investments		299
		299
Total revenues and other financing sources		299

Expenditures and Other Financing (Uses):

Purchased professional services	\$	4,350
Construction services		
Equipment		12,215
Other Objects		35,007
Transfer to Debt Service Fund		5,451
Total expenditures and other financing (uses)		57,023

Excess (deficiency) or revenues over (under) expenditures (56,724)

Fund Balance - July 1, 2019 56,724

Fund Balance - June 30, 2020 \$ -

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, 2020

	Prior Periods	Current Year	Total	Revised Authorized Costs
Revenues and Other Financing Sources:				
Bond proceeds	\$ 40,048,000	\$ -	\$ 40,048,000	\$ 40,048,000
Total revenues	40,048,000		40,048,000	40,048,000
Expenditures and Other Financing Uses:				
Purchased professional services	\$ 4,146,813	\$ 4,350	\$ 4,151,163	\$ 4,151,163
Construction services	34,765,385		34,765,385	34,765,385
Equipment	701,901	12,215	714,116	714,116
Other Objects	377,177	35,007	412,184	412,184
		5,152	5,152	5,152
Total expenditures	39,991,276	56,724	40,048,000	40,048,000
Excess (deficiency) or revenues over (under) expenditures	\$ 56,724	\$ (56,724)	\$ -	\$ -
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, 2020

<u>Issue/Project Title</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Transfers</u>	<u>Balance</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Construction and Various Improvements to the District's Facilities	\$ 40,048,000	\$ 39,991,276	\$ 51,572	\$ 5,152	\$ -
	<u>\$ 40,048,000</u>	<u>\$ 39,991,276</u>	<u>\$ 51,572</u>	<u>\$ 5,152</u>	<u>\$ -</u>

Proprietary Funds

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Net Position
as of June 30, 2020

	Food Service Fund	School Age Child Care Program	School Store	Total
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 201,296	\$ 587,334	\$ 7,113	\$ 795,743
Accounts receivable:				
State	1,758			1,758
Federal	1,545			1,545
Milk	-			-
Other	1,988	-		1,988
Inventories	17,730		5,973	23,703
Total current assets	224,317	587,334	13,086	824,737
Fixed assets:				
Equipment	562,011	29,123		591,134
Less Accumulated depreciation	(418,405)	(21,336)		(439,741)
Total fixed assets	143,606	7,787		151,393
Total assets	\$ 367,923	\$ 595,121	\$ 13,086	\$ 976,130
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 14,146	\$ -	\$ -	\$ 14,146
Interfund payable	52,532			52,532
Unearned revenue	22,805	-		22,805
Total current liabilities	89,483	-	-	89,483
NET POSITION				
Net investment in capital assets	143,606	7,787		151,393
Unrestricted	134,834	587,334	13,086	735,254
Total net position	\$ 278,440	\$ 595,121	\$ 13,086	\$ 886,647

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds

Statement of Revenues, Expenses and Changes in Fund Net Position
for the Fiscal Year ended June 30, 2020

	Food Service Fund	School Age Child Care Program	School Store	Total
OPERATING REVENUES:				
Local sources:				
Daily sales-reimbursable programs:				
School lunch program	\$ 197,110	\$ -	\$ -	\$ 197,110
Total-daily sales-reimbursable programs	197,110			197,110
Daily sales non-reimbursable programs:				
Adult and a la carte meals	151,918			151,918
Special functions	30,023			30,023
Sales			30,017	30,017
Program fees		272,486		272,486
Miscellaneous	2			2
Total operating revenue	<u>379,053</u>	<u>272,486</u>	<u>30,017</u>	<u>681,556</u>
OPERATING EXPENSES:				
Salaries	202,854	232,276		435,130
Employee benefits	42,675	58,679		101,354
Supplies and materials	26,515	2,886		29,401
Depreciation	11,153	1,456		12,609
Management fee	53,700			53,700
Direct expenses	18,385	799		19,184
Cost of sales - reimbursable programs	136,455			136,455
Cost of sales - non-reimbursable programs	75,396	4,903	32,214	112,513
Building usage		25,000		25,000
Other	40,056	7,297		47,353
Total operating expenses	<u>607,189</u>	<u>333,296</u>	<u>32,214</u>	<u>972,699</u>
Operating income (loss)	<u>(228,136)</u>	<u>(60,810)</u>	<u>(2,197)</u>	<u>(291,143)</u>
Non-operating revenues:				
State sources:				
State school lunch program	6,644			6,644
Federal sources:				
National school lunch program	124,113			124,113
Special milk program	1,414			1,414
U.S.D.A. commodities	61,414			61,414
Contributed Capital	-			-
Interest revenue	2,950	7,622	142	10,714
Total non-operating revenues	<u>196,535</u>	<u>7,622</u>	<u>142</u>	<u>204,299</u>
Change in net position	(31,601)	(53,188)	(2,055)	(86,844)
Net position - July 1	310,041	648,309	15,141	973,491
Net position - June 30	<u>\$ 278,440</u>	<u>\$ 595,121</u>	<u>\$ 13,086</u>	<u>\$ 886,647</u>

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
for the Fiscal Year ended June 30, 2020

	Food Service Fund	School Age Child Care Program	School Store	Total
Cash flows from operating activities:				
Cash receipts from customers	\$ 387,287	\$ 235,285	\$ 30,017	\$ 652,589
Cash payments to employees for services	(238,992)	(290,955)		(529,947)
Cash payments to suppliers for goods and services	<u>(321,745)</u>	<u>(41,407)</u>	<u>(35,650)</u>	<u>(398,802)</u>
Net cash used by operating activities	<u>(173,450)</u>	<u>(97,077)</u>	<u>(5,633)</u>	<u>(276,160)</u>
Cash flows from noncapital financing activities:				
Cash received from state and federal reimbursements	<u>139,413</u>			<u>139,413</u>
Net cash provided by noncapital financing activities	<u>139,413</u>	-	-	<u>139,413</u>
Cash flows from capital financing activities:				
Purchases of fixed assets	<u>(46,113)</u>			<u>(46,113)</u>
Net cash used by capital financing activities	<u>(46,113)</u>	-		<u>(46,113)</u>
Cash flows from investing activities:				
Interest on investments	<u>2,950</u>	<u>7,622</u>	<u>142</u>	<u>10,714</u>
Net cash provided by investing activities	<u>2,950</u>	<u>7,622</u>	<u>142</u>	<u>10,714</u>
Net increase (decrease) in cash and cash equivalents	(77,200)	(89,455)	(5,491)	(172,146)
Cash and cash equivalents, July 1	<u>278,496</u>	<u>676,789</u>	<u>12,604</u>	<u>967,889</u>
Cash and cash equivalents, June 30	<u>\$ 201,296</u>	<u>\$ 587,334</u>	<u>\$ 7,113</u>	<u>\$ 795,743</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (228,136)	\$ (60,810)	\$ (2,197)	\$ (291,143)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	11,153	1,456		12,609
Federal commodities	61,414			61,414
Change in assets and liabilities:				
(Increase)/decrease in accounts receivable	(1,256)	1,735		479
(Increase)/decrease in inventory	(7,339)		(3,436)	(10,775)
Increase/(decrease) in accounts payable	(18,776)	(353)		(19,129)
Increase/(decrease) in interfunas payable	-			-
Increase/(decrease) in unearned revenue	<u>9,490</u>	<u>(39,105)</u>		<u>(29,615)</u>
Net cash used by operating activities	<u>\$ (173,450)</u>	<u>\$ (97,077)</u>	<u>\$ (5,633)</u>	<u>\$ (276,160)</u>

Fiduciary Funds

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Net Position
June 30, 2020

	<u>Agency Funds</u>		<u>Private Purpose Trust Funds</u>	<u>Trust Funds</u>		<u>Total</u>
	<u>Student Activity</u>	<u>Payroll</u>	<u>Scholarship Fund</u>	<u>Flexible Benefits Program</u>	<u>Unemployment Compensation Insurance Trust</u>	
ASSETS						
Cash and cash equivalents	\$ 342,590	\$ 1,419,244	\$ 50,941	\$ 25,977	\$ 482,618	\$ 2,321,370
Total assets	<u>\$ 342,590</u>	<u>\$ 1,419,244</u>	<u>\$ 50,941</u>	<u>\$ 25,977</u>	<u>\$ 482,618</u>	<u>\$ 2,321,370</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll deductions and withholdings		257,448				257,448
Due to Cinnaminson Education Assoc.		3,416				3,416
Due to employees		1,140,493				1,140,493
Interfund payable		17,887		12,785		30,672
Due to student groups	342,590					342,590
Total liabilities	<u>342,590</u>	<u>1,419,244</u>		<u>12,785</u>	<u>-</u>	<u>1,774,619</u>
NET POSITION						
Reserved for private purpose trusts			50,941			50,941
Reserved for unemployment claims					482,618	482,618
Reserved for flexible benefits				13,192		13,192
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,941</u>	<u>\$ 13,192</u>	<u>\$ 482,618</u>	<u>\$ 546,751</u>

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Changes in Fiduciary Net Position
for the Fiscal Year ended June 30, 2020

	Private Purpose Trust Fund	Trust Funds		Total
	Scholarship Fund	Flexible Benefits Program	Unemployment Compensation Insurance Trust Fund	
REVENUES:				
Local sources:				
Donations	\$ 7,351	\$ -	\$ -	\$ 7,351
Employee withholdings		80,541	49,558	130,099
Interest on Investments	1,536		5,146	6,682
Total Revenues	8,887	80,541	54,704	144,132
EXPENDITURES:				
Current Expense:				
Undistributed Expenditures:				
Unemployment claims			2,005	2,005
Flexible benefit payments		69,096		69,096
Scholarship payments	11,900			11,900
Total Expenditures	11,900	69,096	2,005	83,001
Excess (deficiency) of revenues over (under) expenditures)	(3,013)	11,445	52,699	61,131
Net Position July 1	53,954	1,747	429,919	485,620
Net Position June 30	\$ 50,941	\$ 13,192	\$ 482,618	\$ 546,751

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u> <u>June 30, 2020</u>	<u>Balance</u> <u>June 30, 2020</u>
JUNIOR/SENIOR HIGH SCHOOLS:					
Cinnaminson:					
Activities	\$ 294,850	\$ 642,927	\$ 671,042	\$ -	\$ 266,735
Athletic	<u>74,985</u>	<u>39,059</u>	<u>38,190</u>		<u>75,854</u>
Total	<u>\$ 369,835</u>	<u>\$ 681,986</u>	<u>\$ 709,232</u>	<u>\$ -</u>	<u>\$ 342,589</u>

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2020

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
ASSETS:				
Cash and cash equivalents	\$ 1,562,036	\$ 40,494,068	\$ 40,636,860	\$ 1,419,244
Total assets	<u>\$ 1,562,036</u>	<u>\$ 40,494,068</u>	<u>\$ 40,636,860</u>	<u>\$ 1,419,244</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 413,207	\$ 20,275,652	\$ 20,431,411	\$ 257,448
Net payroll		18,853,917	18,853,917	
Due to employees	1,119,989	1,353,863	1,333,359	1,140,493
Due to Cinnaminson Education Assoc.	3,952	5,652	6,188	3,416
Interfund payable	24,888	4,984	11,985	17,887
Total liabilities	<u>\$ 1,562,036</u>	<u>\$ 40,494,068</u>	<u>\$ 40,636,860</u>	<u>\$ 1,419,244</u>

Long-Term Debt Schedules

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Serial Bonds
June 30, 2020

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance July 1, 2019	Issued	Retired	Balance June 30, 2020
			Date	Amount					
2014 School Bonds	12/18/14	\$ 40,048,000	8/1/20	\$ 1,615,000	3.000%	\$ 37,140,000	\$ -	\$ 1,550,000	\$ 35,590,000
			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%				
						\$ 37,140,000	\$ -	\$ 1,550,000	\$ 35,590,000

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Obligations Under Capital Leases
June 30, 2020

Series	Interest Rate Payable	Amount of Original Issue	Amount Outstanding July 1, 2019	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2020
Four Buses	1.91%	350,000	\$ 70,968	\$ -	\$ 70,968	\$ -
Three Buses and One Van	1.78%	405,000	163,740		81,148	82,592
Five Buses and One Van	2.15%	441,000	258,805		84,440	174,365
Four Buses and One Pickup Truck	3.25%	443,007	346,007	-	82,397	263,610
Five Buses	2.34%	510,140		510,140	99,006	411,134
			<u>\$ 839,520</u>	<u>\$ 510,140</u>	<u>\$ 417,959</u>	<u>\$ 931,701</u>

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 2,025,050	\$ -	\$ 2,025,050	\$ 2,025,050	\$ -
Miscellaneous					
Total revenues - local sources	<u>2,025,050</u>		<u>2,025,050</u>	<u>2,025,050</u>	
State sources:					
Debt service aid type II	<u>673,458</u>		<u>673,458</u>	<u>673,458</u>	
Total revenues - state sources	<u>673,458</u>		<u>673,458</u>	<u>673,458</u>	
Total Revenues	<u>2,698,508</u>		<u>2,698,508</u>	<u>2,698,508</u>	
EXPENDITURES:					
Regular debt service:					
Interest	1,150,000		1,150,000	1,149,450	550
Redemption of principal	<u>1,550,000</u>		<u>1,550,000</u>	<u>1,550,000</u>	
Total Expenditures	<u>2,700,000</u>		<u>2,700,000</u>	<u>2,699,450</u>	550
Excess (Deficiency) of revenues over (under) expenditures	(1,492)		(1,492)	(942)	550
Other Financing Sources (Uses):					
Transfer from Capital Projects Fund				5,451	5,451
Total Other Financing Sources (Uses)				<u>5,451</u>	<u>5,451</u>
Excess (Deficiency) of revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,492)		(1,492)	4,509	6,001
Fund Balances, July 1	<u>2,260</u>		<u>2,260</u>	<u>2,260</u>	
Fund Balances, June 30	<u>\$ 768</u>	<u>\$ -</u>	<u>\$ 768</u>	<u>\$ 6,769</u>	<u>\$ 6,001</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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 4,986,609	\$ 5,745,469	\$ 7,122,078	\$ 7,963,105	\$ (26,887,966)	\$ (2,659,793)	\$ 10,604,836	\$ 11,258,794	\$ 11,910,452	\$ 12,764,137
Restricted for:	-	-	-	-	-	-	-	-	-	-
Special Revenue										
Capital projects	510,142	581,025	743,241	855,544	37,155,985	2,371,104	1,717,648	1,766,166	2,484,260	2,952,987
Debt service	(112,672)	-	-	-	-	-	-	-	-	-
Other purposes	3,007,035	4,449,208	5,075,534	4,695,490	5,263,199	6,267,406	6,585,998	7,254,744	7,810,597	8,462,506
Unrestricted	(998,228)	(1,132,236)	(1,419,159)	(1,385,252)	(14,988,324)	(15,164,205)	(17,442,026)	(18,566,456)	(19,116,208)	(19,435,263)
Total governmental activities net position	\$ 7,392,886	\$ 9,643,466	\$ 11,521,694	\$ 12,128,887	\$ 542,894	\$ (9,185,488)	\$ 1,466,456	\$ 1,713,248	\$ 3,089,101	\$ 4,744,367
Business-type activities:										
Net investment in capital assets	\$ 64,170	\$ 55,285	\$ 51,718	\$ 59,817	\$ 57,279	\$ 51,539	\$ 80,304	\$ 77,698	\$ 117,890	\$ 151,393
Unrestricted	101,296	234,570	238,233	315,412	421,250	556,532	691,497	752,703	855,601	735,254
Total business-type activities net position	\$ 165,466	\$ 289,855	\$ 289,951	\$ 375,229	\$ 478,529	\$ 608,071	\$ 771,801	\$ 830,401	\$ 973,491	\$ 886,647
District-wide:										
Net investment in capital assets	\$ 5,050,779	\$ 5,800,754	\$ 7,173,796	\$ 8,022,922	\$ (26,830,687)	\$ (2,608,254)	\$ 10,685,140	\$ 11,336,492	\$ 12,028,342	\$ 12,915,530
Restricted:										
Special Revenue										
Capital projects	510,142	581,025	743,241	855,544	37,155,985	2,371,104	1,717,648	1,766,166	2,484,260	2,952,987
Debt service	(112,672)	-	-	-	-	-	-	-	-	-
Other purposes	3,007,035	4,449,208	5,075,534	4,695,490	5,263,199	6,267,406	6,585,998	7,254,744	7,810,597	8,462,506
Unrestricted	(896,932)	(897,666)	(1,180,926)	(1,069,840)	(14,567,074)	(14,607,673)	(16,750,529)	(17,813,753)	(18,260,607)	(18,700,009)
Total district net position	\$ 7,558,352	\$ 9,933,321	\$ 11,811,645	\$ 12,504,116	\$ 1,021,423	\$ (8,577,417)	\$ 2,238,257	\$ 2,543,649	\$ 4,062,592	\$ 5,631,014

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

Exhibit J-2

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 11,064,621	\$ 11,210,740	\$ 11,352,752	\$ 12,159,632	\$ 12,652,594	\$ 12,346,152	\$ 13,294,163	\$ 14,317,085	\$ 14,553,839	\$ 14,805,789
Special education	2,968,563	2,725,307	3,159,224	2,826,077	3,140,913	3,470,172	3,616,797	3,701,565	3,695,721	3,798,782
Other instruction	2,821,195	2,925,373	2,909,802	2,913,515	2,891,834	3,107,318	3,225,899	3,282,335	3,375,211	3,255,311
Support Services:										
Tuition	2,782,561	2,863,718	3,003,117	3,321,908	2,499,099	2,285,604	1,882,993	1,273,713	1,041,634	1,472,679
Student & instruction related services	4,376,300	4,365,579	4,400,336	5,086,763	5,197,664	5,225,208	5,277,983	5,297,730	5,534,420	5,681,254
School administrative services	1,431,621	1,410,755	1,428,134	1,460,267	1,496,302	1,552,664	1,618,073	1,874,905	1,929,144	1,812,537
General and business administrative services	1,489,836	1,501,991	1,533,957	1,659,560	1,673,010	1,596,552	1,739,843	1,712,920	1,785,680	1,889,735
Plant operations and maintenance	2,682,572	3,137,268	2,909,064	3,172,548	3,031,481	14,559,553	(8,108,950)	3,634,731	3,503,950	4,158,014
Pupil transportation	2,218,903	2,306,343	2,407,476	2,806,684	2,702,043	2,635,508	2,804,092	2,891,810	2,966,304	2,859,579
Unallocated employee benefits	8,466,699	9,094,095	9,967,476	9,747,330	10,226,329	11,528,287	14,671,819	30,617,636	26,839,396	24,502,980
Special schools	460	-	-	-	21	11,466	-	-	-	-
Charter Schools	15,459	27,988	11,480	-	-	-	22,932	27,550	-	-
Interest on long-term debt	282,809	243,579	198,110	138,902	744,238	1,357,660	1,285,833	1,235,412	1,177,575	1,130,075
Unallocated depreciation	69,316	69,021	41,414	53,443	46,703	7,944	31,448	51,649	112,606	88,837
Total governmental activities expenses	<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>	<u>41,362,925</u>	<u>69,919,041</u>	<u>66,515,480</u>	<u>65,455,572</u>
Business-type activities:										
Food service	623,309	574,047	637,598	666,236	696,434	671,559	679,696	696,479	756,534	607,189
School age child care program	301,250	250,227	255,008	296,114	305,109	321,170	325,917	396,679	333,236	333,296
Employment orientation program/School store	22,723	23,835	20,433	24,141	30,938	28,962	48,425	41,284	34,508	32,214
Total business-type activities expense	<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>	<u>1,054,038</u>	<u>1,134,442</u>	<u>1,124,278</u>	<u>972,699</u>
Total district expenses	<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>	<u>\$ 42,416,963</u>	<u>\$ 71,053,483</u>	<u>\$ 67,639,758</u>	<u>\$ 66,428,271</u>
Program Revenues:										
Governmental activities:										
Operating grants and contributions	3,850,827	4,085,218	4,837,817	4,334,604	4,944,119	5,888,700	6,579,952	23,811,328	20,748,973	18,243,636
Total governmental activities program revenues	<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>	<u>6,579,952</u>	<u>23,811,328</u>	<u>20,748,973</u>	<u>18,243,636</u>
Business-type activities:										
Charges for services:										
Food service	479,568	486,018	453,695	456,210	483,538	492,150	524,062	530,831	535,452	379,053
School age child care program	305,613	306,881	326,318	372,734	406,655	417,758	408,140	387,039	422,544	272,486
School store	20,974	25,845	22,931	26,841	28,004	32,623	42,796	39,359	34,075	30,017
Operating grants and contributions	131,147	151,826	187,085	197,505	217,164	208,265	242,247	232,035	245,149	193,585
Capital grants and contributions	-	-	-	-	-	-	-	23,923	-	-
Total business type activities program revenues	<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>	<u>1,217,245</u>	<u>1,189,264</u>	<u>1,261,143</u>	<u>875,141</u>
Total district program revenues	<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>	<u>\$ 7,797,197</u>	<u>\$ 25,000,592</u>	<u>\$ 22,010,116</u>	<u>\$ 19,118,777</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (36,820,088)	\$ (37,796,539)	\$ (38,484,525)	\$ (41,012,025)	\$ (41,358,112)	\$ (53,795,388)	\$ (34,782,973)	\$ (46,107,713)	\$ (45,766,507)	\$ (47,211,936)
Business-type activities	(9,980)	122,461	76,990	66,799	102,880	129,105	163,207	54,822	136,865	(97,558)
Total district-wide net expense	<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>	<u>\$ (34,619,766)</u>	<u>\$ (46,052,891)</u>	<u>\$ (45,629,642)</u>	<u>\$ (47,309,494)</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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 28,233,854	\$ 28,462,848	\$ 28,836,344	\$ 29,413,071	\$ 30,251,332	\$ 31,187,085	\$ 32,036,557	\$ 32,792,708	\$ 33,448,562	\$ 34,033,912
Taxes levied for debt service	1,345,156	1,292,152	1,269,753	1,079,150	964,150	1,544,360	2,204,948	2,196,486	2,186,925	2,025,050
Unrestricted grants and contributions	8,788,322	9,252,210	9,315,425	9,563,014	9,421,278	9,438,297	9,479,077	9,534,038	9,769,198	11,015,727
State aid restricted for capital projects	-	-	-	-	-	-	-	-	-	-
Tuition revenue	92,044	94,682	105,182	176,702	166,274	369,140	173,954	199,304	198,866	316,864
Transportation revenue	563,503	744,284	772,982	1,185,061	1,263,898	1,182,154	1,319,598	1,291,055	1,262,527	1,221,705
Miscellaneous revenue	215,074	200,943	152,168	202,220	215,015	345,970	220,783	340,914	276,282	253,944
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	39,237,953	40,047,119	40,451,854	41,619,218	42,281,947	44,067,006	45,434,917	46,354,505	47,142,360	48,867,202
Business-type activities:										
Miscellaneous income	1,895	1,928	544	275	420	437	523	3,778	6,225	10,714
Contributed capital	-	-	-	18,204	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	1,895	1,928	544	18,479	420	437	523	3,778	6,225	10,714
Total district-wide	\$ 39,239,848	\$ 40,049,047	\$ 40,452,398	\$ 41,637,697	\$ 42,282,367	\$ 44,067,443	\$ 45,435,440	\$ 46,358,283	\$ 47,148,585	\$ 48,877,916
Change in Net Position:										
Governmental activities	\$ 2,417,865	\$ 2,250,580	\$ 1,967,329	\$ 607,193	\$ 923,835	\$ (9,728,382)	\$ 10,651,944	\$ 246,792	\$ 1,375,853	\$ 1,655,266
Business-type activities	(8,085)	124,389	77,534	85,278	103,300	129,542	163,730	58,600	143,090	(86,844)
Total district-wide	\$ 2,409,780	\$ 2,374,969	\$ 2,044,863	\$ 692,471	\$ 1,027,135	\$ (9,598,840)	\$ 10,815,674	\$ 305,392	\$ 1,518,943	\$ 1,568,422

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

Exhibit J-3

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Reserved for:										
Encumbrances	\$ 279,781	\$ 18,135	\$ 76,090	\$ 76,357	\$ 84,291	\$ 91,342	\$ 115,516	\$ 127,893	\$ 158,642	\$ 93,540
Capital reserve	510,142	581,025	743,241	855,544	1,233,534	1,244,332	1,420,024	1,665,298	2,427,536	2,952,987
Maintenance reserve	250,000	501,569	603,390	818,557	1,122,255	1,362,256	1,537,231	1,657,519	1,969,158	2,332,736
Emergency reserve	194,922	194,922	194,922	194,922	194,922	194,922	194,922	194,922	194,922	194,922
Other purposes					7,493					
Excess surplus	1,282,332	2,248,582	1,952,549	1,467,318	1,992,060	2,704,700	2,122,726	3,069,743	2,610,794	2,214,038
Excess surplus - designated for subsequent year's expenditures	109,575	1,282,332	2,248,582	1,952,549	1,467,318	1,992,060	2,704,700	2,122,726	3,069,743	2,610,794
Unreserved										
Undesignated	196,346	203,668	-	201,633	(12,950)	3,481	168,606	194,924	223,543	173,301
Designated for subsequent year's expenditures	890,425	113,291	74,241	182,574	331,635	103,982	85,367	267,967	-	1,204,629
Total general fund	<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>	<u>\$ 8,154,170</u>	<u>\$ 9,106,070</u>	<u>\$ 10,459,416</u>	<u>\$ 11,582,025</u>
All Other Governmental Funds										
Reserved:										
Encumbrances					\$ 34,671,640	\$ 739,450	\$ 150,925	\$ 18,412	\$ 18,733	\$ -
Unreserved, reported in:										
Special revenue fund					1,250,811	387,332	146,699	82,456	37,991	-
Capital projects fund	\$ -	\$ -	\$ -	\$ -	63,225	13,066	20,458	8,896	2,260	6,769
Debt service fund	5,879		1	3,213						
Total all other governmental funds	<u>\$ 5,879</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 3,213</u>	<u>\$ 35,985,676</u>	<u>\$ 1,139,848</u>	<u>\$ 318,082</u>	<u>\$ 109,764</u>	<u>\$ 58,984</u>	<u>\$ 6,769</u>

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

Exhibit J-4

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax levy	\$ 29,579,010	\$ 29,755,000	\$ 30,106,097	\$ 30,492,221	\$ 31,215,482	\$ 32,731,445	\$ 34,241,505	\$ 34,989,194	\$ 35,635,487	\$ 36,058,962
Tuition charges	92,044	94,682	105,182	176,702	166,274	369,140	173,954	199,304	198,866	316,864
Transportation charges	563,503	744,284	772,982	1,185,061	1,263,898	1,182,154	1,319,598	1,291,055	1,262,527	1,221,705
Interest earnings	58,601	60,976	23,729	7,777	995	1,073	1,719	13,928	23,876	39,029
Miscellaneous	187,839	165,041	170,972	212,199	244,935	364,184	248,806	351,511	252,406	214,915
Local sources									89,412	214,973
State sources	11,515,277	12,414,759	13,343,349	13,126,777	13,525,312	14,462,636	15,252,496	16,210,354	17,410,501	18,158,666
Federal sources	1,092,516	897,595	767,360	753,085	809,170	845,074	776,791	911,813	885,301	973,085
Total revenue	43,088,790	44,132,337	45,289,671	45,953,822	47,226,066	49,955,706	52,014,869	53,967,159	55,758,376	57,198,199
Expenditures										
Instruction										
Regular Instruction	10,310,362	10,497,646	10,951,301	11,422,501	11,876,872	11,770,893	12,297,518	12,905,673	13,122,374	13,498,580
Special education instruction	2,968,563	2,725,307	3,159,224	2,826,077	3,140,913	3,470,172	3,616,797	3,701,565	3,695,721	3,798,782
Other instruction	2,821,195	2,925,373	2,909,802	2,913,515	2,891,834	3,107,318	3,225,899	3,282,335	3,375,211	3,255,311
Support Services:										
Tuition	2,782,561	2,863,718	3,003,117	3,321,908	2,499,099	2,285,604	1,882,993	1,273,713	1,041,634	1,472,679
Student & instruction related services	4,376,300	4,365,579	4,400,336	5,086,763	5,197,664	5,225,208	5,277,983	5,297,730	5,534,420	5,681,254
School administrative services	1,431,621	1,410,755	1,428,134	1,460,267	1,496,302	1,552,664	1,618,073	1,874,905	1,929,144	1,812,537
General and business admin. services	1,489,836	1,501,991	1,533,957	1,659,560	1,673,010	1,596,552	1,739,843	1,712,920	1,785,680	1,889,735
Plant operations and maintenance	3,009,577	3,078,190	2,986,630	3,198,265	3,467,819	3,397,695	3,570,625	3,656,648	3,755,815	4,123,599
Pupil transportation	2,081,134	2,169,457	2,283,233	2,676,356	2,561,933	2,488,529	2,586,600	2,613,720	2,700,321	2,593,067
Employee benefits	8,466,699	9,094,095	9,967,476	9,747,330	10,111,786	11,090,735	12,190,146	13,360,808	14,293,906	14,365,640
Special Schools	460									
Charter school	15,459	27,988	11,480		21	11,466	22,932	27,550	-	-
Capital outlay	412,510	847,841	217,800	796,491	4,721,251	36,250,855	1,215,954	1,015,535	742,641	1,447,311
Debt service:										
Principal	1,500,000	1,465,000	1,470,000	1,260,000	1,200,000	735,000	1,633,000	1,685,000	1,720,000	1,550,000
Interest and other charges	300,275	260,275	217,689	231,255	101,995	1,492,258	1,306,245	1,256,475	1,201,950	1,149,450
Total expenditures	41,966,552	43,233,215	44,540,179	46,600,288	50,940,499	84,474,949	52,184,608	53,664,577	54,898,817	56,637,945

Continued

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

Exhibit J-4

Excess (Deficiency) of revenues over (under) expenditures	\$ 1,122,238	\$ 899,122	\$ 749,492	\$ (646,466)	\$ (3,714,433)	\$ (34,519,243)	\$ (169,739)	\$ 302,582	\$ 859,559	\$ 560,254
Other Financing sources (uses)										
Proceeds from borrowing	-	-	-	3,805,818	40,368,000			441,000	443,007	510,140
Payment to refunding bond escrow	-	-	-	(3,745,701)	-					
Contracts payable cancelled	-	-	-	-	-					
Capital leases	167,280	525,000	-	446,000	-	755,000				
Transfers in					65,219	87,812	9,862	967	718	5,451
Transfers out					(65,219)	(87,812)	(9,862)	(967)	(718)	(5,451)
Total other financing sources (uses)	<u>167,280</u>	<u>525,000</u>	<u>-</u>	<u>506,117</u>	<u>40,368,000</u>	<u>755,000</u>	<u>-</u>	<u>441,000</u>	<u>443,007</u>	<u>510,140</u>
Net change in fund balances	<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>	<u>\$ (169,739)</u>	<u>\$ 743,582</u>	<u>\$ 1,302,566</u>	<u>\$ 1,070,394</u>
Debt service as a percentage of noncapital expenditures	4.33%	4.07%	3.81%	3.26%	2.82%	4.62%	5.77%	5.59%	5.40%	4.89%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

Exhibit J-5

<u>Fiscal Year Ending June 30,</u>	<u>Interest on Investments</u>	<u>Program Fees</u>	<u>Tuition</u>	<u>Transportation</u>	<u>Prior Year Refunds</u>	<u>Other Refunds</u>	<u>Rentals</u>	<u>Technology Services</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2017	7,193	46,995	173,954	1,319,598	45,595	67,879	25,000	6,000	10,540	1,702,754
2018	55,966	48,586	199,304	1,291,055	151,158	35,763	25,000	6,000	17,474	1,830,306
2019	37,830	51,075	198,866	1,262,527	81,718	53,131	25,400	6,000	20,410	1,736,957
2020	88,991	28,200	288,664	1,221,705	46,129	9,256	27,675	6,000	9,860	1,726,480
	<u>\$ 353,492</u>	<u>\$ 376,050</u>	<u>\$ 1,864,812</u>	<u>\$ 10,806,767</u>	<u>\$ 590,317</u>	<u>\$ 347,846</u>	<u>\$ 228,625</u>	<u>\$ 153,517</u>	<u>\$ 171,637</u>	<u>\$ 14,893,063</u>

Source: District records

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

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
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	1,801,221,799
2017	14,473,600	1,339,755,800	721,900	103,000	140,694,800	86,175,800	19,289,500	1,601,214,400	2,466,783	1,603,681,183	146,214,000	2.182	1,807,811,735
2018	17,540,700	1,341,522,400	721,900	103,000	138,622,800	84,009,000	19,289,500	1,601,809,300	2,498,392	1,604,307,692	145,657,100	2.221	1,799,874,629
2019	17,060,000	1,339,373,400	721,900	97,900	141,692,300	80,413,100	24,697,800	1,604,056,400	90	1,604,056,490	145,657,100	2.247	1,774,848,888
2020	16,881,000	1,341,814,500	764,600	96,400	144,647,900	81,107,000	24,697,800	1,610,009,200	89	1,610,009,289	139,109,700	2.288	1,820,092,659

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	
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
2017	2.045	0.137	2.182	0.616	0.017	0.188	0.458	3.461
2018	2.085	0.136	2.221	0.616	0.017	0.194	0.449	3.497
2019	2.121	0.126	2.247	0.616	0.017	0.201	0.441	3.522
2020	2.162	0.126	2.288	0.616	0.017	0.205	0.446	3.572

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	2020		Taxpayer	2011	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
National Keystone Property	\$ 26,190,800	1.63%	National Keystone Property	\$ 26,851,400	1.37%
Camelot at Cinnaminson Harbour, LLC	19,157,900	1.19%	Whitesell Enterprises et al	15,418,500	0.78%
CHS Siena	10,655,200	0.66%	Cindel Dr Assoc., LLC	10,884,900	0.55%
Whitesell Enterprises	7,039,000	0.44%	Midlantic Dr Assoc	9,480,300	0.48%
New Plan Cinnamison Urban Removal	6,104,300	0.38%	K-Land 57, LLC	8,394,300	0.43%
Progida, LLC	5,500,000	0.34%	Progida, LLC	8,071,800	0.41%
1 Sea Box Drive, LLC	5,272,300	0.33%	Hovbros Cinnaminson Urban Renew, LLC	7,040,100	0.36%
Main Line Shopping Center, LLC	5,053,600	0.31%	New Plan Cinna URB Renewal	7,015,100	0.36%
Riverton Country Club	4,543,300	0.28%	Hoeganaes Corp.	6,820,200	0.35%
202 RT 130 LLC	4,429,700	0.28%	1 SEA BOX DRIVE, LLC	6,494,100	0.33%
Total	\$ 93,946,100	5.84%		\$ 106,470,700	5.42%

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	
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%	-
2017	34,241,505	34,241,505	100.00%	-
2018	34,989,194	34,989,194	100.00%	-
2019	35,635,487	35,635,487	100.00%	-
2020	36,058,962	36,058,962	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		
2011	\$ 8,380,000	\$ -	\$ 284,185	\$ -	\$ -	\$ 8,664,185	1.09%	\$ 544
2012	6,915,000	-	735,471	-	-	7,650,471	0.92%	468
2013	5,445,000	-	496,807	-	-	5,941,807	0.70%	361
2014	4,065,000	-	661,772	-	-	4,726,772	0.53%	286
2015	42,913,000	-	689,118	-	-	43,602,118	4.68%	2,636
2016	42,178,000	-	1,112,004	-	-	43,290,004	4.55%	2,632
2017	40,545,000	-	750,855	-	-	41,295,855	4.24%	2,519
2018	38,860,000	-	790,716	-	-	39,650,716	3.90%	2,425
2019	37,140,000	-	839,520	-	-	37,979,520	c	2,324
2020	35,590,000	-	931,701	-	-	36,521,701	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		
2011	\$ 8,380,000	\$ -	\$ 8,380,000	0.43%	\$ 527
2012	6,915,000	-	6,915,000	0.35%	423
2013	5,445,000	-	5,445,000	0.28%	331
2014	4,065,000	-	4,065,000	0.26%	246
2015	42,913,000	-	42,913,000	2.69%	2,594
2016	42,178,000	-	42,178,000	2.63%	2,565
2017	40,545,000	-	40,545,000	2.53%	2,473
2018	38,860,000	-	38,860,000	2.42%	2,377
2019	37,140,000	-	37,140,000	2.32%	2,273
2020	35,590,000		35,590,000	2.21%	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, 2019**

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	\$ 22,023,015	100.00%	\$ 22,023,015
Burlington County General Obligation Debt	221,311,009	3.689%	<u>8,164,163</u>
Subtotal, overlapping debt			30,187,178
Cinnaminson Township School District Direct Debt			<u>33,590,000</u>
Total direct and overlapping debt			<u><u>\$ 63,777,178</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 2020

	Equalized valuation basis	
	2017	\$ 1,782,494,044
	2018	1,762,748,212
	2019	1,803,932,074
	[A]	<u>\$ 5,349,174,330</u>
Average equalized valuation of taxable property	[A/3]	\$ 1,783,058,110
Debt limit (4% of average equalized valuation)	[B]	71,322,324
Net bonded school debt	[C]	35,590,000
Legal debt margin	[B-C]	<u>\$ 35,732,324</u>

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 77,878,320	\$ 77,445,586	\$ 74,187,358	\$ 71,598,361	\$ 69,380,814	\$ 69,744,720	\$ 70,772,114	\$ 71,417,470	\$ 71,237,960	\$ 71,322,324
Total net debt applicable to limit	<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>	<u>40,545,000</u>	<u>38,860,000</u>	<u>37,140,000</u>	<u>35,590,000</u>
Legal debt margin	<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>	<u>\$ 30,227,114</u>	<u>\$ 32,557,470</u>	<u>\$ 34,097,960</u>	<u>\$ 35,732,324</u>
Total net debt applicable to the limit as a percentage of debt limit	10.76%	8.93%	7.34%	5.68%	61.85%	60.47%	57.29%	54.41%	52.14%	49.90%

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>
2011	15,913	\$ 795,904,608	\$ 50,016	9.1%
2012	16,358	836,008,306	51,107	9.5%
2013	16,438	848,562,436	51,622	7.2%
2014	16,549	889,674,240	53,760	5.5%
2015	16,542	930,686,004	56,262	4.4%
2016	16,445	950,553,890	57,802	3.8%
2017	16,395	973,682,655	59,389	3.5%
2018	16,351	1,015,724,120	62,120	3.4%
2019	16,342	e	e	2.6%
2020	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	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction										
Regular	169.9	173.6	178.9	182.5	177.7	175.0	185.9	185.7	189.7	193.0
Special education	41.6	39.6	42.8	42.9	42.1	42.9	51.9	51.6	48.6	63.5
Other special education	20.4	22.4	26.7	30.3	45.0	46.2	51.7	54.3	53.2	51.3
Vocational										
Other instruction						3.1	3.1	2.9	3.1	3.1
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	28.9	28.2	29.7	30.7	31.8	31.8	31.0	30.3	30.3	35.3
School administrative services	23.1	21.0	21.9	20.8	21.0	21.0	23.6	21.9	24.1	23.1
General administrative services	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Plant operations and maintenance	39.9	30.0	27.5	28.4	28.5	28.5	28.2	27.6	27.4	27.4
Pupil transportation	55.5	59.0	55.5	55.5	55.5	58.5	58.5	58.5	58.5	58.5
Business and other support services	12.4	12.4	12.4	12.4	12.4	13.4	13.4	13.1	12.7	13.7
Special Schools										
Food Service										
Child Care	15.0	17.0	16.0	16.0	16.0	13.0	16.0	16.0	16.0	16.0
Total	<u>409.8</u>	<u>406.3</u>	<u>414.5</u>	<u>422.6</u>	<u>433.1</u>	<u>436.5</u>	<u>466.4</u>	<u>465.0</u>	<u>466.7</u>	<u>488.0</u>

Source: District Personnel Records

Cinnaminson Township School District
 Operating Statistics,
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
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%
2017	2,475	48,029,409	19,406	2.99%	207	1:13	1:10	1:12	2,474.5	2,364.7	1.45%	95.56%
2018	2,484	49,707,467	20,011	3.12%	207	1:13	1:10	1:12	2,493.4	2,370.4	0.76%	95.07%
2019	2,559	51,234,226	20,021	0.05%	207	1:13	1:10	1:12	2,554.4	2,442.3	2.45%	95.61%
2020	2,650	52,491,184	19,808	-1.00%	207	1:13	1:10	1:12	2,686.8	2,586.0	5.18%	96.25%

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

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
District Building										
Elementary										
New Albany Elementary (1966)										
Square Feet	47,966	47,966	47,966	47,966	47,966	47,966	47,966	55,253	55,253	55,253
Capacity (students)	470	470	470	470	470	470	470	470	470	470
Enrollment	513	503	520	531	524	549	558	553	574	581
Rush Elementary (1962)										
Square Feet	50,248	50,248	50,248	50,248	50,248	50,248	50,248	56,019	56,019	56,019
Capacity (students)	505	505	505	505	505	505	505	505	505	505
Enrollment	538	537	547	535	503	536	543	574	591	610
Middle School (1968)										
Square Feet	118,434	118,434	118,434	118,434	118,434	118,434	118,434	112,701	112,701	112,701
Capacity (students)	704	704	704	704	704	704	704	704	704	704
Enrollment	555	580	577	579	554	579	583	560	593	646
High School (1961)										
Square Feet	148,668	148,668	148,668	148,668	148,668	148,668	148,668	194,921	194,921	194,921
Capacity (students)	810	810	810	810	810	810	810	810	810	810
Enrollment	733	735	716	718	719	775	790	807	796	850
Other										
Central Administration (1959)										
Square Feet	27,965	27,965	27,965	27,965	27,965	27,965	27,965	29,757	29,757	29,757
Number of Schools at June 30, 2020										
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	Fiscal Year Ending June 30,										Total
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Cinnaminson School District											
New Albany Elementary	\$ 50,486	\$ 49,080	\$ 44,209	\$ 48,783	\$ 45,064	\$ 49,852	\$ 43,615	\$ 183,075	\$ 112,161	\$ 152,637	\$ 778,962
Rush Intermediate	53,318	50,074	45,998	55,656	52,921	54,007	42,841	50,422	62,330	99,604	567,171
Middle School	75,042	80,965	84,777	108,082	112,661	124,632	83,877	177,139	101,413	123,902	1,072,490
High School	111,503	116,516	167,332	199,436	273,096	157,867	391,010	159,760	156,800	132,623	1,865,943
Central Office	41,491	105,743	91,383	50,099	41,128	29,081	46,538	52,319	45,078	32,506	535,366
Total School Facilities	<u>\$ 331,840</u>	<u>\$ 402,378</u>	<u>\$ 433,699</u>	<u>\$ 462,056</u>	<u>\$ 524,870</u>	<u>\$ 415,439</u>	<u>\$ 607,881</u>	<u>\$ 622,715</u>	<u>\$ 477,782</u>	<u>\$ 541,272</u>	<u>\$ 4,819,932</u>

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

Source: District records

**Cinnaminson Township School District
Insurance Schedule
June 30, 2020**

Exhibit J-20

	<u>Coverage</u>	<u>Member Retention</u>
School Package Policy - School Alliance Insurance Fund		
Property - Blanket Buildings and Contents	\$ 97,288,048	\$ 2,500
General and Auto Liability	15,000,000	1,000
Boiler and Machinery	100,000,000	2,500
Cyber Liability	2,000,000	10,000
Pollution Liability	1,000,000	10,000
Blanket Dishonesty Bond	100,000/500,000	1,000
Money and Securities	50,000	1,000
School Board Legal Liability	15,000,000	
Workers Compensation (1)	Statutory	
Excess Liability (1)	5,000,000	
Storage Tank Liability (2)	1,000,000	
Student Accident - (3)	1,000,000	
Surety Bonds (4)		
Treasurer	300,000	
Board Secretary	100,000	

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

Source: District records

Single Audit Section

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**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 Township, New Jersey

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement 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 fiscal year ended June 30, 2020, 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 December 18, 2020.

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) as a basis for designing 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 from 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 financial statements. 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 is 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, and federal and state awarding agencies and pass-through entities, 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 No. CS001095

Marlton, New Jersey
December 18, 2020

INVERSO & STEWART, LLC
Certified Public Accountants

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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT
 ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
 UNIFORM GUIDANCE AND STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

I have audited Cinnaminson Township School District's (School District), in the County of Burlington, State of New Jersey compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2020. 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards 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, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and State of New Jersey Circular 15-08-OMB 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 or state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as 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, 2020.

Report on Internal Control Over Compliance

Management of the Cinnaminson Township School District, in the County of Burlington, State of New Jersey, 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 or 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 or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of New Jersey Circular 15-08-OMB, 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 State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
December 18, 2020

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2020

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, 2019		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balance	Adjustment	Balance at June 30, 2020		
						Deferred Revenue (Accts. Receivable)	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education															
<u>General Fund:</u>															
Medical Assistance Program (SEMI)	93.778	2005NJ5MAP	N/A	\$ 39,787	7/1/19 - 6/30/20	\$ -	\$ -	\$ -	\$ 39,787	\$ (39,787)	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Fund						-	-	-	39,787	(39,787)	-	-	-	-	-
<u>Special Revenue Fund:</u>															
<u>Every Student Succeeds Act</u>															
Title I - Current Year	84.010	S010A190030	ESSA-0840-20	209,742	7/1/19 - 9/30/20				117,715	(134,385)			(16,670)		
Title I - Prior Year	84.010	S010A180030	ESSA-0840-19	222,416	7/1/18 - 6/30/19	(35,049)			35,049				-		
Title II - A - Current Year	84.367	S367A190029	ESSA-0840-20	46,592	7/1/19 - 9/30/20				30,143	(40,676)			(10,533)		
Title II - A - Prior Year	84.367	S367A180029	ESSA-0840-19	55,554	7/1/18 - 6/30/19	(12,735)			12,735				-		
Title III - Current Year	84.365	S365A190030	ESSA-0840-20	10,855	7/1/19 - 9/30/20				6,489	(10,763)			(4,274)		
Title III - Prior Year	84.365	S365A180030	ESSA-0840-19	2,147	7/1/18 - 6/30/19	(697)			697				-		
Title III Immigrant- Current Year	84.365	S365A190030	ESSA-0840-20	325	7/1/19 - 9/30/20				302	(325)			(23)		
Title IV - Current Year	84.424	S424A190031	ESSA-0840-20	20,010	7/1/19 - 9/30/20				15,426	(16,638)			(1,212)		
Title IV - Prior Year	84.424	S424A180031	ESSA-0840-19	13,106	7/1/18 - 6/30/19	(2,224)			2,224				-		
<u>Individuals With Disabilities Act (I.D.E.A.)</u>															
Part B - Basic Current Year	84.027	H027A190100	IDEA-0840-20	597,231	7/1/19 - 9/30/20				542,674	(572,867)			(30,193)		
Part B - Basic Prior Year	84.027	H027A180100	IDEA-0840-19	629,431	7/1/18 - 6/30/19	(18,547)			18,547				-		
Part B - Preschool Current Year	84.173	H173A190114	IDEA-0840-20	25,571	7/1/19 - 9/30/20				17,988	(23,108)			(5,120)		
Part B - Preschool Prior Year	84.173	H173A180114	IDEA-0840-19	28,916	7/1/18 - 6/30/19	(8,915)			8,915				-		
CARES Act	84.425D	S425D200027	N/A	145,388	3/13/20 - 9/30/22					(134,536)			(134,536)		
Total Special Revenue Fund						(78,167)	-	-	808,904	(933,298)	-	-	(202,561)	-	-
U.S. Department of Agriculture															
<u>Enterprise Fund:</u>															
Food Distribution Program	10.555	201NJ304N1099	N/A	61,414	7/1/19 - 6/30/20				61,414	(61,414)			-		
National School Lunch Program	10.555	201NJ304N1099	N/A	124,113	7/1/19 - 6/30/20				122,568	(124,113)			(1,545)		
National School Lunch Program	10.555	191NJ304N1099	N/A	174,175	7/1/18 - 6/30/19	(9,990)			9,990				-		
Special Milk Program	10.556	201NJ304N1099	N/A	1,414	7/1/19 - 6/30/20				1,414	(1,414)			-		
Special Milk Program	10.556	191NJ304N1099	N/A	1,970	7/1/18 - 6/30/19	(133)			133				-		
Total Enterprise Fund						(10,123)	-	-	195,519	(186,941)	-	-	(1,545)	-	-
Total Federal Awards						\$ (88,290)	\$ -	\$ -	\$ 1,044,210	\$ (1,160,026)	\$ -	\$ -	\$ (204,106)	\$ -	\$ -

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, 2020

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	Balance at June 30, 2019		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2020		
				Deferred Revenue (Accts. Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
State Department of Education												
<u>General Fund:</u>												
Equalization Aid	20-495-034-5120-078	\$ 7,746,535	7/1/19 - 6/30/20	\$ -	\$ -	\$ -	\$ 7,005,266	\$ (7,746,535)	\$ -	\$ (741,269)	\$ -	\$ -
Equalization Aid	19-495-034-5120-078	7,371,587	7/1/18 - 6/30/19	(688,284)	-	-	688,284	-	-	-	-	-
Special Education Categorical Aid	20-495-034-5120-089	1,385,471	7/1/19 - 6/30/20	-	-	-	1,252,895	(1,385,471)	-	(132,576)	-	-
Special Education Categorical Aid	19-495-034-5120-089	1,385,471	7/1/18 - 6/30/19	(129,361)	-	-	129,361	-	-	-	-	-
Security Aid	20-495-034-5120-084	57,475	7/1/19 - 6/30/20	-	-	-	51,975	(57,475)	-	(5,500)	-	-
Security Aid	19-495-034-5120-084	57,475	7/1/18 - 6/30/19	(5,366)	-	-	5,366	-	-	-	-	-
Transportation Aid	20-495-034-5120-014	483,083	7/1/19 - 6/30/20	-	-	-	436,857	(483,083)	-	(46,226)	-	-
Transportation Aid	19-495-034-5120-014	483,083	7/1/18 - 6/30/19	(45,106)	-	-	45,106	-	-	-	-	-
Nonpublic Transportation Aid	20-103190	322	7/1/19 - 6/30/20	-	-	-	-	(322)	-	(322)	-	-
Nonpublic Transportation Aid	19-103190	24,908	7/1/18 - 6/30/19	(24,908)	-	-	24,908	-	-	-	-	-
Extraordinary Aid	20-495-034-5120-044	641,759	7/1/19 - 6/30/20	-	-	-	-	(641,759)	-	(641,759)	-	-
Extraordinary Aid	19-495-034-5120-044	444,125	7/1/18 - 6/30/19	(444,125)	-	-	444,125	-	-	-	-	-
Homelss Tuition Aid	20-495-034-5120-005	45,291	7/1/19 - 6/30/20	-	-	-	-	(45,291)	-	(45,291)	-	-
On Behalf TPAF Pension Contributions	20-495-034-5094-002	4,097,981	7/1/19 - 6/30/20	-	-	-	4,097,981	(4,097,981)	-	-	-	-
On Behalf TPAF Post Retirement Medical	20-495-034-5094-001	1,520,276	7/1/19 - 6/30/20	-	-	-	1,520,276	(1,520,276)	-	-	-	-
On Behalf TPAF Pension LTDI	20-495-034-5094-004	2,732	7/1/19 - 6/30/20	-	-	-	2,732	(2,732)	-	-	-	-
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	1,445,560	7/1/19 - 6/30/20	-	-	-	1,373,876	(1,445,560)	-	(71,684)	-	-
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	1,410,274	7/1/18 - 6/30/19	(68,691)	-	-	68,691	-	-	-	-	-
Total General Fund				(1,405,841)	-	-	17,147,699	(17,426,485)	-	(1,684,627)	-	-
<u>Special Revenue Fund</u>												
N.J. Nonpublic Aid:												
Textbook Aid	20-100-034-5120-064	14,707	7/1/19 - 6/30/20	-	-	-	14,707	(8,840)	-	-	-	5,867
Textbook Aid	19-100-034-5120-064	16,607	7/1/18 - 6/30/19	-	-	174	-	-	(174)	-	-	-
Technology Aid	20-100-034-5120-373	10,044	7/1/19 - 6/30/20	-	-	-	10,044	(10,028)	-	-	-	16
Technology Aid	19-100-034-5120-373	11,196	7/1/18 - 6/30/19	-	-	19	-	-	(19)	-	-	-
Nursing Aid	20-100-034-5120-070	27,354	7/1/19 - 6/30/20	-	-	-	27,354	(27,354)	-	-	-	-
Security Aid	20-100-034-5120-509	42,300	7/1/19 - 6/30/20	-	-	-	42,300	(14,805)	-	-	-	27,495
Security Aid	19-100-034-5120-509	46,800	7/1/18 - 6/30/19	-	-	11,448	-	-	(11,448)	-	-	-
Auxiliary Services:												
Compensatory Education	20-100-034-5120-067	44,209	7/1/19 - 6/30/20	-	-	-	39,581	(31,714)	-	(4,628)	-	12,495
Compensatory Education	19-100-034-5120-067	57,530	7/1/18 - 6/30/19	-	-	3,048	-	-	(3,048)	-	-	-
ESL	20-100-034-5120-067	827	7/1/19 - 6/30/20	-	-	-	735	(496)	-	(92)	-	331
ESL	19-100-034-5120-067	431	7/1/18 - 6/30/19	-	-	172	-	-	(172)	-	-	-
Home Instruction	20-100-034-5120-067	2,500	7/1/19 - 6/30/20	-	-	-	-	(355)	-	(355)	-	-
Home Instruction	19-100-034-5120-067	651	7/1/18 - 6/30/19	(651)	-	-	651	-	-	-	-	-
Handicapped Services:												
Examination & Classification	20-100-034-5120-066	25,088	7/1/19 - 6/30/20	-	-	-	22,580	(18,028)	-	(2,508)	-	7,060
Examination & Classification	19-100-034-5120-066	31,679	7/1/18 - 6/30/19	-	-	9,463	-	-	(9,463)	-	-	-
Corrective Speech	20-100-034-5120-066	30,988	7/1/19 - 6/30/20	-	-	-	27,889	(4,557)	-	(3,099)	-	26,431
Corrective Speech	19-100-034-5120-066	31,248	7/1/18 - 6/30/19	-	-	15,267	-	-	(15,267)	-	-	-
Supplemental Instruction	20-100-034-5120-066	21,856	7/1/19 - 6/30/20	-	-	-	19,670	-	-	(2,186)	-	21,856
Supplemental Instruction	19-100-034-5120-066	18,238	7/1/18 - 6/30/19	-	-	9,516	-	-	(9,516)	-	-	-
Total Special Revenue Fund				(651)	49,107	-	205,511	(116,177)	(49,107)	(12,868)	-	101,551

(Continued)

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2020

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	Balance at June 30, 2019			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2020		
				Deferred Revenue (Accts. Receivable)	Due to Grantor	Carryover (Walkover) Amount				(Accounts Receivable)	Deferred Revenue	Due to Grantor
Debt Service Fund												
Debt Service Aid Type II	20-100-034-5120-017	\$ 673,458	7/1/19 - 6/30/20	\$ -	\$ -	\$ -	\$ 673,458	\$ (673,458)	\$ -	\$ -	\$ -	\$ -
State Department of Agriculture												
Enterprise Fund:												
State School Lunch Program	20-100-010-3350-023	6,644	7/1/19 - 6/30/20				4,887	(6,644)		(1,757)	-	-
State School Lunch Program	19-100-010-3350-023	7,240	7/1/18 - 6/30/19	(421)			421			-		-
Total Enterprise Fund				(421)	-	-	5,308	(6,644)	-	(1,757)	-	-
Total State Financial Assistance				\$ (1,406,913)	\$ 49,107	\$ -	\$ 18,031,976	\$ (18,222,764)	\$ (49,107)	\$ (1,699,252)	\$ -	\$ 101,551
Less: State Financial Expenditures Not Subject to Major Program Determination												
On-Behalf TPAF Contribution - Pension (Non-Budgeted)									(4,097,981)			
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted)									(1,520,276)			
On Behalf TPAF Pension LTDI									(2,732)			
Total State Financial Expenditures Subject to Major Program Determination									\$ (12,601,775)			

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, 2020

1. GENERAL

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

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The school district has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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 more 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 (\$57,454) 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.

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 39,787	\$ 17,369,031	\$ 17,408,818
Special Revenue	933,298	116,177	1,049,475
Debt Service		673,458	673,458
Food Service	186,941	6,644	193,585
	<u>\$ 1,160,026</u>	<u>\$ 18,165,310</u>	<u>\$ 19,325,336</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, 2020
(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, 2020. 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, 2020.

6. MAJOR PROGRAMS

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

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Section I --Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 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>H027A190100</u>	<u>IDEA Part B - Basic</u>
<u>84.173</u>	<u>H173A190114</u>	<u>IDEA Part B - Preschool</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </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, 2020

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>20-495-034-5120-078</u>	State Aid Public Cluster: <u>Equalization Aid</u>
<u>20-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>20-495-034-5120-084</u>	<u>Security Aid</u>
<u>20-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u> </u>	<u> </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, 2020**

Section 2 -- Schedule of Financial Statement Findings

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

No findings identified.

**CINNAMINSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by 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 Circular 15-08-OMB.

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 financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, 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 Circular 15-08-OMB.

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.