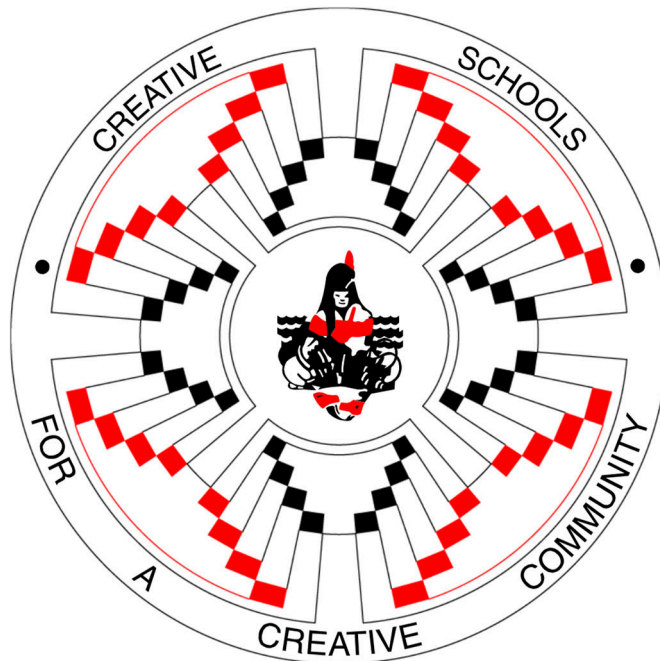


**Board of Education
of
Cinnaminson Township
School District
Cinnaminson, New Jersey**



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**For the Fiscal Year Ended
JUNE 30, 2022**

**Annual Comprehensive
Financial Report**

of the

**Cinnaminson Township
Board of Education**

Cinnaminson, New Jersey

For the Fiscal Year Ended June 30, 2022

**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

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

Dear Board Members:

The Annual Comprehensive Financial Report of the Cinnaminson Township Public Schools for the fiscal year ended June 30, 2022, 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 Annual Comprehensive 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 grade curricula, including: gifted and talented, special education and basic skills. The current average daily enrollment of 2,733.82 students is 14.22 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>
2021 - 2022	2,733.8	.05%
2020 - 2021	2,719.6	1.22%
2019 - 2020	2,686.8	5.17%
2018 – 2019	2,554.5	2.44%
2017 – 2018	2,493.4	.77%
2016 – 2017	2,474.5	1.45%
2015 – 2016	2,439.1	1.10%
2014 – 2015	2,412.6	2.10%
2013 – 2014	2,363.1	.12%
2012 – 2013	2,360.2	.2%

2. ECONOMIC CONDITIONS AND OUTLOOK

Cinnaminson Township continues to be a desirable, high-performing district. The 2022-23 state aid increased by \$3,162,474 or 25.2% and had provided the necessary funds to maintain and, where appropriate, add to the instructional staff as well as continue a quality instructional program. 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, ELL, and special program needs.

3. MAJOR INITIATIVES

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

The necessary funds to maintain and, where appropriate, add augment instructional staff as well as continue a quality instructional program has been possible with significant local effort and continued state support. State financial aid, particularly over the past two years, has made a significant impact. Our district’s General Fund continues to address curricular improvements and supports in line with the New Jersey Learning Standards, purchase of instructional materials and supplemental resources that align with NJSL, and ongoing staff development.

In addition, the district has continued to support its ELL population as the student numbers have increased by more than 300% since the 2017-18 school year. The district has added two full-time ELL teachers in that time span and has offered ongoing professional development programs for our teaching staff.

The district’s educational program is complemented by a robust extracurricular program. With 26 varsity athletic programs available to our high school students, and 19 athletic programs available to students at Cinnaminson Middle School, many opportunities are in place for student athletes. Additionally, students at the Eleanor Rush Intermediate School, Cinnaminson Middle School and Cinnaminson High School are afforded a host of after-school clubs and activities to meet a range of

interests. Offerings in the arts rival that of much larger districts as extracurriculars in the fine, practical, and performing arts allow students to explore their creative pursuits. To date, the Cinnaminson Board of Education has resisted a participation fee for the aforementioned programs.

With the growing population of our preschool aged students needing Special Education programming and related services, our preschool program has expanded from one class to three in the past three years. Due to this expansion, preschool has been relocated to the Memorial School. Over the next two years, renovations and upgrades to the preschool classrooms and outdoor play area will take place in incremental phases to ensure that the needs of our students are being met.

Additionally, the growing population of preschool students over the past three years has made an impact on our Multiple Disabilities programs in New Albany School. Our Integrated Kindergarten class, MD Kindergarten class, and MD 1st/2nd grade classes are all increasing from one class to two classes for the 2022-2023 school year. It is anticipated that this increase will continue to have an impact on the future grades as the students get older.

The increased enrollment also has a direct impact on related services. The District has hired an additional part-time Speech Therapist who was quickly moved to full-time due to the need for additional Speech Services. The District contracts for both Occupational and Physical Therapies. The need for these services has also increased due to the growing population of special needs students in the primary years.

The continued funding levels from the State have provided funds to assist with the creation of a Multiple Disability Program and Behavior Disability Program for the buildings, and the hiring and training of District ABA technicians to support the ever-growing needs of students. The BD and MD classes 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 a few years are still in place.

The district continues to invest in its technology infrastructure to accommodate continuing growth in demands and the increasing necessity of technology for instruction. Chromebooks were purchased for instructional staff to facilitate online instruction during the pandemic and for classroom use when students and staff returned to our buildings. The district's internet connection has been increased along with upgrades to the underlying hardware to keep pace with demands. Interactive displays have been installed in many classrooms at Eleanor Rush Intermediate School and New Albany Elementary School with the remaining classrooms still ahead.

In order to build professionalism, district and grant funds are allocated for continued training in curricular and pedagogical matters. District leaders work collaboratively with teacher leaders to shape the district's implementation of the AchieveNJ mandates regarding teacher evaluation, SGOs, mSGPs, and professional development. The District uses the Danielson rubric as its teacher evaluation tool and the NJPEPL framework for school leaders. The district's professional development offerings range from in-house, building and department-level activities to web-based and outside training for our certificated staff. District training sessions have included and will continue to focus on: implementation of the 2020 NJSLS, assessing our assessments, data collection and analysis, integration of technology, mental health issues for staff and students and topics related to diversity and inclusion.

The Cinnaminson community supported and approved a \$40 million referendum in September, 2014. The Cinnaminson High School has been renovated and expanded. This work included new secured entrance vestibules, new electric and HVAC systems, new fire and crisis alarm systems, ADA compliant elevator and joining second floor wings, auditorium upgrades, new science lab, and roof replacement. In addition, a “state of the art” gymnasium was approved in the referendum and has been available for student and community use since September, 2016. The referendum also included the construction of secured entrance vestibules for the Middle School, Rush Intermediate and New Albany schools and related work were approved.

Over the past summer months some of the facility upgrades included concrete repairs, replacement of floor tile at New Albany schools. New Albany and Rush School kitchens received a freshly painted slip resistant floor surface. Also, New Albany and Rush School parking lots were repaved. The replacement of the Middle School rooftop HVAC units is underway and expected to be completed by the end of the school year. We have planned for these units as well as the HVAC units at the High School to receive ionization filtration systems. In addition, the district has been moving forward with planning, amending the LRFP, and submitting the application to the DOE for the installation of modular learning cottages for both New Albany and Rush Intermediate Schools to handle the growing student population.

Also, the 2021-22 budget plans for continued upgrades throughout the facilities including the testing of potable drinking water and maintaining the HVAC systems.

Additionally, the 2022-2023 budget calls for the replacement of the underground gasoline and diesel fuels tanks at Cinnaminson High School. This capital improvement project will relocate these tanks above ground to ease long-term maintenance and operation.

The district continues to plan for the increases in student growth from the Riverfront properties in order to maintain state aid support of the 2021-22 budget. As new staff move into the NJ Educators Health Plan (NJEHP), the cost-share portion that the district is responsible for has increased and the previous Chapter 78 contribution loss negatively impacts district spending. To date, the district has experienced an approximately \$300,000 decrease in employee contributions. We have managed to maintain single digit increases in employee benefits due to the low experience ratings and from participation from the School Health Insurance Fund (SHIF).

The district maintains a shared service arrangement with Cinnaminson Township for security services. Four Class-3 Special Law Enforcement Officers are employed through this agreement. These officers are charged with providing School Resource Officer services for students and staff in the district.

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 have occurred frequently to meet NJ QSAC expectations. The district uses the Savvas program for grades K-5. 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 K-12 curriculum in the summer of 2021 to meet the Next Generation Science Standards and the updated 2020 NJSL. 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 have occurred frequently to meet NJ QSAC expectations. 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. The district now uses Benchmark Advance 2021 as the primary resource for grades K-5. 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, and African-American Literature 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 have occurred frequently to meet NJ QSAC expectations. Summer curriculum writing in 2022 will further update our program to reflect the newest iteration of the NJSL. 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, World 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, Human Behavior, Sociology, and Introduction to Economics. 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 two classes in the high school: Introduction to Economics and Financial Readiness. A Financial Literacy course also runs in our middle school. 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 have occurred frequently to meet NJ QSAC expectations. Summer curriculum writing in 2021 and 2022 will further update our program to reflect the newest iteration of the NJSL. 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 have occurred frequently to meet NJ QSAC expectations. Summer curriculum writing in 2022 will further update our program to reflect the newest iteration of the NJSL. 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 multilingual 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. Exposure to Spanish begins 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 have occurred frequently to meet NJ QSAC expectations. Summer curriculum writing in 2021 updated our program to reflect the newest iteration of the NJSLS. 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 & Careers 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 have occurred frequently to meet NJ QSAC expectations. Summer curriculum writing in 2022 will further update our program to reflect the newest iteration of the NJSLS. 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 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 on June 30, 2022.

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.

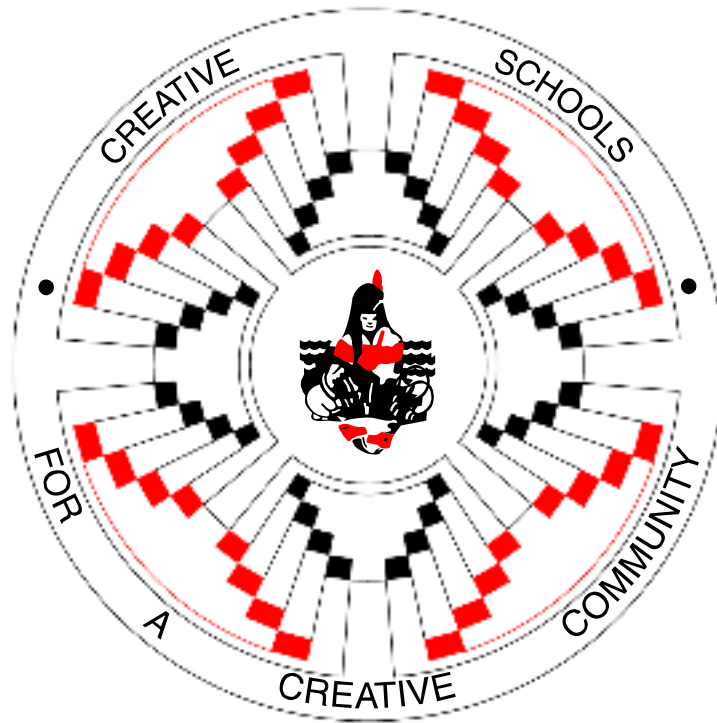
10. ACKNOWLEDGEMENTS

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


Melissa Livengood
Board Secretary/Business Administrator



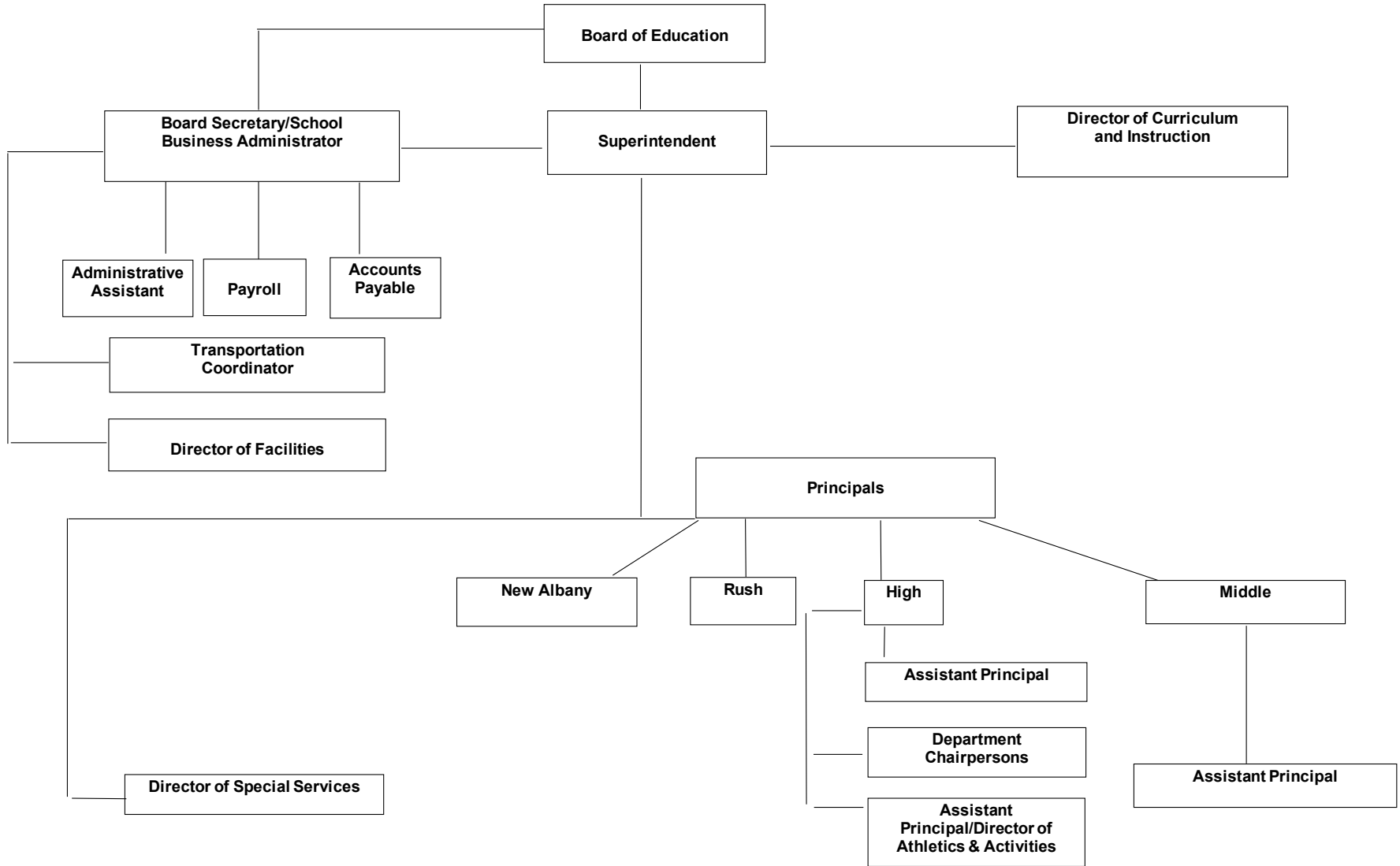
MISSION STATEMENT

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, 2022**

	<u>Term Expires</u>
Laura Fitzwater, President	2024
Christine L. Turner, Vice President	2022
Michael Bramhall	2022
Daniel P. Gaffney	2023
Donna Marie Iacone	2024
Ed Kenney	2023
James J. McGuckin, Jr.	2024
Kathleen Quinn	2023
Christine R. Trampé	2022

Other Officials

Stephen M. Cappello, Superintendent
Melissa Livengood, Business Administrator/Board Secretary
Mark Gidjunis, Treasurer
Frank Cavallo, Esq., Solicitor

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

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

Attorney

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

Official Depository

Truist Bank
800 North Route 130
Cinnaminson, NJ 08077

Financial Section

INVERSO & STEWART, LLC

Certified Public Accountants

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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 (the "District"), in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the District, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Emphasis of Matter

Adoption of New Accounting Principle

As discussed in Note 21 to the financial statements, during the fiscal year ended June 30, 2022, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. My opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* and in accordance with accounting principles and practices prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions and other post-employment benefits, 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.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 January 30, 2023, on my consideration of the District’s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



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

Marlton, New Jersey
January 30, 2023

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Cinnaminson Township School District
For the Fiscal Year Ended June 30, 2022
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, 2022. 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 \$15,173,763 (*net position*).
- Governmental activities have an unrestricted net position deficit of \$14,654,727. 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 4% 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 \$5,383,554 or a 54.99% increase from the prior fiscal year-end balance.
- Fund balance of the School District's governmental funds increased by \$1,932,527 resulting in an ending fund balance of \$16,113,463. This increase is primarily due to the results of operations in the General Fund.
- Business-type activities have unrestricted net position of \$947,461, 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 \$5,519,985 which is the net result of the reduction of serial bond debt, net pension liability, 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 2023. 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 2023.

The assets of the primary government activities exceeded liabilities by \$14,048,264 with an unrestricted deficit balance of \$14,654,727. The net position of the primary government does not include internal balances.

A net investment of \$15,037,513 in land, improvements, buildings, equipment and vehicles which provide the services to the School District's 2,734 public school students, represents 107.04% of the School District's net position. Net position of \$3,618,856 has been restricted to provide resources for future capital expansion and renovation projects, \$2,560,464 for maintenance reserve, \$400 has been reserved for repayment of debt, \$6,472,098 has been restricted for future budget appropriations, \$483,867 has been reserved for unemployment compensation, \$466,073 is reserved for student activities, \$400 is reserved for debt service, and \$63,720 is reserved for scholarships.

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 4% of its adopted budget as unrestricted fund balance.

**Cinnaminson Township School District
Comparative Summary of Net Position
As of June 30, 2022 and 2021**

	Governmental Activities		Business-Type Activities		District-Wide	
	2022	2021	2022	2021	2022	2021
ASSETS						
Current assets	\$ 17,696,138	\$ 17,311,163	\$ 1,237,241	\$ 609,163	\$ 18,933,379	\$ 17,920,326
Capital assets	48,272,991	49,169,699	178,038	173,013	48,451,029	49,342,712
Total assets	65,969,129	66,480,862	1,415,279	782,176	67,384,408	67,263,038
Deferred Outflows of Resources	1,705,365	2,823,651			1,705,365	2,823,651
LIABILITIES						
Current liabilities	5,114,159	6,566,263	289,780	125,781	5,403,939	6,692,044
Noncurrent liabilities	42,330,552	47,762,209			42,330,552	47,762,209
Total Liabilities	47,444,711	54,328,472	289,780	125,781	47,734,491	54,454,253
Deferred Inflows of Resources	6,181,519	5,842,227			6,181,519	5,842,227
Net Position	\$ 14,048,264	\$ 9,133,814	\$ 1,125,499	\$ 656,395	\$ 15,173,763	\$ 9,790,209
Net Position Consists of:						
Net investment in Capital Assets	\$ 15,037,513	\$ 14,264,304	\$ 178,038	\$ 173,013	\$ 15,215,551	\$ 14,437,317
Restricted Assets	13,665,478	11,739,027			13,665,478	11,739,027
Unrestricted Assets	(14,654,727)	(16,869,517)	947,461	483,382	(13,707,266)	(16,386,135)
Net Position	\$ 14,048,264	\$ 9,133,814	\$ 1,125,499	\$ 656,395	\$ 15,173,763	\$ 9,790,209

Cinnaminson Township School District
Comparative Schedule of Changes in Net Position
As of and for the Fiscal Years Ended June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		District-Wide	
	2022	2021	2022	2021	2022	2021
Revenues:						
Charges for services	\$ 1,851,075	\$ -	\$ 453,124	\$ 116,446	\$ 2,304,199	\$ 116,446
Operating Grants and contributions	22,319,422	26,105,865	1,363,964	261,444	-	-
Property taxes	37,239,437	36,843,156			37,239,437	36,843,156
State aid - unrestricted	14,068,504	12,160,231			14,068,504	12,160,231
Other revenues	125,236	2,025,368	605	1,115	125,841	2,026,483
Total Revenues	75,603,674	77,134,620	1,817,693	379,005	77,421,367	77,513,625
Expenses:						
Governmental Activities:						
Instruction	24,435,115	23,010,824			24,435,115	23,010,824
Tuition	1,319,281	973,467			1,319,281	973,467
Related Services	7,176,310	6,307,209			7,176,310	6,307,209
Administrative Services	2,655,905	2,589,590			2,655,905	2,589,590
Operations and Maintenance	3,912,441	4,840,841			3,912,441	4,840,841
Transportation	3,261,860	2,671,187			3,261,860	2,671,187
Central services	1,115,341	1,082,314			1,115,341	1,082,314
Employee benefits	25,670,589	31,045,809			25,670,589	31,045,809
Charter Schools	18,120				18,120	-
Interest on debt	1,035,875	991,975			1,035,875	991,975
Other	88,387	108,106			88,387	108,106
Business-Type Activities:						
Food Service			1,066,228	316,888	1,066,228	316,888
School Store			11,526	4,719	11,526	4,719
School Age Child Care			270,835	287,650	270,835	287,650
Total Expenses	70,689,224	73,621,322	1,348,589	609,257	72,037,813	74,230,579
Increase (Decrease) in Net Position before transfers	4,914,450	3,513,298	469,104	(230,252)	5,383,554	3,283,046
Transfers						
Change in Net Position	4,914,450	3,513,298	469,104	(230,252)	5,383,554	3,283,046
Net Position, July 1	9,133,814	4,744,367	656,395	886,647	9,790,209	5,631,014
Prior Period Adjustment		876,149			-	876,149
Net Position, July 1 Restated	9,133,814	5,620,516	656,395	886,647	9,790,209	6,507,163
Net Position, June 30	<u>\$14,048,264</u>	<u>\$ 9,133,814</u>	<u>\$1,125,499</u>	<u>\$ 656,395</u>	<u>\$15,173,763</u>	<u>\$ 9,790,209</u>

Governmental Activities

Governmental activities increased the net position of the School District by \$4,914,450 during the current fiscal year. Key elements of the increase in net position for governmental activities are as follows:

- Results of operations in the Governmental funds was a gain of \$1,932,527.

Business-type Activities

Business-type activities increased the School District's net position by \$469,104. 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 \$27,915, the Food Service Fund had a net gain of \$494,286 and School Store had a net gain of \$2,733.

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 \$16,113,463, an increase of \$1,932,527 in comparison with the prior year. This increase is primarily due to the results of operations in the General Fund and a prior period adjustment.

The unassigned fund balance for the School District at the end of the fiscal year includes unassigned fund balance for the General Fund of \$1,368,621. 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 \$3,618,856, 2) \$2,560,464 maintenance reserve, 3) \$400 reserved for repayment of debt, 4) \$588,534 appropriated as a revenue source in the subsequent year's budget, 5) \$490,830 reserved for encumbrances, 6) \$483,867 reserved for unemployment compensation, 7) \$466,073 reserved for student activities, 8) \$63,720 reserved for scholarships, and 9) \$6,472,098 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 4% 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 \$2,545,964 while total fund balance (budgetary basis) was \$16,760,613. 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 \$60,350,219. Unreserved fund balance (budgetary basis) represents 4.22% of expenditures while total fund balance (budgetary basis) represents 27.77% 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, 2022, totaled \$48,388,437 (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 \$954,275 or a 0.19% decrease. The decrease is primarily due to depreciation and acquisition of new assets.

**Capital Assets/Lease (net of accumulated depreciation/amortization)
June 30, 2022 and 2021**

	Governmental Activities		Business-Type Activities		District-Wide	
	2022	2021	2022	2021	2022	2021
Land	\$ 4,252,300	\$ 4,252,300	\$ -	\$ -	\$ 4,252,300	\$ 4,252,300
Building and Building Improvements	40,997,011	42,043,102			40,997,011	42,043,102
Equipment	2,961,088	2,874,297	178,038	173,013	3,139,126	3,047,310
Leases	62,592	101,717			62,592	101,717
Net Assets	<u>\$ 48,272,991</u>	<u>\$49,271,416</u>	<u>\$ 178,038</u>	<u>\$173,013</u>	<u>\$48,451,029</u>	<u>\$ 49,444,429</u>

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

Long-term debt – During the fiscal year ended June 30, 2022, the School District had \$32,300,000 in serial bonds payable, \$871,711 in capital leases, and \$1,687,490 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 \$75,316,686. The available amount as of June 30, 2022 is \$43,016,686.

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 2022-23 fiscal year.

- For the 2022-23 fiscal year the School District will be receiving a slight increase in state aid. The local tax levy in the General Fund increased by \$351,928 or a 1.00% increase. The 2022-23 General Fund Budget is \$5,046,380 more than the previous year.
- The tax rate for 2022 is \$2.318, which is an increase of 0.09 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, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 9,636,239	\$ 1,124,743	\$ 10,760,982
Receivables, net	1,881,207	96,004	1,977,211
Inventory		15,866	15,866
Internal Balances	(628)	628	
Restricted assets:			
Cash and cash equivalents	6,179,320		6,179,320
Capital assets, net	48,210,399	178,038	48,388,437
Right-to-use lease assets, net	62,592		62,592
Total Assets	65,969,129	1,415,279	67,384,408
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	1,705,365	-	1,705,365
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	67,674,494	1,415,279	69,089,773
LIABILITIES:			
Accounts payable:			
Other	1,757,844		1,757,844
Related to pensions	1,043,229		1,043,229
Intergovernmental Accounts payable:			
State	54,069		54,069
Internal Balances	(250,407)	250,407	-
Accrued Liabilities:			
Interest payable	342,500		342,500
Unearned revenue	21,169	39,373	60,542
Noncurrent liabilities:			
Due within one year	2,145,755		2,145,755
Due beyond one year	42,330,552		42,330,552
Total Liabilities	47,444,711	289,780	47,734,491
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows of resources from pensions	6,181,519	-	6,181,519
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	53,626,230	289,780	53,916,010
NET POSITION:			
Net investment in capital assets	15,037,513	178,038	15,215,551
Restricted for:			
Capital projects	3,618,856		3,618,856
Maintenance	2,560,464		2,560,464
Excess Surplus	6,472,098		6,472,098
Unemployment Compensation	483,867		483,867
Debt Service	400		400
Student Activities	466,073		466,073
Scholarships	63,720		63,720
Unrestricted (Deficit)	(14,654,727)	947,461	(13,707,266)
Total Net Position	\$ 14,048,264	\$ 1,125,499	\$ 15,173,763

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, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 16,698,670	\$ 489,080	\$ 870,619	\$ -	\$ (15,338,971)	\$ -	\$ (15,338,971)
Special Education	4,104,583		616,067		(3,488,516)		(3,488,516)
Other instruction	3,631,862				(3,631,862)		(3,631,862)
Support Services:							
Tuition	1,319,281				(1,319,281)		(1,319,281)
Student & instruction related services	7,176,310		1,107,384		(6,068,926)		(6,068,926)
General administrative services	865,357				(865,357)		(865,357)
School administrative services	1,790,548				(1,790,548)		(1,790,548)
Central administrative services	1,115,341				(1,115,341)		(1,115,341)
Plant operations and maintenance	3,912,441				(3,912,441)		(3,912,441)
Pupil transportation	3,261,860	1,361,995	65,446		(1,834,419)		(1,834,419)
Unallocated employee benefits	25,670,589		19,659,906		(6,010,683)		(6,010,683)
Transfer of funds to Charter Schools	18,120				(18,120)		(18,120)
Interest on long-term debt	1,035,875				(1,035,875)		(1,035,875)
Unallocated depreciation and amortization	88,387				(88,387)		(88,387)
Total Governmental Activities	<u>70,689,224</u>	<u>1,851,075</u>	<u>22,319,422</u>	<u>-</u>	<u>(46,518,727)</u>	<u>-</u>	<u>(46,518,727)</u>
Business-Type Activities:							
Food service	1,066,228	196,233	1,363,964	-	-	493,969	493,969
School age child care	270,835	242,638		-	-	(28,197)	(28,197)
School store	11,526	14,253		-	-	2,727	2,727
Total Business-Type Activities	<u>1,348,589</u>	<u>453,124</u>	<u>1,363,964</u>	<u>-</u>	<u>-</u>	<u>468,499</u>	<u>468,499</u>
Total Primary Government	<u>\$ 72,037,813</u>	<u>\$ 2,304,199</u>	<u>\$ 23,683,386</u>	<u>\$ -</u>	<u>(46,518,727)</u>	<u>468,499</u>	<u>(46,050,228)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					35,192,794		35,192,794
Taxes levied for debt service					2,046,643		2,046,643
Federal and State aid unrestricted					14,068,504		14,068,504
Investment and Interest earnings - restricted					8,119		8,119
Miscellaneous					117,117	605	117,722
Special Items:							
Transfer							-
Total general revenues, special items, extraordinary items and transfers					<u>51,433,177</u>	<u>605</u>	<u>51,433,782</u>
Change in Net Position					4,914,450	469,104	5,383,554
Net Position - July 1,					<u>9,133,814</u>	<u>656,395</u>	<u>9,790,209</u>
Net Position - June 30					<u>\$ 14,048,264</u>	<u>\$ 1,125,499</u>	<u>\$ 15,173,763</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, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 15,285,366	\$ 529,793	\$ -	\$ 400	\$ 15,815,559
Interfund Accounts Receivable					
Special Revenue Fund	149,092				149,092
Enterprise Fund	250,407				250,407
Intergovernmental Accounts Receivables:					
State	1,372,197				1,372,197
Federal		257,060			257,060
Other	249,089				249,089
Other Accounts Receivable		2,861			2,861
Total Assets	17,306,151	789,714		400	18,096,265
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Accounts Payable					
General Fund		149,092			149,092
Enterprise Fund	628				628
Intergovernmental Accounts Payable:					
State		54,069			54,069
Accounts Payable:					
Payroll Deductions and Withholdings Payable	199,078				199,078
Unemployment Claims Payable	76,125				76,125
Other	1,443,642	38,999			1,482,641
Unearned Revenue	3,408	17,761			21,169
Total Liabilities	1,722,881	259,921		-	1,982,802
Fund Balances:					
Restricted:					
Capital Reserve	3,618,856				3,618,856
Maintenance Reserve	2,560,464				2,560,464
Excess Surplus	6,472,098				6,472,098
Unemployment Compensation	483,867				483,867
Debt Service				375	375
Student Activities		466,073			466,073
Scholarships		63,720			63,720
Assigned to:					
Other Purposes	490,830				490,830
Designated for Subsequent Year's Expenditure:				25	588,559
Unassigned	1,368,621				1,368,621
Total Fund Balances	15,583,270	529,793		400	16,113,463
Total Liabilities and Fund Balances	\$ 17,306,151	\$ 789,714	\$ -	\$ 400	

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 \$84,344,056 and the accumulated depreciation is \$36,133,657. 48,210,399

Leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$101,717 and the accumulated amortization is \$39,125. 62,592

Accounts payable related to the April 1, 2023 required PERS contribution that is not to be liquidated with current financial resources. (1,043,229)

Accrued interest is not due and payable in the current period and, therefore is not reported as a liability in the funds. (342,500)

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

Deferred Outflows of resources from Pensions	\$ 1,705,365	
Net Pension Liability	(9,553,339)	
Deferred Inflows of resources from Pensions	<u>(6,181,519)</u>	(14,029,493)

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	(32,300,000)	
Financed Purchases Payable	(871,711)	
Leases Payable	(63,767)	
Compensated Absences	<u>(1,687,490)</u>	<u>(34,922,968)</u>

Net position of governmental activities \$ 14,048,264

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
for the Fiscal Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local property tax levy	\$ 35,192,794	\$ -	\$ -	\$ 2,046,643	\$ 37,239,437
Tuition charges	489,080				489,080
Transportation fees	1,361,995				1,361,995
Maintenance reserve interest	1,727				1,727
Capital reserve interest	5,980				5,980
Other restricted miscellaneous revenues	412				412
Miscellaneous	117,117				117,117
Federal sources	37,748	1,890,962			1,928,710
State sources	24,581,577	185,580		680,487	25,447,644
Local sources		601,243			601,243
Total revenues	61,788,430	2,677,785		2,727,130	67,193,345
EXPENDITURES:					
Current:					
Regular instruction	14,805,378	870,619			15,675,997
Special education instruction	3,488,516	616,067			4,104,583
Other instruction	3,631,862				3,631,862
Support services and undistributed costs:					
Tuition	1,319,281				1,319,281
Student & instruction related services	6,158,390	1,017,920			7,176,310
General administrative services	859,488				859,488
School administrative services	1,790,548				1,790,548
Central services	644,406				644,406
Administrative technology services	468,979				468,979
Plant operations and maintenance	4,084,806				4,084,806
Pupil transportation	2,996,700				2,996,700
Employee benefits	19,225,865	18,269			19,244,134
Capital outlay	857,880	65,446			923,326
Transfer of funds to Charter Schools	18,120				18,120
Debt service:					
Principal				1,675,000	1,675,000
Interest and other charges				1,052,625	1,052,625
Total expenditures	60,350,219	2,588,321		2,727,625	65,666,165
Excess (deficiency) of revenues over (under) expenditures	1,438,211	89,464		(495)	1,527,180
Other Financing Sources (Uses):					
Proceeds of Financed Purchase	405,347				405,347
Transfer in					-
Transfer out					-
Total other financing sources (uses)	405,347	-	-	-	405,347
Net change in fund balance	1,843,558	89,464		(495)	1,932,527
Fund balance, July 1	13,739,712	440,329		895	14,180,936
Fund balance, June 30	<u>\$ 15,583,270</u>	<u>\$ 529,793</u>	<u>\$ -</u>	<u>\$ 400</u>	<u>\$ 16,113,463</u>

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, 2022

Total net change in fund balances - governmental funds (from B-2)		\$ 1,932,527
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p>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	\$ (1,767,733)	
Capital outlay	808,433	(959,300)
<p>Capital outlays related to leases 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 amortization expense. This is the amount by which capital outlays exceeded amortization in the current fiscal year.</p>		
Amortization expense	(39,125)	
Lease Asset Additions	-	(39,125)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities.		1,675,000
Repayment of leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		37,950
The issuance of a financed purchase increases long-term liabilities, however has no effect on fund balance.		(405,347)
Repayment of financed purchases 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.		464,031
Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.		1,983,874
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		16,750
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 (+).		208,090
Change in net position of governmental activities		\$ 4,914,450

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, 2022

	Business-type Activities			Total
	Enterprise Funds			
	Food Service Fund	School Age Child Care Program	School Store	
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 724,958	\$ 388,175	\$ 11,610	\$ 1,124,743
Accounts receivable	96,004	-	-	96,004
Interfund receivable	628	-	-	628
Inventories	11,787	-	4,079	15,866
Total current assets	<u>833,377</u>	<u>388,175</u>	<u>15,689</u>	<u>1,237,241</u>
Noncurrent assets:				
Equipment	615,655	29,123	-	644,778
Less accumulated depreciation	<u>(442,492)</u>	<u>(24,248)</u>	<u>-</u>	<u>(466,740)</u>
Total noncurrent assets	<u>173,163</u>	<u>4,875</u>	<u>-</u>	<u>178,038</u>
Total assets	<u><u>\$1,006,540</u></u>	<u><u>\$ 393,050</u></u>	<u><u>\$ 15,689</u></u>	<u><u>\$ 1,415,279</u></u>
LIABILITIES:				
Current liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Interfunds payable	250,407	-	-	250,407
Unearned revenue	19,293	20,080	-	39,373
Total liabilities	<u>269,700</u>	<u>20,080</u>	<u>-</u>	<u>289,780</u>
NET POSITION:				
Net investment in capital assets	173,163	4,875	-	178,038
Unrestricted	<u>563,677</u>	<u>368,095</u>	<u>15,689</u>	<u>947,461</u>
Total net position	<u><u>\$ 736,840</u></u>	<u><u>\$ 372,970</u></u>	<u><u>\$ 15,689</u></u>	<u><u>\$ 1,125,499</u></u>

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, 2022

	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	\$ -	\$ -	\$ -	\$ -
Daily sales-non-reimbursable programs	146,904	-	-	146,904
Special Functions	47,188	-	-	47,188
Sales	-	-	14,253	14,253
Program fees	-	242,638	-	242,638
Miscellaneous	2,141	-	-	2,141
Total operating revenue	<u>196,233</u>	<u>242,638</u>	<u>14,253</u>	<u>453,124</u>
Operating expenses:				
Salaries	499,168	181,553	-	680,721
Employee benefits	77,149	47,636	-	124,785
Supplies and materials	39,404	172	-	39,576
Depreciation	12,334	1,456	-	13,790
Management Fee	55,311	-	-	55,311
Direct expenses	25,771	604	-	26,375
Cost of sales - reimbursable programs	289,572	-	-	289,572
Cost of sales - nonreimbursable programs	44,005	4,766	11,526	60,297
Building usage	-	25,000	-	25,000
Other	23,514	9,648	-	33,162
Total operating expenses	<u>1,066,228</u>	<u>270,835</u>	<u>11,526</u>	<u>1,348,589</u>
Operating income (loss)	<u>(869,995)</u>	<u>(28,197)</u>	<u>2,727</u>	<u>(895,465)</u>
Nonoperating revenues (expenses):				
State sources:				
State school lunch program	29,970	-	-	29,970
Federal sources:				
National school lunch program	1,236,329	-	-	1,236,329
Emerg. Operational Cost Program - Schools	24,372	-	-	24,372
P-EBT Administrative Cost	628	-	-	628
U.S.D.A. commodities	72,665	-	-	72,665
Local sources:				
Interest revenue	317	282	6	605
Total nonoperating revenues (expenses)	<u>1,364,281</u>	<u>282</u>	<u>6</u>	<u>1,364,569</u>
Change in net position	494,286	(27,915)	2,733	469,104
Total net position - July 1	<u>242,554</u>	<u>400,885</u>	<u>12,956</u>	<u>656,395</u>
Total net position - June 30	<u>\$ 736,840</u>	<u>\$ 372,970</u>	<u>\$ 15,689</u>	<u>\$1,125,499</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, 2022

	Business-type Activities			Total
	Enterprise Funds			
	Food Service Fund	School Age Child Care Program	Student Store	
Cash flows from operating activities:				
Receipts from customers	\$ 184,071	\$ 244,973	\$ 14,253	\$ 443,297
Payments to employees for services	(378,443)	(229,189)	-	(607,632)
Payments to suppliers	(438,688)	(40,190)	(9,054)	(487,932)
Net cash used for operating activities	<u>(633,060)</u>	<u>(24,406)</u>	<u>5,199</u>	<u>(652,267)</u>
Cash flows from noncapital financing activities:				
Cash received from federal and state sources	1,246,936	-	-	1,246,936
Net cash provided by non-capital financing activities	<u>1,246,936</u>	<u>-</u>	<u>-</u>	<u>1,246,936</u>
Cash flows from capital activities:				
Purchases of fixed assets	(18,815)	-	-	(18,815)
	<u>(18,815)</u>	<u>-</u>	<u>-</u>	<u>(18,815)</u>
Cash flows from investing activities:				
Interest and dividends	317	282	6	605
Net cash provided by investing activities	<u>317</u>	<u>282</u>	<u>6</u>	<u>605</u>
Net increase in cash and cash equivalents	595,378	(24,124)	5,205	576,459
Balances - July 1	<u>129,580</u>	<u>412,299</u>	<u>6,405</u>	<u>548,284</u>
Balances - June 30	<u>\$ 724,958</u>	<u>\$ 388,175</u>	<u>\$ 11,610</u>	<u>\$ 1,124,743</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (869,995)	\$ (28,197)	\$ 2,727	\$ (895,465)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	12,334	1,456	-	13,790
Federal commodities	72,665	-	-	72,665
(Increase) decrease in accounts receivable	(6,128)	-	-	(6,128)
(Increase) decrease in inventory	(3,600)	-	2,472	(1,128)
Increase (decrease) in unearned revenue	(6,034)	2,335	-	(3,699)
Increase (decrease) in interfunds payable	197,875	-	-	197,875
Increase (decrease) in accounts payable	(30,177)	-	-	(30,177)
Total adjustments	<u>236,935</u>	<u>3,791</u>	<u>2,472</u>	<u>243,198</u>
Net cash provided by (used for) operating activities	<u>\$ (633,060)</u>	<u>\$ (24,406)</u>	<u>\$ 5,199</u>	<u>\$ (652,267)</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, 2022

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, 2022 of 2,734 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, 2022

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, 2022**

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

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, 2022**

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, 2022**

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, 2022

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, 2022 and 2021 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, 2022.

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, 2022**

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

Lease Assets - Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

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, 2022, 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.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full, from current financial resources are reported as obligations of the funds.

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, 2022.

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.

Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program, program fees for the community education and recreation fund, and fees for the shared services fund. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and federal and state subsidy reimbursements for the food service program.

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

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 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.

In June 2022 the GASB issued Statement 100, *Accounting Changes and Error Corrections- An Amendment of GASB Statement No. 62* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

In June 2022 the GASB issued Statement 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

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 \$17,434,611 as of June 30, 2022, \$500,000 was insured under FDIC and the remaining balance of \$16,934,611 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.

The activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Balance – July 1, 2021		\$ 2,797,140
Increased by:		
Return of Unused Funds	\$ 394,989	
Interest earned	1,727	
Board Resolution	1,000,000	1,396,716
		4,193,856
Decreased by:		
Board Resolution	575,000	575,000
Balance – June 30, 2022		\$ 3,618,856

The June 30, 2022 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2022 consisted of tuition, transportation 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, and federal programs.

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

	General Fund	Special Revenue Fund	Proprietary Funds	Total
State Aid	\$ 1,372,197	\$ -	\$ 1,979	\$ 1,374,176
Federal Aid	-	257,060	85,971	343,031
Transportation Fees	150,058	-	-	150,058
Tuition Fees	99,031	-	-	99,031
Other	-	2,861	8,054	10,915
Total Accounts Receivable	\$ 1,621,286	\$ 259,921	\$ 96,004	\$ 1,977,211

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Balance June 30, 2021	Additions	Adjustments/ Deletions	Balance June 30, 2022
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	4,252,300	-	-	4,252,300
<i>Capital Assets, being depreciated:</i>				
Building and Improvements	68,344,303	122,486	-	68,466,789
Equipment	11,297,077	685,947	(358,057)	11,624,967
Total Historical Cost	79,641,380	808,433	(358,057)	80,091,756
<i>Less Accumulated Depreciation:</i>				
Building and Improvements	(26,301,201)	(1,168,577)	-	(27,469,778)
Equipment	(8,422,780)	(599,156)	358,057	(8,663,879)
Total Accumulated Depreciation	(34,723,981)	(1,767,733)	358,057	(36,133,657)
Total Capital Assets, being depreciated, net	44,917,399	(959,300)	-	43,958,099
Governmental Activities Capital Assets, Net	\$ 49,169,699	\$ (959,300)	\$ -	\$ 48,210,399
Business-Type Activities:				
Equipment	\$ 625,963	\$ 18,815	\$ -	\$ 644,778
Less - Accumulated Depreciation	(452,950)	(13,790)	-	(466,740)
Business-Type Activities Capital Assets, Net	\$ 173,013	\$ 5,025	\$ -	\$ 178,038

Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

5. CAPITAL ASSETS (Continued)

Depreciation expense in the amount of \$1,767,733 was charged to governmental functions as follows:

Function	Amount
Instruction	\$ 1,237,413
Plant Operations and Maintenance	176,773
Transportation	265,160
Unallocated	88,387
Total	\$ 1,767,733

6. LEASE ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	(Restated) Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Governmental Activities:				
Lease Assets, being Amortized:				
Machinery and Equipment	\$ 101,717	\$ -	\$ -	\$ 101,717
Total Lease Assets Being Amortized	101,717	-	-	101,717
Governmental Activities Lease Assets	101,717	-	-	101,717
Less Accumulated Amortization for:				
Machinery and Equipment	-	(39,125)	-	(39,125)
Total Accumulated Amortization	-	(39,125)	-	(39,125)
Governmental Activities Lease Assets, Net	\$ 101,717	\$ (39,125)	\$ -	\$ 62,592

Amortization expense in the amount of \$39,125 was charged to governmental functions as follows:

Function	Amount
Regular Instruction	\$ 31,300
Administration	5,869
Central Services	1,956
	\$ 39,125

7. INVENTORY

Inventory in the Proprietary Funds at June 30, 2022 consisted of the following:

	Food Service	School Store
Food	\$ 9,720	\$ -
Supplies	2,067	4,079
	\$ 11,787	\$ 4,079

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

8. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2022, the following changes occurred in long-term obligations:

	(Restated) Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due Within One Year
School Bonds	\$ 33,975,000	\$ -	\$ 1,675,000	\$ 32,300,000	\$ 1,725,000
Financed Purchases Payable	930,395	405,347	464,031	871,711	382,348
Lease Payable	101,717		37,950	63,767	38,407
Compensated Absences	1,895,580		208,090	1,687,490	
Net Pension Liability	13,093,600		3,540,261	9,553,339	
	<u>\$ 49,996,292</u>	<u>\$ 405,347</u>	<u>\$ 5,925,332</u>	<u>\$ 44,476,307</u>	<u>\$ 2,145,755</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 \$32,300,000 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>
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	1,800,000	841,500	2,641,500
2027	1,800,000	787,500	2,587,500
2028-2032	9,000,000	3,126,375	12,126,375
2033-2037	9,000,000	1,704,375	10,704,375
2038-2040	5,400,000	283,500	5,683,500
	<u>\$ 32,300,000</u>	<u>\$ 9,589,500</u>	<u>\$ 41,889,500</u>

As of June 30, 2022 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.

Financed Purchases - The School District has entered into the following financed purchases agreements:

<u>Purpose</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
Four Buses and Pickup Truck	August 15, 2022	3.250%	\$ 90,695
Five Buses	August 15, 2023	2.340%	210,318
Four Buses	August 15, 2024	1.454%	264,989
Four Buses	August 15, 2024	1.238%	305,709
Total			<u>\$ 871,711</u>

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

8. LONG-TERM OBLIGATIONS (Continued)

Financed Purchases (Continued)

The following is a schedule of the future minimum payments under these financed purchases, and the present value of the net minimum payments at June 30, 2022:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 382,348	\$ 15,502	\$ 397,850
2024	296,596	7,612	304,208
2025	192,767	2,580	195,347
	<u>\$ 871,711</u>	<u>\$ 25,694</u>	<u>\$ 897,405</u>

Leases Payable -

The School District has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

On August 1, 2017, the School District entered a 60-month lease as lessee for the use of a copier. As of July 1, 2021, an initial lease liability was recorded in the amount of \$1,191. The School District is required to make monthly payments of \$93. The lease has an interest rate of 4.00%. The value of the right to use asset as of June 30, 2022, was \$92 with accumulated amortization of \$1,099.

On November 1, 2018, the School District entered a 60-month lease as lessee for the use of copiers. As of July 1, 2021, an initial lease liability was recorded in the amount of \$33,098. The School District is required to make monthly payments of \$1,236. The lease has an interest rate of 4.00%. The value of the right to use asset as of June 30, 2022, was \$18,913 with accumulated amortization of \$14,185.

On December 1, 2018, the School District entered a 60-month lease as lessee for the use of copiers. As of July 1, 2021, an initial lease liability was recorded in the amount of \$38,227. The School District is required to make monthly payments of \$1,380. The lease has an interest rate of 4.00%. The value of the right to use asset as of June 30, 2022, was \$22,409 with accumulated amortization of \$15,818.

On February 1, 2020, the School District entered a 48-month lease as lessee for the use of a copier. As of July 1, 2021, an initial lease liability was recorded in the amount of \$2,622. The School District is required to make monthly payments of \$89. The lease has an interest rate of 4.00%. The value of the right to use asset as of June 30, 2022, was \$1,607 with accumulated amortization of \$1,015.

On August 1, 2020, the School District entered a 63-month lease as lessee for the use of a postage meter. As of July 1, 2021, an initial lease liability was recorded in the amount of \$18,052. The School District is required to make monthly payments of \$370. The lease has an interest rate of 3.00%. The value of the right to use asset as of June 30, 2022, was \$13,886 with accumulated amortization of \$4,166.

On July 1, 2021, the School District entered a 36-month lease as lessee for the use of a copier. An initial lease liability was recorded in the amount of \$8,528. The School District is required to make monthly payments of \$251. The lease has an interest rate of 4.00%. The value of the right to use asset as of June 30, 2022, was \$5,685 with accumulated amortization of \$2,843.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

8. LONG-TERM OBLIGATIONS (Continued)

Leases Payable (Continued)

As of June 30, 2022, the District had leases outstanding as follows:

<u>Purpose</u>	<u>Commencement Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
Copiers	August 1, 2017	July 1, 2022	4.00%	\$ 94
Copiers	November 1, 2018	October 1, 2023	4.00%	19,290
Copiers	December 1, 2018	November 1, 2023	4.00%	22,855
Copier	February 1, 2020	January 1, 2024	4.00%	1,639
Postage Meter	August 1, 2020	October 1, 2025	3.00%	14,091
Copier	July 1, 2021	June 1, 2024	4.00%	5,798
Total				<u>\$ 63,767</u>

The future annual lease obligations as of June 30, 2022, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 38,407	\$ 1,598	\$ 40,005
2024	19,554	362	19,916
2025	4,333	104	4,437
2026	1,473	6	1,479
Total	<u>\$ 63,767</u>	<u>\$ 2,070</u>	<u>\$ 65,837</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. For additional information about TPAF, please refer to the Division's annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

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.

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.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

9. PENSION PLANS (Continued)

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

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 2022. 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, 2022 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, 2021, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2022 was \$5,347,322 and was paid by April 1, 2022. School District employee contributions to the pension plan during the fiscal year ended June 30, 2022 were \$1,696,408.

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, 2022, 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, 2022, the School District recognized pension expense of \$2,064,162 and revenue of \$2,064,162 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.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

9. PENSION PLANS (Continued)

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

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

	<u>06/30/21</u>	<u>06/30/20</u>
Collective deferred outflows of resources	\$ 6,230,825,389	\$ 9,458,881,999
Collective deferred inflows of resources	27,221,092,460	14,424,322,612
Collective net pension liability (Non-Employer – State of New Jersey)	48,165,991,182	65,993,498,688
State's portion of the net pension liability that was associated with the School District	87,723,040	120,861,488
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.1824705061%	.1835439582%

Actuarial assumptions – The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021.

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. 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-2020.

The actuarial assumptions used in the July 1, 2020 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, 2021) 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, 2022**

9. PENSION PLANS (Continued)

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

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	.95%
Risk Mitigation Strategies	3.00%	3.35%
	100.00%	

Discount rate. The discount rate used to measure the State's total pension liability was 7.000% as of June 30, 2021. 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 100% 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. Therefore, the long-term expected rate of return on plan investments was applied 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. 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, 2021, 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 7.00%, 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 (6.00%) or 1 percentage point higher (8.00%) that the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	103,791,009	87,723,040	74,226,955
	\$ 103,791,009	\$ 87,723,040	\$ 74,226,955

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, 2022**

9. PENSION PLANS (Continued)

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 annual financial statements, which can be found at <http://www.state.nj.us/treasury/pensions/annual-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

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. The School District's contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19. P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Based on the most recent PERS measurement date of June 30, 2021, the School Districts contractually required contribution to the pension plan for the fiscal year ended June 30, 2022 was \$944,420 and was paid by April 1, 2022. School District employee contributions to the pension plan during the fiscal year ended June 30, 2022 were \$477,322.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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
2022	\$ 114,355	\$ 786,533	\$ 43,532	\$ -	\$ 944,420
2021	100,277	735,627	42,455	-	878,359
2020	70,126	648,933	38,746	3,758	761,563

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, 2022, the School District reported a liability of \$9,553,339 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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.

For the year ended June 30, 2022, the School District recognized pension expense of (\$1,039,455). At June 30, 2022, the School District reported a liability of \$9,553,339 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	\$ 150,668	\$ 68,391
Changes of assumptions	49,754	3,401,051
Net Difference between projected and actual earnings on pension plan investments		2,516,601
Changes in proportion	461,714	195,476
District contributions subsequent to the measurement date	1,043,229	
Total	\$ 1,705,365	\$ 6,181,519

\$1,043,229 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, 2022, the plan measurement date is June 30, 2021) will be recognized as a reduction of the net liability in the year ended June 30, 2022.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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
2023	\$ (1,947,838)
2024	(1,701,968)
2025	(1,059,135)
2026	(806,783)
2027	(3,659)
Total	\$ (5,519,383)

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, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	
June 30, 2020	5.16	-
June 30, 2021	5.13	5.13
Changes of assumptions		
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	
Differences between projected and actual investment earnings on pension plan investments		
June 30, 2016	-	5.00
June 30, 2017	-	5.00
June 30, 2018	-	5.00
June 30, 2019	-	5.00
June 30, 2020	-	5.00

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Additional Information

Collective balances at June 30, 2021 and 2020 are as follows:

	<u>6/30/2021</u>	<u>6/30/2020</u>
Collective deferred outflows of resources	\$ 818,359,815	\$ 2,590,600,991
Collective deferred inflows of resources	\$ 11,243,411,487	\$ 12,009,239,423
Collective net pension liability	\$ 11,972,782,878	\$ 16,435,616,426
School District's Proportion	.0806427219%	.0802924586%

Actuarial assumptions – The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021.

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-2021.

The actuarial assumptions used in the July 1, 2020 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, 2021) 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, 2022**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.95%
Risk Mitigation Strategies	3.00%	3.35%
Total	100.00%	

Discount rate. The discount rate used to measure the State's total pension liability was 7.00% as of June 30, 2021. 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 and nonemployer contributing entity will be made based on 78% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied all projected benefit payments to 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, 2021, calculated using the discount rate of 7.00%, 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 (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
School District's proportionate share of the net pension liability	\$ 13,009,710	\$ 9,553,339	\$ 6,620,118

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

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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>
2022	\$ 14,170	\$ 14,170
2021	9,833	9,833
2020	9,655	9,655

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 in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 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.

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 Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). 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.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Plan Membership

As of June 30, 2020, the program membership consisted of the following:

Active Plan Members	213,901
Retirees	150,427
	364,328

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 the 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 GASB 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, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member enrolled in.

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 – 4.45% based on service years	2.00 – 6.00% based on service years	3.25 – 15.25% based on service years
Thereafter	2.75 – 5.65% based on service years	3.00 - 7.00% based on service years	Not Applicable

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021. 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-2021. 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 Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 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.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate - The discount rate for June 30, 2021 was 2.16%. 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.

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, 2020	\$ 129,686,014
Changes for the years'	
Service Cost	6,266,593
Interest	3,037,455
Changes of benefit terms	(124,629)
Differences between expected and actual experience	(19,575,303)
Changes in assumptions	115,519
Gross Benefit Payments	(2,392,663)
Contributions from the Non-employer	N/A
Contributions from the Member	77,653
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	(12,595,375)
Balance at 06/30/2021	\$ 117,090,639

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, 2021, respectively, 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 1-percentage point higher than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 140,256,204	\$ 117,090,639	\$ 98,849,147

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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, 2021 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 1-percentage 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	\$ 53,975,426	\$ 66,677,220	\$ 83,734,790

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

For the year ended June 30, 2021, the School District recognized \$7,385,622 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 were based on the OPEB Plan's June 30, 2021 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, 2021, 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
Change in Proportion	\$ 5,534,821	\$ (186,010)
Differences between expected and actual experience	17,650,894	(35,140,983)
Changes of assumptions	19,862,942	(12,562,735)
Total	\$ 43,048,657	\$ (47,889,728)

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:		
2022		\$ (1,096,015)
2023		(1,096,015)
2024		(1,096,015)
2025		(1,096,015)
2026		(779,252)
Thereafter		322,241
Total		\$ (4,841,071)

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, 2022**

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2022, 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 \$7,785,764, \$1,819,069 and \$2,311 respectively. In addition, \$1,624,163 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 Annual Comprehensive 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 Annual Comprehensive 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 the School District’s unemployment compensation contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the current and previous two fiscal 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>
2021-2022	\$ -	\$ -	\$ 377	\$ -	\$ 483,867
2020-2021	-	-	872	-	483,490
2019-2020	-	49,558	5,146	2,005	482,618

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, 2022**

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, 2022, the liability for compensated absences in the governmental activities was \$1,687,490.

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, 2023. The following interfund balances were recorded on the various balance sheets as of June 30, 2022:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 399,499	\$ 628
Special Revenue	-	149,092
Proprietary	628	250,407
	\$ 400,127	\$ 400,127

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, 2022, 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, 2022**

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>
2021-2022	\$ -	\$ 67,200	\$ 68,749	\$ 3,760
2020-2021	-	62,421	70,304	5,309
2019-2020	-	80,541	69,096	13,192
2018-2019	-	78,736	85,624	1,747
2017-2018	-	79,460	84,040	8,635

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 municipality recognized revenue of \$358,226 from the annual service charge in lieu of payment of taxes in 2021. The assessed value on these tax exemption properties amounted to \$27,780,300 which would have resulted in 2021 taxes billed in full of \$1,002,035. Of this amount \$641,447 would have been allocated to the district.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

19. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2022, a deficit of \$14,654,727 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, 2022:	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds)	\$ -
Assigned	1,079,364
Unassigned	1,368,621
Liabilities:	
Net Pension Differences	(15,072,722)
Accrued Interest Payable	(342,500)
Compensated Absences	<u>(1,687,490)</u>
Unrestricted Net Position (Deficit)	<u>\$ (14,654,727)</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:

General Fund:

Capital Reserve – As of June 30, 2022, the balance in the capital reserve account is \$3,618,856 which is restricted for future capital outlay expenditures for capital projects in the School District’s approved Long-Range Facilities Plan.

Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 is \$3,223,447. Additionally, \$3,248,651 of excess fund balance generated during the 2020-2021 fiscal year has been restricted and designated for utilization in the 2022-2023 budget.

Maintenance Reserve Account – As of June 30, 2022, the balance in the maintenance reserve account is \$2,560,464. 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 \$438,600 has been designated for use in the 2022-2023 budget.

Unemployment Compensation – As of June 30, 2022, the balance in unemployment compensation is \$483,867. These funds are restricted for the purpose of financing unemployment claims.

Special Revenue Fund:

Student Activities – As of June 30, 2022, the balance in student activities is \$466,073.

Scholarships – As of June 30, 2022, the balance in scholarships is \$63,720.

**Cinnaminson Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

20. FUND BALANCES (Continued)

Debt Service Fund:

Debt Service – As of June 30, 2022, the balance in debt service is \$375.

Assigned:

General Fund:

Year-end Encumbrances – At June 30, 2022 a total of \$490,830 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 2022-2023 budget, the School District appropriated \$588,534 as an anticipated revenue for the fiscal year ending June 30, 2023.

Debt Service Fund:

Designated for Subsequent Year’s Expenditures – The School District has appropriated \$25 and included as an anticipated revenue for the fiscal year ending June 30, 2023.

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, 2022, \$1,368,621 of the general fund balance was unassigned.

21. PRIOR PERIOD ADJUSTMENT

GASB Statement No. 87, *Leases* was implemented during the fiscal year ended June 30, 2022. As a result of this implementation, a right-to-use asset and a lease liability were created. The ending balances as of June 30, 2021, were restated due to this implementation as follows:

	Balance June 30, 2021 as Previously Reported	Retroactive Adjustments	Balance June 30, 2021 as Restated
<u>Statement of Net Position - Governmental Activities:</u>			
Assets:			
Right-to-Use Lease Assets, Net	\$ -	\$ 101,717	\$ 101,717
Total Assets	16,463,280	101,717	16,564,997
Noncurrent Liabilities:			
Due Within One Year	967,519	37,950	1,005,469
Due Beyond One Year	16,995,177	63,767	17,058,944
Total Liabilities	19,501,314	101,717	19,603,031

Required Supplementary Information - Part II

Budgetary Comparison Schedules

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 35,192,794	\$ -	\$ 35,192,794	\$ 35,192,794	\$ -
Tuition from Individuals				49,268	49,268
Tuition from other LEAs	100,000		100,000	439,812	339,812
Transportation fees from other LEAs	900,000		900,000	1,361,995	461,995
Maintenance reserve interest	100		100	5,980	5,880
Capital reserve interest	100		100	1,727	1,627
Other restricted miscellaneous revenues	50,000		50,000	412	(49,588)
Unrestricted miscellaneous revenue	115,092		115,092	117,117	2,025
Total local sources	36,358,086		36,358,086	37,169,105	811,019
State sources:					
Extraordinary Aid	300,000	300,000	600,000	1,176,541	576,541
Additional Non-Public Transportation Aid				20,880	20,880
Homeless Aid				75,773	75,773
School Security Grant - Alyssa's Law		145,514	145,514	39,100	(106,414)
Categorical Special Education Aid	1,385,471		1,385,471	1,385,471	
Equalization Aid	10,322,769		10,322,769	10,322,769	
Categorical Security Aid	57,475		57,475	57,475	
Categorical Transportation Aid	483,083		483,083	483,083	
On-behalf TPAF Pension (non-budgeted)				7,785,764	7,785,764
On-behalf TPAF Medical contributions (non-budgeted)				1,819,069	1,819,069
On-behalf TPAF Pension LTDI (non-budgeted)				2,311	2,311
Reimbursed TPAF social security contributions (non-budgeted)				1,624,164	1,624,164
Total state sources	12,548,798	445,514	12,994,312	24,792,400	11,798,088
Federal sources:					
Medicaid reimbursement	41,124		41,124	37,748	(3,376)
Total federal sources	41,124		41,124	37,748	(3,376)
TOTAL REVENUES	48,948,008	445,514	49,393,522	61,999,253	12,605,731
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool	76,700	(40,700)	36,000	35,917	83
Kindergarten	652,296	28,252	680,548	673,246	7,302
Grades 1-5	4,929,184	(267,183)	4,662,001	4,659,151	2,850
Grades 6-8	3,886,850	(63,190)	3,823,660	3,795,346	28,314
Grades 9-12	4,663,000	(143,952)	4,519,048	4,457,859	61,189
Total Instruction	14,208,030	(486,773)	13,721,257	13,621,519	99,738
Regular Programs - Home Instruction:					
Salaries of teachers	30,000	26,929	56,929	56,929	
Purchased professional - educ services	20,000	(3,770)	16,230	12,243	3,987
Total Home Instruction	50,000	23,159	73,159	69,172	3,987
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	100,000	46,948	146,948	144,190	2,758
Purchased professional - educ services	10,678	4,900	15,578	13,728	1,850
Other purchased services	250,472	5,790	256,262	214,137	42,125
General supplies	770,944	(65,142)	705,802	518,804	186,998
Textbooks	204,198	14,633	218,831	218,831	
Other objects	13,127	(5,160)	7,967	4,997	2,970
Total Undistributed Instruction	1,349,419	1,969	1,351,388	1,114,687	236,701
Total - Regular Programs - Instruction	15,607,449	(461,645)	15,145,804	14,805,378	340,426

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, 2022

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Educ Instruction: Behavioral Disabilities					
Salaries of teachers	\$ 123,644	\$ (20,839)	\$ 102,805	\$ 69,886	\$ 32,919
Other salaries for instruction	83,456		83,456	27,724	55,732
General supplies	3,000		3,000	376	2,624
Total Behavioral Disabilities	<u>210,100</u>	<u>(20,839)</u>	<u>189,261</u>	<u>97,986</u>	<u>91,275</u>
Special Educ Instruction: Multiple Disabilities					
Salaries of teachers	522,966	18,676	541,642	421,351	120,291
Other salaries for instruction	172,600	2,919	175,519	101,314	74,205
General supplies	16,100		16,100	6,763	9,337
Total Multiple Disabilities	<u>711,666</u>	<u>21,595</u>	<u>733,261</u>	<u>529,428</u>	<u>203,833</u>
Special Educ Instruction: Res. Room/Res. Center					
Salaries of teachers	2,393,133	46,567	2,439,700	2,398,161	41,539
Other salaries for instruction	341,628	(40,817)	300,811	231,510	69,301
General supplies	27,850		27,850	15,410	12,440
Total Resource Room/Resource Center	<u>2,762,611</u>	<u>5,750</u>	<u>2,768,361</u>	<u>2,645,081</u>	<u>123,280</u>
Special Educ Instruction: Preschool Disb - PT					
Salaries of teachers	123,100	76,900	200,000	199,441	559
Other salaries for instruction	33,094		33,094	8,274	24,820
General supplies	3,000		3,000	3,000	
Total Preschool Disabilities - Part-Time	<u>159,194</u>	<u>76,900</u>	<u>236,094</u>	<u>210,715</u>	<u>25,379</u>
Special Educ Instruction: Home Instruction					
Salaries of teachers	25,000		25,000		25,000
Purchased professional - educ services	80,000		80,000	5,306	74,694
General Supplies	500		500		500
Total Home Instruction	<u>105,500</u>		<u>105,500</u>	<u>5,306</u>	<u>100,194</u>
Total Special Education - Instruction	<u>3,949,071</u>	<u>83,406</u>	<u>4,032,477</u>	<u>3,488,516</u>	<u>543,961</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	1,518,725	132,079	1,650,804	1,604,919	45,885
Other salaries for instruction	337,994	(40,000)	297,994	289,748	8,246
General supplies	12,200		12,200	4,365	7,835
Total Basic Skills/Remedial - Instruction	<u>1,868,919</u>	<u>92,079</u>	<u>1,960,998</u>	<u>1,899,032</u>	<u>61,966</u>
Bilingual Education - Instruction					
Salaries of teachers	242,274		242,274	210,837	31,437
Purchased professional - educ services	5,000	1,600	6,600	5,547	1,053
General Supplies	3,000		3,000	3,000	
Textbooks	2,000		2,000	1,996	4
Total Bilingual Education - Instruction	<u>252,274</u>	<u>1,600</u>	<u>253,874</u>	<u>221,380</u>	<u>32,494</u>
School-Sponsored Cocurricular Act - Inst.					
Salaries	364,900	23,516	388,416	373,101	15,315
Purchased services	51,920		51,920	43,436	8,484
Supplies and materials	21,320	(75)	21,245	15,715	5,530
Other objects	4,372	(200)	4,172	3,033	1,139
Total School-Sponsored Cocurr. Act. - Inst.	<u>442,512</u>	<u>23,241</u>	<u>465,753</u>	<u>435,285</u>	<u>30,468</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, 2022

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Athletics - Inst.					
Salaries	\$ 870,017	\$ (22,266)	\$ 847,751	\$ 815,706	\$ 32,045
Purchased services	106,620	169	106,789	73,576	33,213
Supplies and materials	168,454	2,831	171,285	145,803	25,482
Other objects	36,241	(3,000)	33,241	31,331	1,910
Total School-Sponsored Athletics - Inst.	<u>1,181,332</u>	<u>(22,266)</u>	<u>1,159,066</u>	<u>1,066,416</u>	<u>92,650</u>
Other Instructional Programs - Instruction					
Salaries	29,500		29,500	9,749	19,751
Purchased prof ed services	1,500		1,500		1,500
Supplies and materials	1,000		1,000		1,000
Total Other Instructional Programs - Inst.	<u>32,000</u>		<u>32,000</u>	<u>9,749</u>	<u>22,251</u>
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - regular	125,000		125,000	37,569	87,431
Tuition to other LEAs within the state - special	125,000	(1,250)	123,750	74,561	49,189
Tuition county voc. school dist. - regular	43,044		43,044	43,044	
Tuition county voc. school dist. - special	39,457		39,457	39,457	
Tuition to CSSD & reg. day schools	225,000	46,810	271,810	271,810	
Tuition to priv. sch. for the disabled w/i state	983,749	8,190	991,939	753,321	238,618
Tuition - state facilities	39,872		39,872	39,872	
Tuition - other	62,697		62,697	59,647	3,050
Total Undistributed Expenditures - Instruction	<u>1,643,819</u>	<u>53,750</u>	<u>1,697,569</u>	<u>1,319,281</u>	<u>378,288</u>
Undistributed Expenditures - Attendance & Social Work					
Salaries	261,561	(7,251)	254,310	239,189	15,121
Other Purchased services	25,000	100	25,100	23,584	1,516
Other Objects	250		250		250
Total Undistributed Expenditures - Attendance & Soc.	<u>286,811</u>	<u>(7,151)</u>	<u>279,660</u>	<u>262,773</u>	<u>16,887</u>
Undistributed Expenditures - Health Services					
Salaries	376,029	63,971	440,000	402,441	37,559
Purchased Professional and Technical Services	19,150	(180)	18,970	13,511	5,459
Other purchased services	13,961	480	14,441	5,293	9,148
Supplies and materials	15,787	257	16,044	13,334	2,710
Other objects	569	693	1,262	645	617
Total Undistributed Expenditures - Health Svcs.	<u>425,496</u>	<u>65,221</u>	<u>490,717</u>	<u>435,224</u>	<u>55,493</u>
Undist. Expend. - Speech, OT, PT & Rel. Serv.					
Salaries	367,091	16,554	383,645	379,775	3,870
Purchased professional - educ services	218,462	45,000	263,462	229,766	33,696
Supplies and materials	2,300		2,300	1,699	601
Total Undist. Expend. - OT, PT & Rel. Serv.	<u>587,853</u>	<u>61,554</u>	<u>649,407</u>	<u>611,240</u>	<u>38,167</u>
Undist. Expend. - Other Supp. Serv. Stud. - Extra					
Salaries	1,441,783	14,104	1,455,887	1,451,039	4,848
Purchased professional - educ services	121,500		121,500	98,632	22,868
Supplies and materials	3,114		3,114	409	2,705
Total Undst. Expend. - Other Supp. Serv. Stud. - Extra	<u>1,566,397</u>	<u>14,104</u>	<u>1,580,501</u>	<u>1,550,080</u>	<u>30,421</u>
Undist. Expend. - Guidance					
Salaries of other professional staff	607,120	1,443	608,563	608,439	124
Salaries of secretarial and clerical assistants	249,060	(1,416)	247,644	246,179	1,465
Other purchased services	10,727	667	11,394	8,595	2,799
Supplies and materials	4,056		4,056	3,950	106
Other objects	3,860	(667)	3,193	2,400	793
Total Undst. Expend. - Guidance	<u>874,823</u>	<u>27</u>	<u>874,850</u>	<u>869,563</u>	<u>5,287</u>

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

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

(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	\$ 910,805	\$ (31,383)	\$ 879,422	\$ 879,422	\$ -
Salaries of secretarial and clerical assistants	156,800	(4,587)	152,213	152,213	
Other purchased prof. and tech. services	100,000		100,000	27,839	72,161
Other purchased services (400-500 series)	74,000		74,000	50,162	23,838
Misc Purchased Services	65,000	(15,551)	49,449	37,430	12,019
Supplies and materials					
Other objects	7,000		7,000	2,469	4,531
Total Undst. Expend. - Child Study Team	1,313,605	(51,521)	1,262,084	1,149,535	112,549
Undist. Expend. - Improvement of Instr. Services					
Salaries of supervisor of instruction	637,152	4,292	641,444	641,305	139
Salaries of other professional staff	35,000	1,066	36,066	36,066	
Salaries of secretarial and clerical assistants	30,907	890	31,797	31,797	
Purchased professional - educ services	10,000	(5,917)	4,083	3,570	513
Other purchased services	43,700	(3,186)	40,514	36,823	3,691
Supplies and materials	2,500		2,500	1,970	530
Other objects	15,600	770	16,370	13,339	3,031
Total Undst. Expend. - Improvement of Instr. Services	774,859	(2,085)	772,774	764,870	7,904
Undist. Expend. - Educ. Media Serv./Sch. Library					
Salaries	300,587	23,336	323,923	321,901	2,022
Other purchased services	39,150	1,280	40,430	27,774	12,656
Supplies and materials	38,616		38,616	37,144	1,472
Total Undst. Expend. - Educ. Media Serv./Sch. Library	378,353	24,616	402,969	386,819	16,150
Undist. Expend. - Instructional Staff Training Services					
Salaries of supervisor of instruction	78,441	2,559	81,000	80,064	936
Salaries of secretarial and clerical assistance	30,907		30,907	30,906	1
Purchased professional education services	15,000	(7,102)	7,898	7,594	304
Other purchased services	15,600	(770)	14,830	9,722	5,108
Total Undst. Expend. - Instructional Staff Training Services	139,948	(5,313)	134,635	128,286	6,349
Undist. Expend. - Supp. Serv. General Admin.					
Salaries	353,208		353,208	353,177	31
Unused sick payment to terminated/retired staff		58,273	58,273	58,273	
Legal services	80,000	(15,000)	65,000	66,259	(1,259)
Audit fees	32,000		32,000	31,600	400
Architectural/engineering services		103,000	103,000	28,160	74,840
Other purchased professional services	7,000	(3,000)	4,000	3,725	275
Communications / telephone	126,500	8,519	135,019	84,539	50,480
BOE - Other purchased services	5,000		5,000	900	4,100
Other purchased services	181,000	20,713	201,713	199,847	1,866
General supplies	9,000		9,000	8,583	417
Judgements against the school district					
Miscellaneous expenditures	10,000	244	10,244	6,561	3,683
BOE Membership dues and fees	20,244	(244)	20,000	17,864	2,136
Total Undst. Expend. - Supp. Serv. General Admin.	823,952	172,505	996,457	859,488	136,969
Undist. Expend. - Supp. Serv. School Admin.					
Salaries of principals/assist. principals	1,058,500	(30,273)	1,028,227	1,009,376	18,851
Salaries of other professional staff	165,628	2,761	168,389	168,389	
Salaries of secretarial and clerical assistants	584,607	(19,174)	565,433	561,145	4,288
Other purchased services	17,149	500	17,649	9,705	7,944
Supplies and materials	43,200	4,099	47,299	29,407	17,892
Other objects	18,533	(3,231)	15,302	12,526	2,776
Total Undst. Expend. - Supp. Serv. School Admin.	1,887,617	(45,318)	1,842,299	1,790,548	51,751

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

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services					
Salaries	\$ 569,386	\$ 70,000	\$ 639,386	\$ 531,307	\$ 108,079
Purchased professional services	62,750	1,274	64,024	61,450	2,574
Purchased professional services - prc	1,200	4,000	5,200	5,000	200
Miscellaneous purchased services	28,750	(1,374)	27,376	24,220	3,156
Supplies and materials	20,333	(1,931)	18,402	16,129	2,273
Miscellaneous expenditures	7,750		7,750	6,300	1,450
Total Undst. Expend. - Central services	690,169	71,969	762,138	644,406	117,732
Undist. Expend. - Admin. Info. Tech.					
Salaries	425,000	28,526	453,526	425,881	27,645
Other purchased services	19,781	(204)	19,577	19,235	342
Supplies and materials	6,700	17,471	24,171	23,863	308
Total Undst. Expend. - Admin. Info. Tech.	451,481	45,793	497,274	468,979	28,295
Undist. Expend. - Required Maint. Sch. Facilities					
Salaries	230,539	(9,000)	221,539	205,085	16,454
Cleaning, repair, and maintenance services	330,500	(20,798)	309,702	203,428	106,274
Lead testing of drinking water	5,000	2,304	7,304	6,632	672
General supplies	85,500	(21,723)	63,777	52,703	11,074
Total Undst. Expend. - Required Maint. Sch. Facilities	651,539	(49,217)	602,322	467,848	134,474
Undist. Expend. - Custodial Services					
Salaries	1,305,281	17,660	1,322,941	1,251,739	71,202
Salaries of Non-Instructional Aides	142,500	(14,094)	128,406		128,406
Purchased professional & tech. services	15,000	(5,290)	9,710		9,710
Cleaning, repair, and maintenance services	90,000	3,500	93,500	88,812	4,688
Other purchased property services	435,000	(15,400)	419,600	370,565	49,035
Insurance	377,000	20,000	397,000	397,000	
Miscellaneous purchased services	33,500	3,500	37,000	34,770	2,230
General supplies	184,520	56,998	241,518	232,891	8,627
Energy (natural gas)	275,000		275,000	196,369	78,631
Energy (electricity)	820,000		820,000	592,107	227,893
Other objects	6,500	1,500	8,000	8,000	
Total Undst. Expend. - Other oper. & Maint. of Plant	3,684,301	68,374	3,752,675	3,172,253	580,422
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	206,018	4,101	210,119	210,119	
Total Undst. Expend. - Care & Upkeep of Grounds	206,018	4,101	210,119	210,119	
Undist. Expend. - Security					
Purchased professional and technical services	200,000	14,658	214,658	214,658	
Cleaning, Repair, and Maintenance services	25,700		25,700	10,954	14,746
General supplies	33,000	(13,100)	19,900	8,974	10,926
Other objects	2,000		2,000		2,000
Total Undst. Expend. - Security	260,700	1,558	262,258	234,586	27,672
Total Undst. Expend. - Oper. & Maint. of Plant Services	4,802,558	24,816	4,827,374	4,084,806	742,568

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, 2022

(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	\$ 362,000	\$ (93,470)	\$ 268,530	\$ 241,089	\$ 27,441
Salaries for pupil trans. (bet home & sch) - reg.	923,500	66,214	989,714	857,486	132,228
Salaries for pupil trans. (bet home & sch) - spec ed.	595,000	9,192	604,192	500,786	103,406
Salaries for pupil trans. (other than bet home & sch)	215,100	23,002	238,102	214,144	23,958
Salaries for pupil trans. (bet h&s) - nonpublic sch	70,000		70,000	70,000	
Purchased professional and technical services	5,000		5,000	2,580	2,420
Cleaning, repair, and maintenance services	25,000		25,000	12,761	12,239
Lease purchase payments - school buses	475,000		475,000	474,688	312
Contr. serv. - aid in lieu of payments	100,000	(16,270)	83,730	73,319	10,411
Contr. serv. (bet. home & sch.) - vendors	6,800		6,800	1,699	5,101
Contr. serv. (bet home & sch) - joint agreements	50,000	(34,330)	15,670		15,670
Contr. serv. (sp ed stds) - vendors	20,000		20,000	7,837	12,163
Contr. serv. (sp ed stds) - joint agreements	22,500		22,500		22,500
Contr. serv. (sp ed stds) - ESCs & CTAs	30,000	(30,000)			
Miscellaneous purchased services	31,800	2,000	33,800	31,461	2,339
Transportation Supplies	434,850	130,000	564,850	506,325	58,525
Other objects	5,000		5,000	2,525	2,475
Total Undst. Expend. - Student Transportation Services	3,371,550	56,338	3,427,888	2,996,700	431,188
Custodial Services - Employee Benefits					
Workers Compensation	97,200	(7,200)	90,000	90,000	
Total Custodial Service - Employee Benefits	97,200	(7,200)	90,000	90,000	
Student Transportation Services - Employee Benefits					
Social security contributions	172,500		172,500	133,594	38,906
Workmen's compensation	97,200		97,200	95,000	2,200
Health benefits	390,000	(5,000)	385,000	324,167	60,833
Total Student Transportation Services - Employee Ben.	659,700	(5,000)	654,700	552,761	101,939
Total Allocated Benefits - Employee Benefits	756,900	(12,200)	744,700	642,761	101,939
Unallocated Benefits - Employee Benefits					
Social security contributions	675,000	43,810	718,810	693,386	25,424
Other retirement contributions - PERS	900,000	5,000	905,000	905,000	
Workmen's compensation	170,000		170,000	170,000	
Health benefits	5,680,826	(162,083)	5,518,743	5,232,543	286,200
Tuition reimbursement	60,000		60,000	20,259	39,741
Other employee benefits	200,000	(4,413)	195,587	195,579	8
Unused sick payment to terminated/retired staff	85,000	50,030	135,030	135,029	1
Total Unallocated Benefits - Employee Benefits	7,770,826	(67,656)	7,703,170	7,351,796	351,374
Total Personal - Employee Benefits	8,527,726	(79,856)	8,447,870	7,994,557	453,313
On-behalf TPAF Pension (non-budgeted)				7,785,764	(7,785,764)
On-behalf TPAF Medical contributions (non-budgeted)				1,819,069	(1,819,069)
On-behalf TPAF Pension LTDL (non-budgeted)				2,311	(2,311)
Reimbursed TPAF social security contributions (non-budgeted)				1,624,164	(1,624,164)
Total Undistributed Expenditures - TPAF				11,231,308	(11,231,308)
Total Undistributed Expenditures	28,547,017	399,449	28,946,466	37,548,463	(8,601,997)
Total General Current Expense	51,880,574	115,864	51,996,438	59,474,219	(7,477,781)

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

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CAPITAL OUTLAY:					
Equipment:					
Preschool/Kindergarten	\$ -	\$ 16,237	\$ 16,237	\$ -	\$ 16,237
Grades 1-5	3,500	(3,500)	-	-	-
Grades 6-8		7,977	7,977	7,977	-
Grades 9-12	51,200	40,600	91,800	58,338	33,462
School-sponsored co-curricular	5,700	(591)	5,109	5,109	-
Undist. expend. - admin info tech	8,100	4,855	12,955	3,950	9,005
Undist. expend. - Required Maint for School Facilities	20,000		20,000	20,000	-
Undist. expend. - Custodial Services	80,000	91,017	171,017	171,016	1
Undist. expend. - student trans. - non-inst. Equipment		27,541	27,541	27,541	-
Total Equipment	168,500	184,136	352,636	293,931	58,705
Facilities acquisition and construction services:					
Architectural/Engineering Services					
Construction services		100,000	100,000	30,220	69,780
General Supplies		475,000	475,000	88,748	386,252
School Security Grant - Alyssa's Law		145,514	145,514	39,100	106,414
Assessment for Debt Service on SDA Funding	534		534	534	-
Total Facilities acquisition and construction services	534	720,514	721,048	158,602	562,446
Assets acquired under Financed Purchases (non-budgeted):					
Equipment					
Transportation vehicles				405,347	(405,347)
Total Capital Outlay	169,034	904,650	1,073,684	857,880	215,804
Transfer of Funds to Charter Schools	18,120		18,120	18,120	-
Total Expenditures	52,067,728	1,020,514	53,088,242	60,350,219	(7,261,977)
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(3,119,720)	(575,000)	(3,694,720)	1,649,034	5,343,754
Other Financing Sources (Uses):					
Proceeds of Financed Purchases (non-budgeted)					
				405,347	405,347
Total Other Financing Sources				405,347	405,347
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(3,119,720)	(575,000)	(3,694,720)	2,054,381	5,749,101
Fund Balance, July 1	14,706,232		14,706,232	14,706,232	-
Fund Balance, June 30	\$ 11,586,512	\$ (575,000)	\$ 11,011,512	\$ 16,760,613	\$ 5,749,101
Recapitulation:					
Restricted:					
Capital Reserve:					
Designated for Subsequent Year's Expenditures				\$ 1,261,375	
Capital Reserve				2,357,481	
Maintenance Reserve					
Designated for Subsequent Year's Expenditures				438,600	
Maintenance Reserve				2,121,864	
Excess Surplus:					
Designated for Subsequent Year's Expenditures				3,248,651	
Current Year				3,223,447	
Unemployment Compensation				483,867	
Assigned:					
Year-end encumbrances				490,830	
Designated for Subsequent Year's Expenditures				588,534	
Unassigned				2,545,964	
				16,760,613	
Reconciliation on Governmental Fund Statements (GAAP):					
Less: State Aid Payment not Recognized on GAAP Basis				(1,177,343)	
Fund Balance per Government Fund (GAAP)				\$ 15,583,270	

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, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
REVENUES:					
Local sources	\$ -	\$ 25,366	\$ 25,366	\$ 601,243	\$ 575,877
State sources	170,000	70,227	240,227	185,580	(54,647)
Federal sources	767,500	2,027,639	2,795,139	1,890,962	(904,177)
Total revenues	<u>937,500</u>	<u>2,123,232</u>	<u>3,060,732</u>	<u>2,677,785</u>	<u>(382,947)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	168,000	622,910	790,910	308,426	482,484
Purchased professional - tech. services		1,515	1,515		1,515
General supplies	50,000	536,919	586,919	556,751	30,168
Tuition	500,000	96,519	596,519	594,442	2,077
Textbooks	12,000	3,425	15,425	13,703	1,722
Miscellaneous		22,366	22,366	13,364	9,002
Total instruction	<u>730,000</u>	<u>1,283,654</u>	<u>2,013,654</u>	<u>1,486,686</u>	<u>526,968</u>
Support services:					
Salaries - Support Staff		321,576	321,576	223,230	98,346
Personal services - employee benefits		109,386	109,386	18,269	91,117
Purchased professional and educational services		2,200	2,200	1,090	
Purchased professional and technical services	69,500	262,354	331,854	178,649	153,205
Cleaning repairs and maintenance		-			-
Other purchased services	103,000	(249)	102,751	50,852	51,899
Supplies and materials	35,000	78,865	113,865	69,684	44,181
Student activities		-		480,628	(480,628)
Scholarship awards		-		13,787	(13,787)
Total support services	<u>207,500</u>	<u>774,132</u>	<u>981,632</u>	<u>1,036,189</u>	<u>(55,667)</u>
Facilities acquisition and construction services:					
Building		54,000	54,000	54,000	-
Non- Instructional equipment		11,446	11,446	11,446	-
Total facilities acq. and const. services		<u>65,446</u>	<u>65,446</u>	<u>65,446</u>	<u>-</u>
Total expenditures	<u>937,500</u>	<u>2,123,232</u>	<u>3,060,732</u>	<u>2,588,321</u>	<u>471,301</u>
Total outflows	<u>937,500</u>	<u>2,123,232</u>	<u>3,060,732</u>	<u>2,588,321</u>	<u>471,301</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	89,464	<u>88,354</u>
Fund Balance, July 1				<u>440,329</u>	
Fund Balance, June 30				<u>\$ 529,793</u>	
Recapitulation:					
Restricted:					
Student Activities				\$ 466,073	
Scholarships				<u>63,720</u>	
Total Fund Balance				<u>\$ 529,793</u>	

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2022

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 61,999,253	\$ 2,677,785
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	966,520	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,177,343)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 61,788,430	\$ 2,677,785
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 60,350,219	\$ 2,588,321
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 60,350,219	\$ 2,588,321

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 Nine Fiscal Years

	June 30, 2022	June 30, 2021	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)	0.0806427219%	0.0802924586%	0.0779066274%	0.0780290550%	0.0808424543%	0.0771108750%	0.0714173882%	0.0711656070%	0.0681418604%
District's proportionate share of the net pension liability (asset)	\$ 9,553,339	\$ 13,093,600	\$ 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	\$ 6,169,514	\$ 5,725,195	\$ 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	154.85%	228.70%	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	51.51%	42.90%	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 Nine Fiscal Years

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 1,043,229	\$ 944,420	\$ 878,359	\$ 761,563	\$ 776,137	\$ 748,919	\$ 685,042	\$ 613,998	\$ 586,679
Contributions in relation to the contractually required contributions	<u>(1,043,229)</u>	<u>(944,420)</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 6,169,514	\$ 5,725,195	\$ 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	16.91%	16.50%	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 Nine Fiscal Years

	June 30, 2022	June 30, 2021	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)	0.1824705061%	0.1835439582%	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>87,723,040</u>	<u>120,861,488</u>	<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>\$ 87,723,040</u>	<u>\$ 120,861,488</u>	<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	\$ 22,418,161	\$ 21,492,484	\$ 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%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	35.52%	24.60%	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 Four Fiscal Years

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
State's proportion of the net OPEB liability (asset) associated with the District	0.20%	0.19%	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	117,090,639	129,686,014	78,106,218	86,515,675	98,568,495
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 117,090,639</u>	<u>\$ 129,686,014</u>	<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, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability					
Service Cost	\$ 6,266,593	\$ 3,471,533	\$ 3,432,633	\$ 3,840,813	\$ 4,624,765
Interest	3,037,455	2,817,238	3,436,408	3,626,626	3,124,251
Changes in benefit terms	(124,629)				
Difference between expected and actual experience	(19,575,303)	23,791,142	(14,116,512)	(7,358,709)	
Changes of assumptions	115,519	23,689,178	1,164,570	(9,928,107)	(13,071,381)
Member Contributions	77,653	68,432	71,072	79,955	84,068
Benefit payments	<u>(2,392,663)</u>	<u>(2,257,727)</u>	<u>(2,397,628)</u>	<u>(2,313,398)</u>	<u>(2,283,056)</u>
Net Change in total OPEB Liability	(12,595,375)	51,579,796	(8,409,457)	(12,052,820)	(7,521,353)
Total OPEB Liability - beginning	<u>129,686,014</u>	<u>78,106,218</u>	<u>86,515,675</u>	<u>98,568,495</u>	<u>106,089,848</u>
Total OPEB Liability - ending	<u>\$ 117,090,639</u>	<u>\$ 129,686,014</u>	<u>\$ 78,106,218</u>	<u>\$ 86,515,675</u>	<u>\$ 98,568,495</u>
District's covered-employee payroll	\$ 28,587,675	\$ 27,217,679	\$ 26,142,496	\$ 25,647,877	\$ 25,152,398
Total OPEB Liability as a percentage of covered-employee payroll	409.58%	476.48%	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, 2022

Teacher's Pension and Annuity Fund (TPAF)

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed from 5.40% as of June 30, 2020, to 7.00% as of June 30, 2021.

Public Employees' Retirement System (PERS)

Changes of benefit term: There were none.

Changes of assumptions: The discount rate remained at 7.00% as of June 30, 2020, and June 30, 2021.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

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, 2022

	Brought Forward (Exh. E-1B)	Brought Forward (Exh. E-1C)	Brought Forward (Exh. E-1D)	Brought Forward (Exh. E-1E)	Total
REVENUES:					
Local sources	\$ 17,262	\$ -	\$ 583,981	\$ -	\$ 601,243
State sources	102,391	-	83,189	-	185,580
Federal sources	34,177	998,174	-	858,611	1,890,962
Total Revenues	153,830	998,174	667,170	858,611	2,677,785
EXPENDITURES:					
Instruction:					
Salaries of teachers	-	180,859	1,500	126,067	308,426
General supplies	33,577	13,241	13,034	496,900	556,752
Tuition	-	594,442	-	-	594,442
Textbooks	-	-	13,703	-	13,703
Miscellaneous	-	-	13,364	-	13,364
Total instruction	33,577	788,542	41,601	622,967	1,486,687
Support services:					
Salaries - Other Support Staff	-	57,948	-	165,282	223,230
Personal services-employee benefits	-	18,269	-	-	18,269
Purchased professional and educational services	-	1,090	-	-	1,090
Purchased professional and technical services	-	96,251	29,120	53,277	178,648
Other purchased services	40,667	7,675	-	2,510	50,852
Supplies and materials	8,324	16,953	29,832	14,575	69,684
Student activities	-	-	480,628	-	480,628
Scholarship awards	13,787	-	-	-	13,787
Total support services	62,778	198,186	539,580	235,644	1,036,188
Facilities acquisition and const. serv.:					
Building	54,000	-	-	-	54,000
Non-Instructional equipment	-	11,446	-	-	11,446
Total facilities acquisition and const. serv.:	54,000	11,446	-	-	65,446
Total Expenditures	150,355	998,174	581,181	858,611	2,588,321
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	3,475	-	85,989	-	89,464
Fund Balance, July 1	60,245	-	380,084	-	440,329
Fund Balance, June 30	<u>\$ 63,720</u>	<u>\$ -</u>	<u>\$ 466,073</u>	<u>\$ -</u>	<u>\$ 529,793</u>

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2022

	Chapter 192		SDA Emergent Needs & Capital	CRRSA ESSER II	Chapter 193 - Handicapped Services		Scholarship Fund	Carried Forward (Exh. E-1A)
	Auxiliary Services				Exam & Classification	Corrective Speech		
	Comp. Education	ESL						
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,262	\$ 17,262
State sources	22,126	1,188	61,724		12,703	4,650		102,391
Federal sources				34,177				34,177
Total Revenues	22,126	1,188	61,724	34,177	12,703	4,650	17,262	153,830
EXPENDITURES:								
Instruction:								
Salaries of teachers								-
General supplies				33,577				33,577
Tuition								-
Textbooks								-
Miscellaneous								-
Total instruction		-	-	33,577			-	33,577
Support services:								
Salaries - Other Support Staff								-
Personal services-employee benefits								-
Purchased professional and educational services								-
Purchased professional and technical services								-
Other purchased services	22,126	1,188			12,703	4,650		40,667
Supplies and materials			7,724	600				8,324
Student activities								-
Scholarship awards							13,787	13,787
Total support services	22,126	1,188	7,724	600	12,703	4,650	13,787	62,778
Facilities acquisition and const. serv.:								
Building			54,000					54,000
Non-instructional equipment								-
Total facilities acquisition and const. serv.:			54,000	-				54,000
Total Expenditures	22,126	1,188	61,724	34,177	12,703	4,650	13,787	150,355
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-	-	3,475	3,475
Fund Balance, July 1	-	-	-	-	-	-	60,245	60,245
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,720	\$ 63,720

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2022

	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.	ARP Basic Current Yr.	Preschool Current Yr.	ARP Preschool Current Yr.	
REVENUES:										
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources										
Federal sources	160,192	26,400	16,841	3,569	6,594	649,882	101,341	21,909	11,446	998,174
Total Revenues	160,192	26,400	16,841	3,569	6,594	649,882	101,341	21,909	11,446	998,174
EXPENDITURES:										
Instruction:										
Salaries of teachers	144,839		14,632	3,315				18,073		180,859
General supplies	3,674				6,014		3,553			13,241
Tuition						594,442				594,442
Textbooks										-
Miscellaneous										-
Total instruction	148,513	-	14,632	3,315	6,014	594,442	3,553	18,073	-	788,542
Support services:										
Salaries - Other Support Staff							57,948			57,948
Personal services-employee benefits	11,080		1,119	254			4,433	1,383		18,269
Purchased professional and educational services			1,090							1,090
Purchased professional and technical services		5,219			185	55,440	35,407			96,251
Other purchased services	170	7,110			395					7,675
Supplies and materials	429	14,071						2,453		16,953
Student activities										-
Scholarship awards										-
Total support services	11,679	26,400	2,209	254	580	55,440	97,788	3,836	-	198,186
Facilities acquisition and const. serv.:										
Building										-
Non-instructional equipment									11,446	11,446
Total facilities acquisition and const. serv.:									11,446	11,446
Total Expenditures	160,192	26,400	16,841	3,569	6,594	649,882	101,341	21,909	11,446	998,174
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2022

	Nonpublic Nursing	Nonpublic Textbook	Nonpublic Security	Nonpublic Technology	Cinnaminson Ed. Foundation Grant	HS Home and School	Play Unified Grant	Student Act/Ath Fund	Carried Forward (Exh. E-1A)
REVENUES:									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 12,577	\$ 787	\$ 4,000	\$ 566,617	\$ 583,981
State sources	29,120	13,703	29,832	10,534					83,189
Federal sources									-
Total Revenues	29,120	13,703	29,832	10,534	12,577	787	4,000	566,617	667,170
EXPENDITURES:									
Instruction:									
Salaries of teachers							1,500		1,500
General supplies				10,534			2,500		13,034
Tuition									-
Textbooks		13,703							13,703
Miscellaneous					12,577	787			13,364
Total instruction		13,703	-	10,534	12,577	787	4,000	-	41,601
Support services:									
Salaries - other support staff									-
Personal services-employee benefits									-
Purchased professional and educational services									-
Purchased professional and technical services	29,120								29,120
Other purchased services									-
Supplies and materials			29,832						29,832
Student activities								480,628	480,628
Scholarship awards									-
Total support services	29,120	-	29,832	-	-	-	-	480,628	539,580
Facilities acquisition and const. serv.:									
Building									-
Non-instructional equipment									-
Total facilities acquisition and const. serv.:									-
Total Expenditures	29,120	13,703	29,832	10,534	12,577	787	4,000	480,628	581,181
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-	-	-	85,989	85,989
Fund Balance, July 1	-	-	-	-	-	-	-	380,084	380,084
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 466,073	\$ 466,073

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2022

	ARP ESSER III Current Yr.	ARP Accelerated Learning	CRRSA Learning Acceleration	CRRSA Mental Health	ARP Beyond the School Day	ARP Mental Health	ACSERS Grant Current Yr.	Carried Forward (Exh. E-1A)
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources								-
Federal sources	634,667	25,250	29,951	13,127	128	9,060	146,428	858,611
Total Revenues	634,667	25,250	29,951	13,127	128	9,060	146,428	858,611
EXPENDITURES:								
Instruction:								
Salaries of teachers	17,822		26,421		128		81,696	126,067
General supplies	496,900							496,900
Tuition								-
Textbooks								-
Miscellaneous								-
Total instruction	514,722	-	26,421	-	128	-	81,696	622,967
Support services:								
Salaries - Other Support Staff	88,240		3,530	9,668			63,844	165,282
Personal services-employee benefits								-
Purchased professional and educational services								-
Purchased professional and technical services	14,930	25,250		3,459		8,750	888	53,277
Other purchased services	2,200					310		2,510
Supplies and materials	14,575							14,575
Student activities								-
Scholarship awards								-
Total support services	119,945	25,250	3,530	13,127	-	9,060	64,732	235,644
Facilities acquisition and const. serv.:								
Building								-
Non-instructional equipment								-
Total facilities acquisition and const. serv.:								-
Total Expenditures	634,667	25,250	29,951	13,127	128	9,060	146,428	858,611
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Proprietary Funds

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Net Position
as of June 30, 2022

	Food Service Fund	School Age Child Care Program	School Store	Total
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 724,958	\$ 388,175	\$ 11,610	\$ 1,124,743
Accounts receivable:				
State	1,979			1,979
Federal	85,971			85,971
Milk	-			-
Other	8,054	-		8,054
Interfund Receivable	628			628
Inventories	11,787		4,079	15,866
Total current assets	<u>833,377</u>	<u>388,175</u>	<u>15,689</u>	<u>1,237,241</u>
Fixed assets:				
Equipment	615,655	29,123		644,778
Less Accumulated depreciation	<u>(442,492)</u>	<u>(24,248)</u>		<u>(466,740)</u>
Total fixed assets	<u>173,163</u>	<u>4,875</u>		<u>178,038</u>
Total assets	<u>\$ 1,006,540</u>	<u>\$ 393,050</u>	<u>\$ 15,689</u>	<u>\$ 1,415,279</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Interfund payable	250,407			250,407
Unearned revenue	19,293	20,080		39,373
Total current liabilities	<u>269,700</u>	<u>20,080</u>	<u>-</u>	<u>289,780</u>
NET POSITION				
Net investment in capital assets	173,163	4,875		178,038
Unrestricted	<u>563,677</u>	<u>368,095</u>	<u>15,689</u>	<u>947,461</u>
Total net position	<u>\$ 736,840</u>	<u>\$ 372,970</u>	<u>\$ 15,689</u>	<u>\$ 1,125,499</u>

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds

Statement of Revenues, Expenses and Changes in Fund Net Position
for the Fiscal Year ended June 30, 2022

	Food Service Fund	School Age Child Care Program	School Store	Total
OPERATING REVENUES:				
Local sources:				
Daily sales-reimbursable programs:				
School lunch program	\$ -	\$ -	\$ -	\$ -
Total-daily sales-reimbursable programs	-	-	-	-
Daily sales non-reimbursable programs:				
Adult and a la carte meals	146,904			146,904
Special functions	47,188			47,188
Vending and sales	2,141		14,253	16,394
Program fees		242,638		242,638
Total operating revenue	196,233	242,638	14,253	453,124
OPERATING EXPENSES:				
Salaries	499,168	181,553		680,721
Employee benefits	77,149	47,636		124,785
Supplies and materials	39,404	172		39,576
Depreciation	12,334	1,456		13,790
Management fee	55,311			55,311
Direct expenses	25,771	604		26,375
Cost of sales - reimbursable programs	289,572			289,572
Cost of sales - non-reimbursable programs	44,005	4,766	11,526	60,297
Building usage		25,000		25,000
Other	23,514	9,648		33,162
Total operating expenses	1,066,228	270,835	11,526	1,348,589
Operating income (loss)	(869,995)	(28,197)	2,727	(895,465)
Non-operating revenues:				
State sources:				
State school lunch program	29,970			29,970
Federal sources:				
National school lunch program	1,236,329			1,236,329
Emerg. Operational Cost Program - Schools	24,372			24,372
P-EBT Administrative Cost	628			628
U.S.D.A. commodities	72,665			72,665
Interest revenue	317	282	6	605
Total non-operating revenues	1,364,281	282	6	1,364,569
Change in net position	494,286	(27,915)	2,733	469,104
Net position - July 1	242,554	400,885	12,956	656,395
Net position - June 30	\$ 736,840	\$ 372,970	\$ 15,689	\$ 1,125,499

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
for the Fiscal Year ended June 30, 2022

	Food Service Fund	School Age Child Care Program	School Store	Total
Cash flows from operating activities:				
Cash receipts from customers	\$ 184,071	\$ 244,973	\$ 14,253	\$ 443,297
Cash payments to employees for services	(378,443)	(229,189)		(607,632)
Cash payments to suppliers for goods and services	(438,688)	(40,190)	(9,054)	(487,932)
Net cash used by operating activities	(633,060)	(24,406)	5,199	(652,267)
Cash flows from noncapital financing activities:				
Cash received from state and federal reimbursements	1,246,936			1,246,936
Net cash provided by noncapital financing activities	1,246,936	-	-	1,246,936
Cash flows from capital financing activities:				
Purchases of fixed assets	(18,815)			(18,815)
Net cash used by capital financing activities	(18,815)	-		(18,815)
Cash flows from investing activities:				
Interest on investments	317	282	6	605
Net cash provided by investing activities	317	282	6	605
Net increase (decrease) in cash and cash equivalents	595,378	(24,124)	5,205	576,459
Cash and cash equivalents, July 1	129,580	412,299	6,405	548,284
Cash and cash equivalents, June 30	<u>\$ 724,958</u>	<u>\$ 388,175</u>	<u>\$ 11,610</u>	<u>\$ 1,124,743</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (869,995)	\$ (28,197)	\$ 2,727	\$ (895,465)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	12,334	1,456	-	13,790
Federal commodities	72,665	-	-	72,665
Change in assets and liabilities:				
(Increase)/decrease in accounts receivable	(6,128)	-	-	(6,128)
(Increase)/decrease in inventory	(3,600)	-	2,472	(1,128)
Increase/(decrease) in accounts payable	(30,177)	-	-	(30,177)
Increase/(decrease) in interfunds payable	197,875	-	-	197,875
Increase/(decrease) in unearned revenue	(6,034)	2,335	-	(3,699)
Net cash used by operating activities	<u>\$ (633,060)</u>	<u>\$ (24,406)</u>	<u>\$ 5,199</u>	<u>\$ (652,267)</u>

Long-Term Debt Schedules

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
 Schedule of Serial Bonds
 June 30, 2022

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance July 1, 2021	Issued	Retired	Balance June 30, 2022
			Date	Amount					
2014 School Bonds	12/18/14	\$ 40,048,000	8/1/22	\$ 1,725,000	3.000%	\$ 33,975,000	\$ -	\$ 1,675,000	\$ 32,300,000
			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%				

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
 Schedule of Obligations Under Financed Purchases
 June 30, 2022

Series	Interest Rate Payable	Amount of Original Issue	Balance June 30, 2021	Issued Current Year	Retired Current Year	Balance June 30, 2022
Five Buses and One Van	2.150%	\$ 441,000	\$ 88,110	\$ -	\$ 88,110	\$ -
Four Buses and One Pickup Truck	3.250%	443,007	178,535	-	87,840	90,695
Five Buses	2.340%	510,140	311,886	-	101,568	210,318
Four Buses	1.454%	463,639	351,864	-	86,875	264,989
Three Buses and One Bus With Lift	1.238%	405,347	-	405,347	99,638	305,709
			<u>\$ 930,395</u>	<u>\$ 405,347</u>	<u>\$ 464,031</u>	<u>\$ 871,711</u>

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
 Schedule of Obligations Under Leases
 June 30, 2022

Purpose	Interest Rate Payable	Amount of Original Issue	(Restated) Balance June 30, 2021	Issued Current Year	Retired Current Year	Balance June 30, 2022
Copiers	4.000%	\$ 5,090	\$ 1,191	\$ -	\$ 1,097	\$ 94
Copiers	4.000%	67,334	33,098	-	13,808	19,290
Copiers	4.000%	75,209	38,226	-	15,371	22,855
Copiers	4.000%	3,949	2,622	-	983	1,639
Postage Meter	3.000%	21,579	18,052	-	3,961	14,091
Copiers	4.000%	11,151	<u>8,528</u>	<u>-</u>	<u>2,730</u>	<u>5,798</u>
			<u>\$ 101,717</u>	<u>\$ -</u>	<u>\$ 37,950</u>	<u>\$ 63,767</u>

**CINNAMINSON TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 Fiscal Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 2,046,643	\$ -	\$ 2,046,643	\$ 2,046,643	\$ -
Miscellaneous					
Total revenues - local sources	<u>2,046,643</u>		<u>2,046,643</u>	<u>2,046,643</u>	
State sources:					
Debt service aid type II	<u>680,487</u>		<u>680,487</u>	<u>680,487</u>	
Total revenues - state sources	<u>680,487</u>		<u>680,487</u>	<u>680,487</u>	
Total Revenues	<u>2,727,130</u>		<u>2,727,130</u>	<u>2,727,130</u>	
EXPENDITURES:					
Regular debt service:					
Interest	1,053,000		1,053,000	1,052,625	375
Redemption of principal	<u>1,675,000</u>		<u>1,675,000</u>	<u>1,675,000</u>	
Total Expenditures	<u>2,728,000</u>		<u>2,728,000</u>	<u>2,727,625</u>	<u>375</u>
Excess (Deficiency) of revenues over (under) expenditures	(870)		(870)	(495)	375
Other Financing Sources (Uses):					
Transfer from Capital Projects Fund					-
Total Other Financing Sources (Uses)				-	-
Excess (Deficiency) of revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(870)		(870)	(495)	375
Fund Balances, July 1	<u>895</u>		<u>895</u>	<u>895</u>	
Fund Balances, June 30	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 400</u>	<u>\$ 375</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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investment in capital assets	\$ 7,122,078	\$ 7,963,105	\$ (26,887,966)	\$ (2,659,793)	\$ 10,604,836	\$ 11,258,794	\$ 11,910,452	\$ 12,764,137	\$ 14,264,304	\$ 15,037,513
Restricted for:										
Special Revenue	-	-	-	-	-	-	-	-	440,329	529,793
Capital projects	743,241	855,544	37,155,985	2,371,104	1,717,648	1,766,166	2,484,260	2,952,987	2,797,140	3,618,856
Debt service	-	-	-	-	-	-	-	-	895	400
Other purposes	5,075,534	4,695,490	5,263,199	6,267,406	6,585,998	7,254,744	7,810,597	8,462,506	8,500,663	9,516,429
Unrestricted	(1,419,159)	(1,385,252)	(14,988,324)	(15,164,205)	(17,442,026)	(18,566,456)	(19,116,208)	(19,435,263)	(16,869,517)	(14,654,727)
Total governmental activities net position	<u>\$ 11,521,694</u>	<u>\$ 12,128,887</u>	<u>\$ 542,894</u>	<u>\$ (9,185,488)</u>	<u>\$ 1,466,456</u>	<u>\$ 1,713,248</u>	<u>\$ 3,089,101</u>	<u>\$ 4,744,367</u>	<u>\$ 9,133,814</u>	<u>\$ 14,048,264</u>
Business-type activities:										
Net investment in capital assets	\$ 51,718	\$ 59,817	\$ 57,279	\$ 51,539	\$ 80,304	\$ 77,698	\$ 117,890	\$ 151,393	\$ 173,013	\$ 178,038
Unrestricted	238,233	315,412	421,250	556,532	691,497	752,703	855,601	735,254	483,382	947,461
Total business-type activities net position	<u>\$ 289,951</u>	<u>\$ 375,229</u>	<u>\$ 478,529</u>	<u>\$ 608,071</u>	<u>\$ 771,801</u>	<u>\$ 830,401</u>	<u>\$ 973,491</u>	<u>\$ 886,647</u>	<u>\$ 656,395</u>	<u>\$ 1,125,499</u>
District-wide:										
Net investment in capital assets	\$ 7,173,796	\$ 8,022,922	\$ (26,830,687)	\$ (2,608,254)	\$ 10,685,140	\$ 11,336,492	\$ 12,028,342	\$ 12,915,530	\$ 14,437,317	\$ 15,215,551
Restricted:										
Special Revenue	-	-	-	-	-	-	-	-	440,329	529,793
Capital projects	743,241	855,544	37,155,985	2,371,104	1,717,648	1,766,166	2,484,260	2,952,987	2,797,140	3,618,856
Debt service	-	-	-	-	-	-	-	-	895	400
Other purposes	5,075,534	4,695,490	5,263,199	6,267,406	6,585,998	7,254,744	7,810,597	8,462,506	8,500,663	9,516,429
Unrestricted	(1,180,926)	(1,069,840)	(14,567,074)	(14,607,673)	(16,750,529)	(17,813,753)	(18,260,607)	(18,700,009)	(16,386,135)	(13,707,266)
Total district net position	<u>\$ 11,811,645</u>	<u>\$ 12,504,116</u>	<u>\$ 1,021,423</u>	<u>\$ (8,577,417)</u>	<u>\$ 2,238,257</u>	<u>\$ 2,543,649</u>	<u>\$ 4,062,592</u>	<u>\$ 5,631,014</u>	<u>\$ 9,790,209</u>	<u>\$ 15,173,763</u>

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

EXHIBIT J-2

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 11,352,752	\$ 12,159,632	\$ 12,652,594	\$ 12,346,152	\$ 13,294,163	\$ 14,317,085	\$ 14,553,839	\$ 14,805,789	\$ 15,582,885	\$ 16,698,670
Special education	3,159,224	2,826,077	3,140,913	3,470,172	3,616,797	3,701,565	3,695,721	3,798,782	4,213,749	4,104,583
Other instruction	2,909,802	2,913,515	2,891,834	3,107,318	3,225,899	3,282,335	3,375,211	3,255,311	3,214,190	3,631,862
Support Services:										
Tuition	3,003,117	3,321,908	2,499,099	2,285,604	1,882,993	1,273,713	1,041,634	1,472,679	973,467	1,319,281
Student & instruction related services	4,400,336	5,086,763	5,197,664	5,225,208	5,277,983	5,297,730	5,534,420	5,681,254	6,307,209	7,176,310
School administrative services	1,428,134	1,460,267	1,496,302	1,552,664	1,618,073	1,874,905	1,929,144	1,812,537	1,851,092	1,790,548
General and business administrative services	1,533,957	1,659,560	1,673,010	1,596,552	1,739,843	1,712,920	1,785,680	1,889,735	1,820,812	1,980,698
Plant operations and maintenance	2,909,064	3,172,548	3,031,481	14,559,553	(8,108,950)	3,634,731	3,503,950	4,158,014	4,840,841	3,912,441
Pupil transportation	2,407,476	2,806,684	2,702,043	2,635,508	2,804,092	2,891,810	2,966,304	2,859,579	2,671,187	3,261,860
Unallocated employee benefits	9,967,476	9,747,330	10,226,329	11,528,287	14,671,819	30,617,636	26,839,396	24,502,980	31,045,809	25,670,589
Special schools	-	-	21	11,466	-	-	-	-	-	-
Charter Schools	11,480	-	-	-	22,932	27,550	-	-	17,025	18,120
Interest on long-term debt	198,110	138,902	744,238	1,357,660	1,285,833	1,235,412	1,177,575	1,130,075	991,975	1,035,875
Unallocated depreciation	41,414	53,443	46,703	7,944	31,448	51,649	112,606	88,837	91,081	88,387
Total governmental activities expenses	43,322,342	45,346,629	46,302,231	59,684,088	41,362,925	69,919,041	66,515,480	65,455,572	73,621,322	70,689,224
Business-type activities:										
Food service	637,598	666,236	696,434	671,559	679,696	696,479	756,534	607,189	316,888	1,066,228
School age child care program	255,008	296,114	305,109	321,170	325,917	396,679	333,236	333,296	287,650	270,835
Employment orientation program/School store	20,433	24,141	30,938	28,962	48,425	41,284	34,508	32,214	4,719	11,526
Total business-type activities expense	913,039	986,491	1,032,481	1,021,691	1,054,038	1,134,442	1,124,278	972,699	609,257	1,348,589
Total district expenses	\$ 44,235,381	\$ 46,333,120	\$ 47,334,712	\$ 60,705,779	\$ 42,416,963	\$ 71,053,483	\$ 67,639,758	\$ 66,428,271	\$ 74,230,579	\$ 72,037,813
Program Revenues:										
Governmental activities:										
Operating grants and contributions	4,837,817	4,334,604	4,944,119	5,888,700	6,579,952	23,811,328	20,748,973	18,243,636	26,105,865	22,319,422
Charges for services	-	-	-	-	-	-	-	-	1,541,456	1,851,075
Total governmental activities program revenues	4,837,817	4,334,604	4,944,119	5,888,700	6,579,952	23,811,328	20,748,973	18,243,636	27,647,321	24,170,497
Business-type activities:										
Charges for services:										
Food service	453,695	456,210	483,538	492,150	524,062	530,831	535,452	379,053	19,310	196,233
School age child care program	326,318	372,734	406,655	417,758	408,140	387,039	422,544	272,486	92,560	242,638
School store	22,931	26,841	28,004	32,623	42,796	39,359	34,075	30,017	4,576	14,253
Operating grants and contributions	187,085	197,505	217,164	208,265	242,247	232,035	245,149	193,585	261,444	1,363,964
Capital grants and contributions	-	-	-	-	-	-	23,923	-	-	-
Total business type activities program revenues	990,029	1,053,290	1,135,361	1,150,796	1,217,245	1,189,264	1,261,143	875,141	377,890	1,817,088
Total district program revenues	\$ 5,827,846	\$ 5,387,894	\$ 6,079,480	\$ 7,039,496	\$ 7,797,197	\$ 25,000,592	\$ 22,010,116	\$ 19,118,777	\$ 28,025,211	\$ 25,987,585
Net (Expense)/Revenue:										
Governmental activities	\$ (38,484,525)	\$ (41,012,025)	\$ (41,358,112)	\$ (53,795,388)	\$ (34,782,973)	\$ (46,107,713)	\$ (45,766,507)	\$ (47,211,936)	\$ (45,974,001)	\$ (46,518,727)
Business-type activities	76,990	66,799	102,880	129,105	163,207	54,822	136,865	(97,558)	(231,367)	468,499
Total district-wide net expense	\$ (38,407,535)	\$ (40,945,226)	\$ (41,255,232)	\$ (53,666,283)	\$ (34,619,766)	\$ (46,052,891)	\$ (45,629,642)	\$ (47,309,494)	\$ (46,205,368)	\$ (46,050,228)

(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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 28,836,344	\$ 29,413,071	\$ 30,251,332	\$ 31,187,085	\$ 32,036,557	\$ 32,792,708	\$ 33,448,562	\$ 34,033,912	\$ 34,809,885	\$ 35,192,794
Taxes levied for debt service	1,269,753	1,079,150	964,150	1,544,360	2,204,948	2,196,486	2,186,925	2,025,050	2,033,271	2,046,643
Unrestricted grants and contributions	9,315,425	9,563,014	9,421,278	9,438,297	9,479,077	9,534,038	9,769,198	11,015,727	12,160,231	14,068,504
State aid restricted for capital projects	-	-	-	-	-	-	-	-	-	8,119
Tuition revenue	105,182	176,702	166,274	369,140	173,954	199,304	198,866	316,864	-	-
Transportation revenue	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	152,168	202,220	215,015	345,970	220,783	340,914	276,282	253,944	483,915	117,117
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>40,451,854</u>	<u>41,619,218</u>	<u>42,281,947</u>	<u>44,067,006</u>	<u>45,434,917</u>	<u>46,354,505</u>	<u>47,142,360</u>	<u>48,867,202</u>	<u>49,487,302</u>	<u>51,433,177</u>
Business-type activities:										
Miscellaneous income	544	275	420	437	523	3,778	6,225	10,714	1,115	605
Contributed capital	-	18,204	-	-	-	-	0	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>544</u>	<u>18,479</u>	<u>420</u>	<u>437</u>	<u>523</u>	<u>3,778</u>	<u>6,225</u>	<u>10,714</u>	<u>1,115</u>	<u>605</u>
Total district-wide	<u>\$ 40,452,398</u>	<u>\$ 41,637,697</u>	<u>\$ 42,282,367</u>	<u>\$ 44,067,443</u>	<u>\$ 45,435,440</u>	<u>\$ 46,358,283</u>	<u>\$ 47,148,585</u>	<u>\$ 48,877,916</u>	<u>\$ 49,488,417</u>	<u>\$ 51,433,782</u>
Change in Net Position:										
Governmental activities	\$ 1,967,329	\$ 607,193	\$ 923,835	\$ (9,728,382)	\$ 10,651,944	\$ 246,792	\$ 1,375,853	\$ 1,655,266	\$ 3,513,301	\$ 4,914,450
Business-type activities	77,534	85,278	103,300	129,542	163,730	58,600	143,090	(86,844)	(230,252)	469,104
Total district-wide	<u>\$ 2,044,863</u>	<u>\$ 692,471</u>	<u>\$ 1,027,135</u>	<u>\$ (9,598,840)</u>	<u>\$ 10,815,674</u>	<u>\$ 305,392</u>	<u>\$ 1,518,943</u>	<u>\$ 1,568,422</u>	<u>\$ 3,283,049</u>	<u>\$ 5,383,554</u>

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

EXHIBIT J-3

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Reserved for:										
Encumbrances	\$ 76,090	\$ 76,357	\$ 84,291	\$ 91,342	\$ 115,516	\$ 127,893	\$ 158,642	\$ 93,540	\$ 92,593	\$ 490,830
Capital reserve	743,241	855,544	1,233,534	1,244,332	1,420,024	1,665,298	2,427,536	2,952,987	2,797,140	3,618,856
Maintenance reserve	603,390	818,557	1,122,255	1,362,256	1,537,231	1,657,519	1,969,158	2,332,736	2,554,484	2,560,464
Emergency reserve	194,922	194,922	194,922	-	-	-	-	-	-	-
Unemployment compensation	-	-	7,493	-	-	-	-	-	483,490	483,867
Excess surplus	1,952,549	1,467,318	1,992,060	2,704,700	2,122,726	3,069,743	2,610,794	2,214,038	3,248,651	3,223,447
Excess surplus - designated for subsequent year's expenditures	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	3,248,651
Unreserved										
Undesignated	-	201,633	(12,950)	3,481	168,606	194,924	223,543	173,301	2,036,027	1,368,621
Designated for subsequent year's expenditures	74,241	182,574	331,635	103,982	85,367	267,967	-	1,204,629	313,289	588,534
Total general fund	<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>	<u>\$ 13,739,712</u>	<u>\$ 15,583,270</u>
All Other Governmental Funds										
Reserved:										
Encumbrances	\$ -	\$ -	\$ 34,671,640	\$ 739,450	\$ 150,925	\$ 18,412	\$ 18,733	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	440,329	529,793
Capital projects fund	-	-	1,250,811	387,332	146,699	82,456	37,991	-	-	-
Debt service fund	1	3,213	63,225	13,066	20,458	8,896	2,260	6,769	895	400
Total all other governmental funds	<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>	<u>\$ 441,224</u>	<u>\$ 530,193</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,									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues										
Tax levy	\$ 30,106,097	\$ 30,492,221	\$ 31,215,482	\$ 32,731,445	\$ 34,241,505	\$ 34,989,194	\$ 35,635,487	\$ 36,058,962	\$ 36,843,156	\$ 37,239,437
Tuition charges	105,182	176,702	166,274	369,140	173,954	199,304	198,866	316,864	465,667	489,080
Transportation charges	772,982	1,185,061	1,263,898	1,182,154	1,319,598	1,291,055	1,262,527	1,221,705	1,075,789	1,361,995
Interest earnings	23,729	7,777	995	1,073	1,719	13,928	23,876	39,029	17,559	7,707
Miscellaneous	170,972	212,199	244,935	364,184	248,806	351,511	252,406	214,915	466,353	117,529
Local sources	-	-	-	-	-	-	89,412	214,973	432,043	601,243
State sources	13,343,349	13,126,777	13,525,312	14,462,636	15,252,496	16,210,354	17,410,501	18,158,666	20,879,253	25,447,644
Federal sources	767,360	753,085	809,170	845,074	776,791	911,813	885,301	973,085	1,816,092	1,928,710
Total revenue	<u>45,289,671</u>	<u>45,953,822</u>	<u>47,226,066</u>	<u>49,955,706</u>	<u>52,014,869</u>	<u>53,967,159</u>	<u>55,758,376</u>	<u>57,198,199</u>	<u>61,995,912</u>	<u>67,193,345</u>
Expenditures										
Instruction										
Regular Instruction	10,951,301	11,422,501	11,876,872	11,770,893	12,297,518	12,905,673	13,122,374	13,498,580	14,312,498	15,675,997
Special education instruction	3,159,224	2,826,077	3,140,913	3,470,172	3,616,797	3,701,565	3,695,721	3,798,782	4,213,749	4,104,583
Other instruction	2,909,802	2,913,515	2,891,834	3,107,318	3,225,899	3,282,335	3,375,211	3,255,311	3,214,190	3,631,862
Support Services:										
Tuition	3,003,117	3,321,908	2,499,099	2,285,604	1,882,993	1,273,713	1,041,634	1,472,679	973,467	1,319,281
Student & instruction related services	4,400,336	5,086,763	5,197,664	5,225,208	5,277,983	5,297,730	5,534,420	5,681,254	6,307,209	7,176,310
School administrative services	1,428,134	1,460,267	1,496,302	1,552,664	1,618,073	1,874,905	1,929,144	1,812,537	1,851,092	1,790,548
General and business admin.services	1,533,957	1,659,560	1,673,010	1,596,552	1,739,843	1,712,920	1,785,680	1,889,735	1,820,812	1,972,873
Plant operations and maintenance	2,986,630	3,198,265	3,467,819	3,397,695	3,570,625	3,656,648	3,755,815	4,123,599	3,921,302	4,084,806
Pupil transportation	2,283,233	2,676,356	2,561,933	2,488,529	2,586,600	2,613,720	2,700,321	2,593,067	2,397,944	2,996,700
Employee benefits	9,967,476	9,747,330	10,111,786	11,090,735	12,190,146	13,360,808	14,293,906	14,365,640	16,089,489	19,244,134
Charter school	11,480	-	21	11,466	22,932	27,550	-	-	17,025	18,120
Capital outlay	217,800	796,491	4,721,251	36,250,855	1,215,954	1,015,535	742,641	1,447,311	2,893,852	923,326
Debt service:										
Principal	1,470,000	1,260,000	1,200,000	735,000	1,633,000	1,685,000	1,720,000	1,550,000	1,615,000	1,675,000
Interest and other charges	217,689	231,255	101,995	1,492,258	1,306,245	1,256,475	1,201,950	1,149,450	1,101,975	1,052,625
Total expenditures	<u>44,540,179</u>	<u>46,600,288</u>	<u>50,940,499</u>	<u>84,474,949</u>	<u>52,184,608</u>	<u>53,664,577</u>	<u>54,898,817</u>	<u>56,637,945</u>	<u>60,729,604</u>	<u>65,666,165</u>
Excess (Deficiency) of revenues over (under) expenditures	\$ 749,492	\$ (646,466)	\$ (3,714,433)	\$ (34,519,243)	\$ (169,739)	\$ 302,582	\$ 859,559	\$ 560,254	\$ 1,266,308	\$ 1,527,180
Other Financing sources (uses)										
Proceeds from borrowing	-	3,805,818	40,368,000	-	-	441,000	443,007	510,140	449,685	-
Payment to refunding bond escrow	-	(3,745,701)	-	-	-	-	-	-	-	-
Capital leases	-	446,000	-	755,000	-	-	-	-	-	405,347
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>-</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>	<u>449,685</u>	<u>405,347</u>
Net change in fund balances	<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>	<u>\$ 1,715,993</u>	<u>\$ 1,932,527</u>
Debt service as a percentage of noncapital expenditures	3.81%	3.26%	2.82%	4.62%	5.77%	5.59%	5.40%	4.89%	4.70%	4.21%

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>Use of Facilities</u>	<u>Technology Services</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2021	34,277	-	465,667	1,075,789	29,408	385,562	25,000	3,580	6,085	2,025,368
2022	14,319	34,035	489,080	1,361,995	30,826	9,264	33,792	3,000	-	1,976,311
	<u>\$ 282,511</u>	<u>\$ 364,545</u>	<u>\$ 2,632,833</u>	<u>\$ 11,936,764</u>	<u>\$ 591,174</u>	<u>\$ 657,027</u>	<u>\$ 248,017</u>	<u>\$ 117,176</u>	<u>\$ 154,496</u>	<u>\$ 16,984,543</u>

Source: District records

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

EXHIBIT J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
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	\$ 2	\$ 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
2021	11,794,800	1,351,784,400	577,700	93,800	139,152,400	81,107,000	27,672,800	1,612,182,900	86	1,612,182,986	155,052,700	2.309	1,874,846,207
2022	11,365,200	1,362,108,000	577,700	93,800	136,561,300	83,406,000	27,672,800	1,621,784,800	81	1,621,784,881	157,929,100	2.318	2,003,561,051

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

R Revaluation

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	
2013	\$ 1.520	\$ 0.056	\$ 1.576	\$ 0.460	\$ 0.017	\$ 0.142	\$ 0.338	\$ 2.533
2014	R 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
2021	2.183	0.126	2.309	0.616	0.017	0.209	0.456	3.607
2022	2.192	0.126	2.318	0.616	0.017	0.219	0.466	3.636

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

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.

R Reassessment.

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

EXHIBIT J-8

Taxpayer	2022		Taxpayer	2013	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
National Keystone Property	\$ 20,000,000	1.23%	National Keystone Property	\$ 26,851,400	1.37%
Camelot at Cinnaminson Harbour, LLC	19,157,900	1.18%	Whitesell Enterprises et al	15,418,500	0.79%
CSH Siena, LLC	10,925,400	0.67%	Cindel Dr Assoc., LLC	10,884,900	0.56%
New Plan Cinnaminson Urban Removal	6,104,300	0.38%	Midlantic Dr Assoc	9,480,300	0.48%
Progida	5,500,000	0.34%	K-Land 57, LLC	8,394,300	0.43%
1 Sea Box Drive, LLC	5,272,300	0.33%	Progida, LLC	8,071,800	0.41%
Main Line Shopping Center	5,053,600	0.31%	Hovbros Cinnaminson Urban Renew, LLC	7,040,100	0.36%
Riverton Country Club	4,543,300	0.28%	New Plan Cinna URB Renewal	7,015,100	0.36%
202 RT 130 LLC	4,429,700	0.27%	Hoeganaes Corp.	6,820,200	0.35%
River Road Property LLC	4,363,400	0.27%	1 SEA BOX DRIVE, LLC	6,494,100	0.33%
Total	\$ 85,349,900	5.26%	Total	\$ 106,470,700	5.44%

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	
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%	-
2021	36,843,156	36,843,156	100.00%	-
2022	37,239,437	37,239,437	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			Percentage of Personal Income ^a	Per Capita ^b
	General Obligation Bonds	Financed Purchases/ Leases	Total District		
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	4.71%	2,635
2016	42,178,000	1,112,004	43,290,004	4.57%	2,632
2017	40,545,000	750,855	41,295,855	4.25%	2,518
2018	38,860,000	790,716	39,650,716	3.96%	2,424
2019	37,140,000	839,520	37,979,520	3.65%	2,322
2020	35,590,000	931,701	36,521,701	3.28%	2,200
2021	33,975,000	930,395	34,905,395	c	2,029
2022	32,300,000	871,711	33,171,711	c	c

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

- 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		
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%	2,564
2017	40,545,000	-	40,545,000	2.53%	2,472
2018	38,860,000	-	38,860,000	2.42%	2,375
2019	37,140,000	-	37,140,000	2.32%	2,270
2020	35,590,000	-	35,590,000	2.21%	2,144
2021	33,975,000	-	33,975,000	2.11%	c
2022	32,300,000	-	32,300,000	1.99%	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, 2021**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Township of Cinnaminson	\$ 15,510,431	100.00%	\$ 15,510,431
Burlington County General Obligation Debt	182,924,161	3.753%	<u>6,865,144</u>
Subtotal, overlapping debt			22,375,575
Cinnaminson Township School District Direct Debt			<u>32,300,000</u>
Total direct and overlapping debt			<u><u>\$ 54,675,575</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)

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized valuation basis	
	2019	1,803,932,074
	2020	1,862,789,772
	2021	1,982,029,629
	[A]	<u>\$ 5,648,751,475</u>
Average equalized valuation of taxable property	[A/3]	\$ 1,882,917,158
Debt limit (4% of average equalized valuation)	[B]	75,316,686
Net bonded school debt	[C]	<u>32,300,000</u>
Legal debt margin	[B-C]	<u>\$ 43,016,686</u>

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 74,187,358	\$ 71,598,361	\$ 69,380,814	\$ 69,744,720	\$ 70,772,114	\$ 71,417,470	\$ 71,237,960	\$ 71,322,324	\$ 75,316,686	\$ 75,316,686
Total net debt applicable to limit	<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>	<u>33,975,000</u>	<u>32,300,000</u>
Legal debt margin	<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>	<u>\$ 41,341,686</u>	<u>\$ 43,016,686</u>
Total net debt applicable to the limit as a percentage of debt limit	7.34%	5.68%	61.85%	60.47%	57.29%	54.41%	52.14%	49.90%	45.11%	42.89%

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>
2013	16,438	\$ 848,907,634	\$ 51,643	7.2%
2014	16,551	886,670,172	53,572	5.5%
2015	16,545	925,279,125	55,925	4.4%
2016	16,449	947,182,767	57,583	3.8%
2017	16,400	972,044,400	59,271	3.5%
2018	16,359	1,000,189,260	61,140	3.4%
2019	16,359	1,039,254,552	63,528	2.6%
2020	16,602	1,114,890,708	67,154	7.3%
2021	17,207	e	e	4.8%
2022	e	e	e	e

Source:

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

^b Personal income for Cinnaminson Township.

^c Per Capita for Burlington County.

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

^e Not available.

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

EXHIBIT J-16

<u>Function/Program</u>	<u>Fiscal Year Ending June 30,</u>									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction										
Regular	178.9	182.5	177.7	175.0	185.9	185.7	189.7	193.0	199.3	187.7
Special education	42.8	42.9	42.1	42.9	51.9	51.6	48.6	63.5	65.6	58.7
Other special education	26.7	30.3	45.0	46.2	51.7	54.3	53.2	51.3	56.6	
Vocational										
Other instruction				3.1	3.1	2.9	3.1	3.1	3.1	2.5
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	29.7	30.7	31.8	31.8	31.0	30.3	30.3	35.3	30.5	94.1
School administrative services	21.9	20.8	21.0	21.0	23.6	21.9	24.1	23.1	23.7	18.4
General administrative services	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	4.0
Plant operations and maintenance	27.5	28.4	28.5	28.5	28.2	27.6	27.4	27.4	32.3	33.3
Pupil transportation	55.5	55.5	55.5	58.5	58.5	58.5	58.5	58.5	79.0	58.0
Business and other support services	12.4	12.4	12.4	13.4	13.4	13.1	12.7	13.7	13.9	13.1
Special Schools										
Food Service										
Child Care	16.0	16.0	16.0	13.0	16.0	16.0	16.0	16.0	16.0	16.0
Total	<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>	<u>523.1</u>	<u>485.8</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				
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%	218	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%	238	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%	237	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%	238	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%	257	1:13	1:10	1:12	2,686.8	2,586.0	5.18%	96.25%
2021	2,679	55,118,777	20,574	3.87%	265	1:13	1:10	1:12	2,719.6	2,620.3	1.22%	96.35%
2022	2,714	62,015,214	22,850	11.06%	247	1:13	1:10	1:12	2,733.8	2,583.4	0.52%	94.50%

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
District Building										
<u>Elementary</u>										
New Albany Elementary (1966)										
Square Feet	47,966	47,966	47,966	47,966	47,966	55,253	55,253	55,253	55,253	55,253
Capacity (students)	470	470	470	470	470	470	470	470	470	470
Enrollment	520	531	524	549	558	553	574	581	596	586
Rush Elementary (1962)										
Square Feet	50,248	50,248	50,248	50,248	50,248	56,019	56,019	56,019	56,019	56,019
Capacity (students)	505	505	505	505	505	505	505	505	505	505
Enrollment	547	535	503	536	543	574	591	610	587	623
Middle School (1968)										
Square Feet	118,434	118,434	118,434	118,434	118,434	112,701	112,701	112,701	112,701	112,701
Capacity (students)	704	704	704	704	704	704	704	704	704	704
Enrollment	577	579	554	579	583	560	593	646	634	655
High School (1961)										
Square Feet	148,668	148,668	148,668	148,668	148,668	194,921	194,921	194,921	194,921	194,921
Capacity (students)	810	810	810	810	810	810	810	810	810	810
Enrollment	716	718	719	775	790	807	796	850	803	825
<u>Other</u>										
Central Administration (1959)										
Square Feet	27,965	27,965	27,965	27,965	27,965	29,757	29,757	29,757	29,757	29,757

Number of Schools at June 30, 2022
 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

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

* School Facilities	Fiscal Year Ending June 30,										Total
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Cinnaminson School District											
New Albany Elementary	\$ 44,209	\$ 48,783	\$ 45,064	\$ 49,852	\$ 43,615	\$ 183,075	\$ 112,161	\$ 152,637	\$ 85,879	\$ 57,617	\$ 765,275
Rush Intermediate	45,998	55,656	52,921	54,007	42,841	50,422	62,330	99,604	94,478	58,416	558,257
Middle School	84,777	108,082	112,661	124,632	83,877	177,139	101,413	123,902	91,357	117,523	1,007,840
High School	167,332	199,436	273,096	157,867	391,010	159,760	156,800	132,623	126,593	203,261	1,764,517
Memorial School - Administration	91,383	50,099	41,128	29,081	46,538	52,319	45,078	32,506	68,842	31,030	456,974
Total School Facilities	<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>\$ 467,149</u>	<u>\$ 467,847</u>	<u>\$ 4,552,863</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, 2022**

EXHIBIT J-20

	<u>Coverage</u>	<u>Member Retention</u>
School Package Policy - School Alliance Insurance Fund		
Property - Blanket Buildings and Contents	\$ 500,000,000	\$ 2,500
General and Auto Liability	25,000,000	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 (1)	1,000,000	
Student Accident - (3)	1,000,000	
Surety Bonds (4)		
Treasurer	300,000	
Board Secretary	300,000	

- (1) School Alliance Insurance Fund.
- (3) Risk Placement Services
- (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, 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 (the "District"), in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated January 30, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the 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 District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity'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
January 30, 2023

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, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

I have audited Cinnaminson Township School District's (the "District"), in the County of Burlington, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on the District's major federal and state programs for the year ended June 30, 2022. The 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.

In my opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

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*. My responsibilities under those standards and the Circular 15-08-OMB are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal and state program. My audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and the N.J. Circular 15-08-OMB will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and N.J. Circular 15-08-OMB, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and N.J. Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that I identified during the audit.

Other Matters

The results of my auditing procedures disclosed an instance of noncompliance, which is required to be reported under the Uniform Guidance and which is described in the accompanying *Schedule of Findings and Questioned Costs and Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* as finding no: 2022-001. My opinion on the major federal program is not modified with respect to this matter.

The District's response to the finding identified in my audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

My audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

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
January 30, 2023

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period	Balance at June 30, 2021			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balance	Adjustment	Balance at June 30, 2022		
						Deferred Revenue (Accts. Receivable)	Due to Grantor	Carryover (Walkover) Amount					(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Health & Human Services															
Passed-through State Department of Education:															
<u>General Fund:</u>															
Medical Assistance Program (SEMI)	93.778	2205NJ5MAP	N/A	\$ 37,748	7/1/21 - 6/30/22	\$ -	\$ -	\$ -	\$ 37,748	\$ (37,748)	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Fund						-	-	-	37,748	(37,748)	-	-	-	-	-
Passed-through State Department of Education:															
<u>Special Revenue Fund:</u>															
<u>Every Student Succeeds Act</u>															
Title I - Current Year	84.010	S010A210030	ESSA-0840-22	241,653	7/1/21 - 9/30/22				155,078	(160,192)			(5,114)		
Title I - Prior Year	84.010	S010A200030	ESSA-0840-21	256,982	7/1/20 - 9/30/21	(49,501)			49,501				-		
Title II - A - Current Year	84.367A	S367A210029	ESSA-0840-22	45,460	7/1/21 - 9/30/22				26,400	(26,400)			-		
Title II - A - Prior Year	84.367	S367A200029	ESSA-0840-21	40,594	7/1/20 - 9/30/21	(860)			860				-		
Title III - Current Year	84.365	S365A210030	ESSA-0840-22	18,448	7/1/21 - 9/30/22				15,487	(16,841)			(1,354)		
Title III - Prior Year	84.365	S365A200030	ESSA-0840-21	19,825	7/1/20 - 9/30/21	(4,298)			4,298				-		
Title III Immigrant- Current Year	84.365	S365A210030	ESSA-0840-22	3,569	7/1/21 - 9/30/22				3,316	(3,569)			(253)		
Title III Immigrant- Prior Year	84.365	S365A200030	ESSA-0840-21	4,292	7/1/20 - 9/30/21	(2,177)			2,177				-		
Title IV - Current Year	84.424	S424A210031	ESSA-0840-22	19,037	7/1/21 - 9/30/22				6,182	(6,594)			(412)		
Title IV - Prior Year	84.424	S424A200031	ESSA-0840-21	16,725	7/1/20 - 9/30/21	(2,173)			2,173				-		
<u>Individuals With Disabilities Act (I.D.E.A.)</u>															
Part B - Basic Current Year	84.027A	H027A210100	IDEA-0840-22	682,832	7/1/21 - 9/30/22				599,410	(649,882)			(50,472)		
Part B - Basic Prior Year	84.027A	H027A200100	IDEA-0840-21	681,712	7/1/20 - 9/30/21	(8,575)			8,575				-		
Part B - ARP Basic Current Year	84.027X	H027X210100	IDEA-0840-22	134,195	7/1/21 - 9/30/22				88,134	(101,341)			(13,207)		
Part B - Preschool Current Year	84.173A	H173A210114	IDEA-0840-22	21,909	7/1/21 - 9/30/22				16,870	(21,909)			(5,039)		
Part B - Preschool Prior Year	84.173A	H173A200114	IDEA-0840-21	28,184	7/1/20 - 9/30/21	(2,747)			2,747				-		
Part B - ARP Preschool Current Year	84.173X	H173X210114	IDEA-0840-22	11,446	7/1/21 - 9/30/22				11,446	(11,446)			-		
CARES Act - ESSER	84.425D	S425D200027	N/A	145,388	3/13/20 - 9/30/22	(154,021)			19,485			134,536	-		
Coronavirus Response and Relief Supplemental Act:															
CRRSA - Learning Acceleration	84.425D	S425D200027	N/A	38,356	3/13/20 - 9/30/23				39,451	(29,951)			-	9,500	
CRRSA - ESSER II	84.425D	S425D200027	N/A	597,689	3/13/20 - 9/30/23	(563,388)			597,565	(34,177)			-		
CRRSA - Mental Health	84.425D	S425D200027	N/A	45,000	3/13/20 - 9/30/23				12,396	(13,127)			(731)		
American Rescue Plan:															
ARP - Beyond the School Day	84.425U	S425U200027	N/A	40,000	3/13/20 - 9/30/24				128	(128)			-		
ARP - Mental Health	84.425U	S425U200027	N/A	45,000	3/13/20 - 9/30/24					(9,060)			(9,060)		
ARP - Accelerated Learning	84.425U	S425U200027	N/A	228,102	3/13/20 - 9/30/24				14,000	(25,250)			(11,250)		
ARP - ESSER III	84.425U	S425U200027	N/A	1,343,268	3/13/20 - 9/30/24				620,927	(634,667)			(13,740)		
U.S. Department of Treasury															
Passed-through State Department of Education:															
Additional or Compensatory Special Ed. (ACRSERS)	21.027	SLFRFDOE1SES	N/A	146,428	7/1/22 - 6/30/22					(146,428)			(146,428)		
Total Special Revenue Fund						(787,740)	-	-	2,296,606	(1,890,962)	-	134,536	(257,060)	9,500	-
U.S. Department of Agriculture															
Passed-through State Department of Education:															
<u>Enterprise Fund:</u>															
Food Distribution Program	10.555	221NJ304N1099	N/A	72,665	7/1/21 - 6/30/22				72,665	(72,665)			-		
National School Lunch Program	10.555	221NJ304N1099	N/A	1,236,329	7/1/21 - 6/30/22				1,150,358	(1,236,329)			(85,971)		
National School Lunch Program	10.555	211NJ304N1099	N/A	218,559	7/1/20 - 6/30/21	(41,274)			41,274				-		
Emergency Operational Cost Program - School	10.555	202121H170341	N/A	24,372	7/1/21 - 6/30/22				24,372	(24,372)			-		
P-EBT Administrative Cost	10.649	2022225900941	N/A	628	7/1/21 - 6/30/22				628	(628)			-		
Total Enterprise Fund						(41,274)	-	-	1,289,297	(1,333,994)	-	-	(85,971)	-	-
Total Federal Awards						\$ (829,014)	\$ -	\$ -	\$ 3,623,651	\$ (3,262,704)	\$ -	\$ 134,536	\$ (343,031)	\$ 9,500	\$ -

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, 2022

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	Balance at June 30, 2021		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2022		
				Deferred Revenue (Accts. Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
State Department of Education												
<u>General Fund:</u>												
Equalization Aid	22-495-034-5120-078	\$ 10,322,769	7/1/21 - 6/30/22	\$ -	\$ -	\$ -	\$ 9,330,554	\$(10,322,769)	\$ -	\$(992,215)	\$ -	\$ -
Equalization Aid	21-495-034-5120-078	8,097,309	7/1/20 - 6/30/21	(780,799)			780,799			-		
Special Education Categorical Aid	22-495-034-5120-089	1,385,471	7/1/21 - 6/30/22				1,252,301	(1,385,471)		(133,170)		
Special Education Categorical Aid	21-495-034-5120-089	1,385,471	7/1/20 - 6/30/21	(133,597)			133,597			-		
Security Aid	22-495-034-5120-084	57,475	7/1/21 - 6/30/22				51,951	(57,475)		(5,524)		
Security Aid	21-495-034-5120-084	57,475	7/1/20 - 6/30/21	(5,542)			5,542			-		
Transportation Aid	22-495-034-5120-014	483,083	7/1/21 - 6/30/22				436,649	(483,083)		(46,434)		
Transportation Aid	21-495-034-5120-014	483,083	7/1/20 - 6/30/21	(46,582)			46,582			-		
Nonpublic Transportation Aid	22-103190	22,040	7/1/21 - 6/30/22					(20,880)		(20,880)	-	-
Nonpublic Transportation Aid	21-103190	22,040	7/1/20 - 6/30/21	(22,040)			22,040			-		
Extraordinary Aid	22-495-034-5120-044	1,176,541	7/1/21 - 6/30/22					(1,176,541)		(1,176,541)		
Extraordinary Aid	21-495-034-5120-044	1,414,804	7/1/20 - 6/30/21	(1,414,804)			1,414,804			-		
Homeless Tuition Aid	22-495-034-5120-005	75,773	7/1/21 - 6/30/22					(75,773)		(75,773)		
Homeless Tuition Aid	21-495-034-5120-005	2,154	7/1/20 - 6/30/21	(2,154)						-		
School Security Grant - Alyssa's Law	20E00395	39,100	7/1/21 - 6/30/22				20,125	(39,100)		(18,975)		
On Behalf TPAF Pension Contributions	22-495-034-5094-002	7,785,764	7/1/21 - 6/30/22				7,785,764	(7,785,764)		-		
On Behalf TPAF Post Retirement Medical	22-495-034-5094-001	1,819,069	7/1/21 - 6/30/22				1,819,069	(1,819,069)		-		
On Behalf TPAF Pension LTDI	22-495-034-5094-004	2,311	7/1/21 - 6/30/22				2,311	(2,311)		-		
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	1,624,164	7/1/21 - 6/30/22				1,544,136	(1,624,164)		(80,028)		
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	1,550,612	7/1/20 - 6/30/21	(77,981)			77,981			-		
Total General Fund				(2,483,499)	-	-	24,726,359	(24,792,400)	-	(2,549,540)	-	-
<u>Special Revenue Fund</u>												
N.J. Nonpublic Aid:												
Textbook Aid	22-100-034-5120-064	15,425	7/1/21 - 6/30/22				15,425	(13,703)				1,722
Textbook Aid	21-100-034-5120-064	14,967	7/1/20 - 6/30/21			3,120			(3,120)			-
Technology Aid	22-100-034-5120-373	10,794	7/1/21 - 6/30/22				10,794	(10,534)				260
Nursing Aid	22-100-034-5120-070	29,120	7/1/21 - 6/30/22				29,120	(29,120)				-
Security Aid	22-100-034-5120-509	45,500	7/1/21 - 6/30/22				45,500	(29,832)				15,668
Security Aid	21-100-034-5120-509	43,225	7/1/20 - 6/30/21			8,978			(8,978)			-
Auxiliary Services:												
Compensatory Education	22-100-034-5120-067	52,852	7/1/21 - 6/30/22				52,852	(22,126)				30,726
Compensatory Education	21-100-034-5120-067	60,964	7/1/20 - 6/30/21			28,915			(28,915)			-
ESL	22-100-034-5120-067	1,188	7/1/21 - 6/30/22				1,188	(1,188)				-
ESL	21-100-034-5120-067	888	7/1/20 - 6/30/21			888			(888)			-
Handicapped Services:												
Examination & Classification	22-100-034-5120-066	18,396	7/1/21 - 6/30/22				18,396	(12,703)				5,693
Examination & Classification	21-100-034-5120-066	22,679	7/1/20 - 6/30/21			6,141			(6,141)			-
Corrective Speech	22-100-034-5120-066	4,650	7/1/21 - 6/30/22				4,650	(4,650)				-
Corrective Speech	21-100-034-5120-066	26,431	7/1/20 - 6/30/21			18,228			(18,228)			-
Supplemental Instruction	21-100-034-5120-066	19,428	7/1/20 - 6/30/21			19,428			(19,428)			-
SDA Emergent Needs & Capital Maint.	EG-0109-D02	62,302	7/1/21 - 6/30/22				62,302	(61,724)				578
Total Special Revenue Fund				-	85,698	-	240,227	(185,580)	(85,698)	-	578	54,069

(Continued)

CINNAMINSON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2022

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	Balance at June 30, 2021		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2022		
				Deferred Revenue (Accts. Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
Debt Service Fund												
Debt Service Aid Type II	22-100-034-5120-017	\$ 680,487	7/1/21 - 6/30/22	\$ -	\$ -	\$ -	\$ 680,487	\$ (680,487)	\$ -	\$ -	\$ -	\$ -
State Department of Agriculture												
Enterprise Fund:												
State School Lunch Program	22-100-010-3350-023	29,970	7/1/21 - 6/30/22				27,991	(29,970)		(1,979)	-	-
State School Lunch Program	21-100-010-3350-023	12,972	7/1/20 - 6/30/21	(2,940)			2,940			-		-
Total Enterprise Fund				(2,940)	-	-	30,931	(29,970)	-	(1,979)	-	-
Total State Financial Assistance				<u>\$ (2,486,439)</u>	<u>\$ 85,698</u>	<u>\$ -</u>	<u>\$ 25,678,004</u>	<u>(25,688,437)</u>	<u>\$ (85,698)</u>	<u>\$ (2,551,519)</u>	<u>\$ 578</u>	<u>\$ 54,069</u>
Less: State Financial Expenditures Not Subject to Major Program Determination												
On-Behalf TPAF Contribution - Pension (Non-Budgeted)									7,785,764			
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted)									1,819,069			
On Behalf TPAF Pension LTDI									2,311			
Total State Financial Expenditures Subject to Major Program Determination									<u>\$ (16,081,293)</u>			

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

**Cinnaminson Township School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2022**

I. 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 (\$210,823) 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	\$ 37,748	\$ 24,581,577	\$ 24,619,325
Special Revenue	1,890,962	185,580	2,076,542
Debt Service		680,487	680,487
Food Service	1,333,994	29,970	1,363,964
	<u>\$ 3,262,704</u>	<u>\$ 25,477,614</u>	<u>\$ 28,740,318</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, 2022**

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, 2022. 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, 2022.

6. MAJOR PROGRAMS

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

7. ADJUSTMENTS

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

	<u>Federal</u>	<u>State</u>
Cancellation of Receivable	\$ <u>134,536</u>	\$ <u>-</u>

**CINNAMINSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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)? X yes no

Identification of major programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.555</u>	<u>221NJ304N1099</u>	<u>Child Nutrition Cluster: Food Distribution Program</u>
<u>10.555</u>	<u>221NJ304N1099</u>	<u>National School Lunch Program</u>
<u>10.555</u>	<u>202121H170341</u>	<u>Emergency Operational Cost Program</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, 2022**

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>
_____ 22-495-034-5120-078 _____	State Aid Public Cluster: _____ Equalization Aid _____
_____ 22-495-034-5120-089 _____	_____ Special Education Categorical Aid _____
_____ 22-495-034-5120-084 _____	_____ Security Aid _____
_____ 22-495-034-5094-003 _____	_____ Reimbursed TPAF Social Security Contributions _____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

**CINNAMINSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 and/or questioned costs identified.

**CINNAMINSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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:

Finding No. 2022-001

Information on the Federal Program:

U.S. Department of Education – Child Nutrition Cluster (Federal Award Year 7/1/21 to 6/30/22):
National School Lunch Program (Assistance Listing Number 10.555) (FAIN-221NJ304N1099)
Emergency Operational Cost Program (Assistance Listing Number 10.555) (FAIN-202121H170341)
Food Distribution Program (Assistance Listing Number 10.555) (FAIN-221NJ304N1099)

Criteria or specific requirement:

CFR Section 210.14 Resource Management (b) Net Cash Resources. The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for a nonprofit school food service.

Condition:

The School District's Net Cash Resources exceeded its three month average expenditures by \$235,722.

Questioned Costs:

None.

Context:

Per the calculation of the Food Service Fund's Net Cash Resources, Net Cash Resources at June 30, 2022 were \$551,890, and its three month average expenditures were \$316,168, resulting in an overage of \$235,722.

Effect or Potential Effect:

The School District is not in compliance with CFR section 210.14 and requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Cause:

An increase in federal funding.

Recommendation:

That the School District continue to monitor the finances of its Food Service Fund and create a plan to reduce the net cash resources below its three month average expenditures.

View of Responsible Officials and Planned Corrective Action:

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

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.