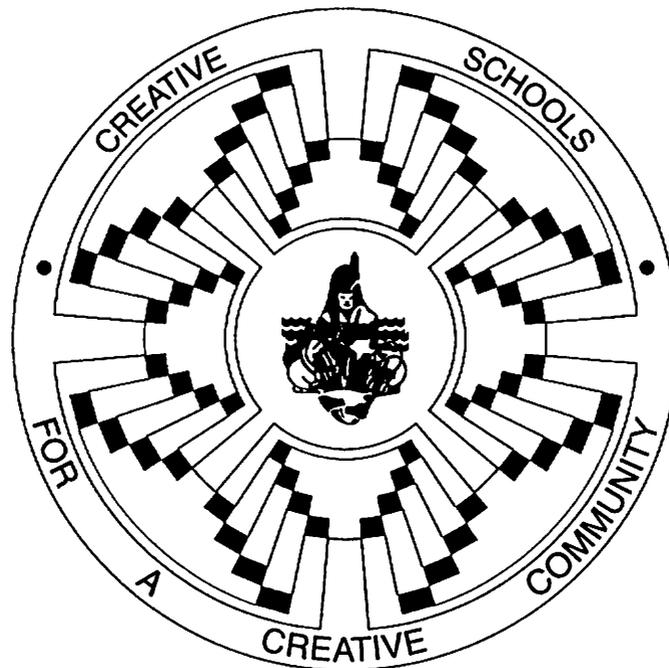


**Board of Education
of
Cinnaminson Township
School District
Cinnaminson, New Jersey**



**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended
JUNE 30, 2010**

Comprehensive Annual Financial Report

of the

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

For the Fiscal Year Ended June 30, 2010

Prepared by

**Cinnaminson Board of Education
Finance Department**

CINNAMINSON SCHOOL DISTRICT

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Introductory Section



Cinnaminson Township Public Schools

Administrative Offices

P.O. Box 224

Cinnaminson, New Jersey 08077

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

October 8, 2010

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Cinnaminson Township Public Schools for the fiscal year ended June 30, 2010, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District provides a comprehensive K through 12 curriculum, including: gifted and talented, special education and basic skills. The current enrollment of 2,419.8 students is 34.1 students greater 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>
2009-10	2,419.8	1.43%
2008-09	2,385.7	(3.11%)
2007-08	2,459.9	(2.49%)
2006-07	2,521.1	(2.17%)
2005-06	2,577.0	0.08%
2004-05	2,556.0	5.75%
2003-04	2,417.0	5.55%
2002-03	2,559.0	1.43%
2001-02	2,523.0	(.43%)
2000-01	2,534.0	1.24%

- 2. ECONOMIC CONDITIONS AND OUTLOOK:** Cinnaminson Township continues to experience a very slow growth over past years. This may change with the continued building of a major development along the Township's riverfront and the building of a third age restricted community along Route 130.

The school district has had a decline of approximately 40 students over this three (3) year period. The anticipated increase in enrollment from the riverfront development and the move of "empty nesters" has yet to materialize. This could dramatically shift with the building of 350 apartments, 135 of which are for subsidized housing.

While the Township is experiencing an increase in its tax base, the actual fiscal impact should be negligible at best. For the school district, any fiscal growth from these latest commercial buildings will also be minimal as the Township has negotiated PILOT and tax abatements for the developers.

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

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

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

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

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

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

- 3. INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

- 4. BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2009.

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

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

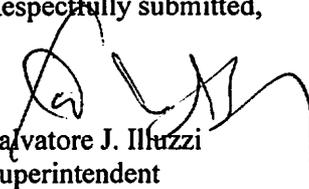
- 7. RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

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

requirements of the single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

- 9. ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Cinnaminson School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

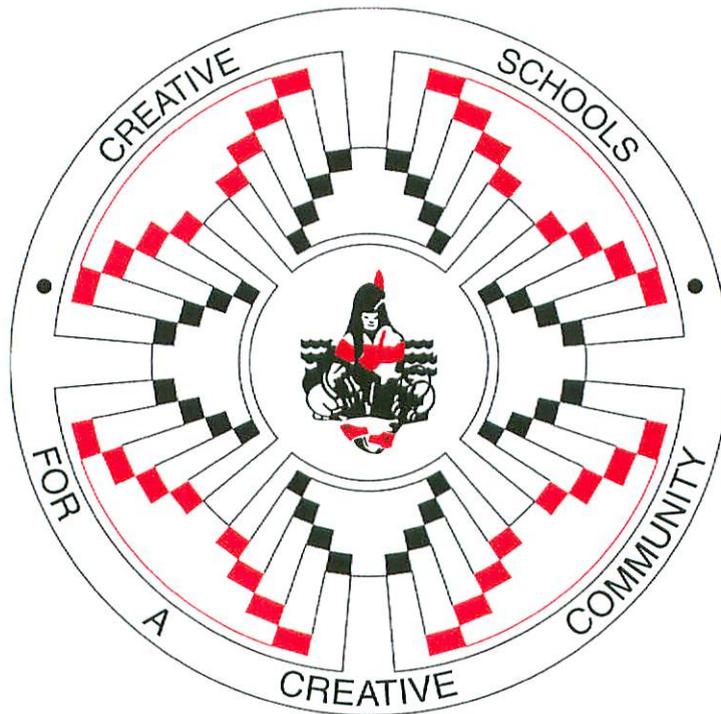
Respectfully submitted,



Salvatore J. Iluzzi
Superintendent



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



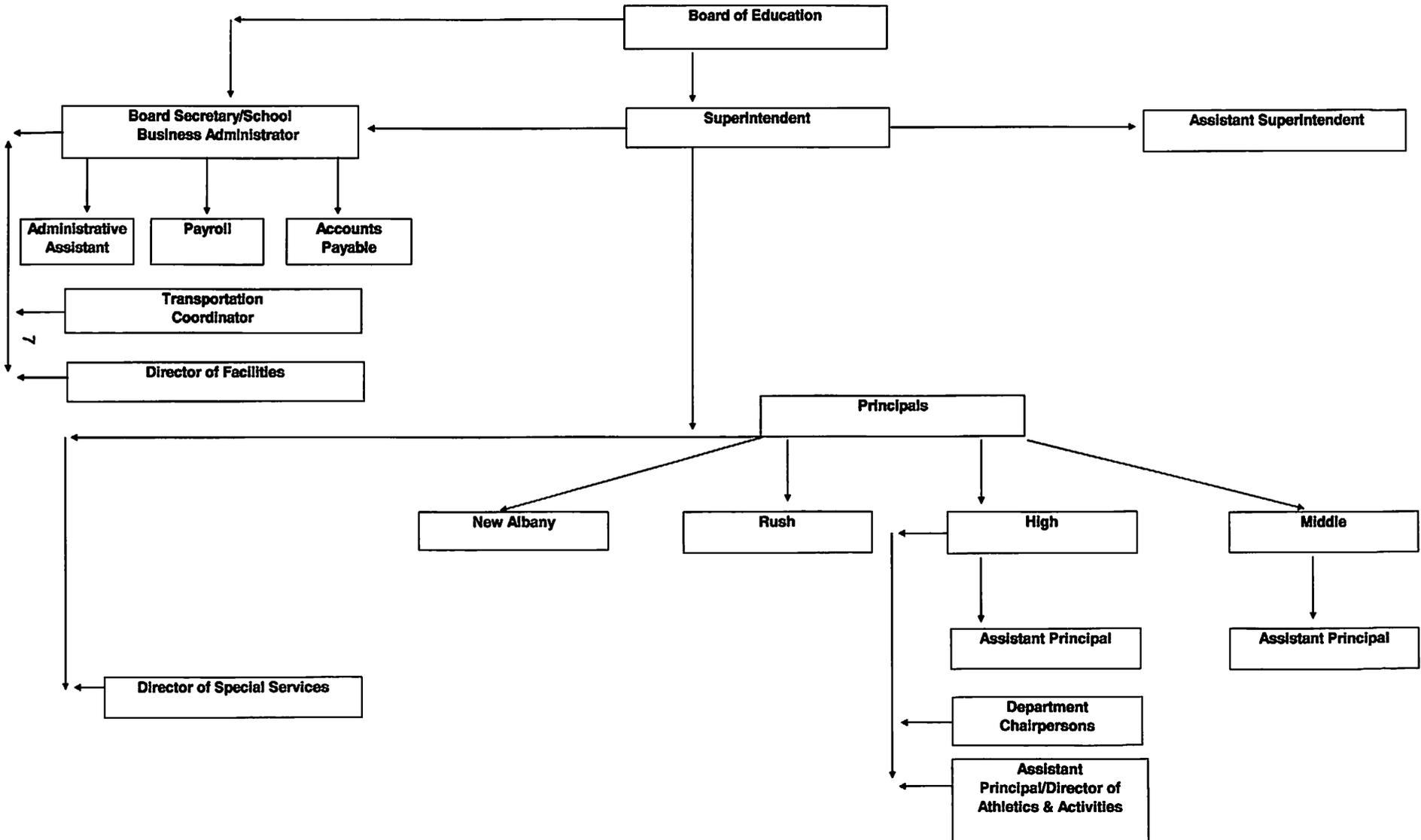
MISSION STATEMENT

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

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

CINNAMINSON BOARD OF EDUCATION

Organization Chart



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

**ROSTER OF OFFICIALS
JUNE 30, 2010**

	<u>Term Expires</u>
Harry E. Shea, II President	2011
Jean M. Cohen, Vice-President	2013
Pamela Crepps	2013
Linda DiMassimo	2013
Dr. James A. Herschel	2011
Jacqueline Plunkett	2011
Dolores Woodington	2012
Linda Lamb	2012
James J. McGuckin, Jr.	2012

Other Officials

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

CINNAMINSON SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

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

Attorney

Frank Cavallo, Esq.
Stephen J. Mushinski, Esq.
Parker, McCay P.A.
Three Greentree Centre
7001 Lincoln Drive West
Marlton, NJ 08053

Official Depository

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Cinnaminson, NJ 08077

Financial Section

INVERSO & STEWART, LLC

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Registered Municipal Accountants**

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Cinnaminson School District, in the County of Burlington, State of New Jersey (School District), as of and for the fiscal year ended June 30, 2010, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Cinnaminson School District, in the County of Burlington, State of New Jersey, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

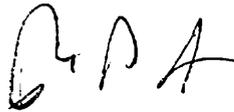
In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2010 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Public School Accountant

Marlton, New Jersey
October 8, 2010

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Cinnaminson School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated October 8, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cinnaminson School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of the management and others within the Cinnaminson School District, the Division of Finance, Department of Education, State of New Jersey, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Public School Accountant

Marlton, New Jersey
October 8, 2010

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Cinnaminson School District
For the Fiscal Year Ended June 30, 2010
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, 2010. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$5,148,562 (*net assets*).
- Governmental activities have an unrestricted net assets deficit of \$827,109. The accounting treatments in the governmental funds for compensated absences payable, and the last two state aid payments, and the state statute that prohibits school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net assets of the School District increased by \$85,337, or a 1.68% increase from the prior fiscal year-end balance.
- Fund balance of the School District's governmental funds decreased by \$941,278 resulting in an ending fund balance of \$2,429,884. This increase is due to the decrease in results of operations in the General Fund. The Debt Service Fund experienced an increase in fund balance of \$19,039.
- Business-type activities have net assets of \$173,551, which may be used to meet the School District's ongoing obligations of the food service operations, school age child care program, and student store.
- The School District's long-term obligations decreased by \$1,332,994 which is the result of the reduction of serial bond debt and capital leases, and an increase compensated absences.

Overview of the Basic Financial Statements

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

District-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

The School District's four enterprise funds (Food Service Fund, School Age Child Care Program, Employment Orientation 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 2010. 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 2010.

The assets of the primary government activities exceeded liabilities by \$4,975,011 with an unrestricted deficit balance of \$827,109. The net assets of the primary government do not include internal balances.

A net investment of \$3,963,662 in land, improvements, buildings, equipment and vehicles which provide the services to the School District's 2,420 public school students, represents 79.67% of the School District's net assets. Net assets of \$315,135 have been restricted to provide resources for future capital expansion and renovation projects, \$100,000 for maintenance reserve, \$300,000 for emergency reserve, \$1,177,365 has been restricted for future budget appropriations and \$61,796 is reserved for encumbrances.

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

**Cinnaminson School District
Comparative Summary of Net Assets
As of June 30, 2010 and 2009**

	Governmental Activities		Business-Type Activities		District-Wide	
	2010	2009	2010	2009	2010	2009
Assets:						
Current assets	\$ 2,889,743	\$ 3,932,890	\$ 217,169	\$ 242,131	\$ 3,106,912	\$ 4,175,021
Capital assets	<u>14,393,413</u>	<u>14,664,859</u>	<u>73,275</u>	<u>82,381</u>	<u>14,466,688</u>	<u>14,747,240</u>
Total assets	<u>17,283,156</u>	<u>18,597,749</u>	<u>290,444</u>	<u>324,512</u>	<u>17,573,600</u>	<u>18,922,261</u>
Liabilities:						
Current Liabilities	2,219,132	2,242,809	116,893	144,220	2,336,025	2,387,029
Noncurrent Liabilities	<u>10,089,013</u>	<u>11,472,007</u>	<u></u>	<u></u>	<u>10,089,013</u>	<u>11,472,007</u>
Total liabilities	<u>12,308,145</u>	<u>13,714,816</u>	<u>116,893</u>	<u>144,220</u>	<u>12,425,038</u>	<u>13,859,036</u>
Net assets	<u>\$ 4,975,011</u>	<u>\$ 4,882,933</u>	<u>\$ 173,551</u>	<u>\$ 180,292</u>	<u>\$ 5,148,562</u>	<u>\$ 5,063,225</u>
Net assets consist of:						
Invested in capital						
Assets	\$ 3,963,662	\$ 2,730,965	\$ 73,275	\$ 82,380	\$ 4,036,937	\$ 2,813,345
Restricted net assets	1,838,458	2,910,930			1,838,458	2,910,930
Unrestricted net assets	<u>(827,109)</u>	<u>(758,962)</u>	<u>100,276</u>	<u>97,912</u>	<u>(726,833)</u>	<u>(661,050)</u>
Net assets	<u>\$ 4,975,011</u>	<u>\$ 4,882,933</u>	<u>\$ 173,551</u>	<u>\$ 180,292</u>	<u>\$ 5,148,562</u>	<u>\$ 5,063,225</u>

Cinnaminson School District
Comparative Schedule of Changes in Net Assets
As of and for the Fiscal Year Ended June 30, 2010 and 2009

	Governmental Activities		Business-Type Activities		District-Wide	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues						
Charges for services			\$ 864,821	\$ 898,349	\$ 864,821	\$ 898,349
Operating grants and Contributions	\$ 4,128,834	\$ 3,761,287	159,302	136,801	4,288,136	3,898,088
General Revenues:						
Property Taxes	28,047,662	26,800,637			28,047,662	26,800,637
Unrestricted State Aid	9,042,887	9,860,671			9,042,887	9,860,671
Tuition	115,415	61,629			115,415	61,629
Other Revenues	798,587	779,245	1,824	31,293	800,411	810,538
Total Revenues	42,133,385	41,263,469	1,025,947	1,066,443	43,159,332	42,329,912
Expenses:						
Governmental Activities:						
Instruction	17,362,104	17,320,987			17,362,104	17,320,987
Tuition	2,935,790	3,080,967			2,935,790	3,080,967
Related Services	4,750,880	4,243,068			4,750,880	4,243,068
Administrative Services	2,256,572	2,184,488			2,256,572	2,184,488
Operations and Maintenance	3,091,532	2,604,075			3,091,532	2,604,075
Transportation	2,068,803	1,906,611			2,068,803	1,906,611
Central Services	809,654	774,908			809,654	774,908
Employee benefits	8,328,843	7,378,067			8,328,843	7,378,067
Special Schools	25,599	22,942			25,599	22,942
Interest on long-term Debt	323,547	395,548			323,547	395,548
Other	87,983	75,901			87,983	75,901
Business-Type Activities:						
Food Service Operations			654,289	671,924	654,289	671,924
School Store			48,895	37,304	48,895	37,304
School Age Child Care			329,504	341,590	329,504	341,590
Total Expenses	42,041,307	39,987,562	1,032,688	1,050,818	43,073,995	41,038,380
Increase in net assets						
Before Special Items	92,078	1,275,907	(6,741)	15,625	85,337	1,291,532
Retirement of Assets				(57,122)		(57,122)
Changes in net assets	92,078	1,275,907	(6,741)	(41,497)	85,337	1,234,410
Net assets, July 1,	4,882,933	3,607,026	180,292	221,789	5,063,225	3,828,815
Net assets, June 30,	\$ 4,975,011	\$ 4,882,933	\$ 173,551	\$ 180,292	\$ 5,148,562	\$ 5,063,225

Governmental Activities

Governmental activities increased the net assets of the School District by \$92,078 during the current fiscal year. Key elements of the increase in net assets for governmental activities are as follows:

- General obligation bonds decreased by \$1,500,000.

Business-type Activities

Business-type activities decreased the School District's net assets slightly. Key elements of the decrease in net assets for governmental activities are as follows:

- The Food Service and School Age Child Care Program had a net gain of \$1,935 and \$4,765 respectively, while the School Store had a net loss of \$13,441

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 \$2,429,884, a decrease of \$941,278 in comparison with the prior year. Most of this decrease is the results of operations in the General Fund.

The unreserved fund balance for the School District at the end of the fiscal year includes a combination of unreserved fund balance for the General Fund of \$455,409 and \$5,879 in the Debt Service Fund. 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 \$315,135, 2) \$100,000 maintenance reserve, 3) \$300,000 emergency reserve, 4) 1,082,090 appropriated as a revenue source in the subsequent year's budget, 5) \$61,796 reserved for encumbrances, and 6) \$109,575 reserved for future budget appropriation in accordance with state statute.

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

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$194,216 or an increase of .50%. The increase to the budget included reserve for encumbrances and appropriation of extraordinary aid.

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$1,325,194 while total fund balance (budgetary basis) was \$3,279,490. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$40,512,688. Unreserved fund balance (budgetary basis) represents 3.27% of expenditures while total fund balance (budgetary basis) represents 8.09% 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, 2010, totaled \$14,466,688 (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 \$280,551 or a 1.90% decrease. The decrease is primarily due to depreciation.

**Capital Assets (net of accumulated depreciation)
June 30, 2010 and 2009**

	Governmental Activities		Business-Type Activities		District-Wide	
	2010	2009	2010	2009	2010	2009
Land	\$ 4,252,300	\$ 4,252,300			\$ 4,252,300	\$ 4,252,300
Construction in Progress						
Buildings and Building Improvements	8,712,064	9,377,521			8,712,064	9,377,521
Equipment	1,429,049	1,035,038	\$ 73,275	\$ 82,380	1,502,324	1,117,418
Net assets	<u>\$ 14,393,413</u>	<u>\$ 14,664,859</u>	<u>\$ 73,275</u>	<u>\$ 82,380</u>	<u>\$ 14,466,688</u>	<u>\$ 14,747,239</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, 2010, the School District had \$9,880,000 in serial bonds payable, \$549,751 in capital leases, and \$1,418,405 in compensated absences.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$77,878,320. The available amount as of June 30, 2010 is \$67,993,320.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 8) 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 2010-11 fiscal year.

- For the 2010-11 fiscal year the School District will be receiving a decrease state aid. The local tax levy in the General Fund increased by \$1,497,999 or a 5.60% increase. The 2010-11 General Fund Budget is \$362,883 less than the previous year.
- The tax rate for 2011 is \$1.493, which is an increase of 6.8 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

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business type activities of the District.

CINNAMINSON SCHOOL DISTRICT
Statement of Net Assets
June 30, 2010

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$1,377,052	\$180,103	\$1,557,155
Receivables, net	1,075,447	7,043	1,082,490
Inventory		16,245	16,245
Internal balance	(13,778)	13,778	
Restricted assets:			
Capital reserve account	315,135		315,135
Deferred bond issuance costs - net	135,887		135,887
Capital assets, net (Note 6)	14,393,413	73,275	14,466,688
Total assets	<u>17,283,156</u>	<u>290,444</u>	<u>17,573,600</u>
LIABILITIES:			
Accounts payable	236,650	86,268	322,918
Intergovernmental payable:			
State	64,269		64,269
Federal			
Deferred revenue	23,053	30,625	53,678
Accrued interest due within one year	136,017		136,017
Noncurrent liabilities (Note 8):			
Due within one year	1,759,143		1,759,143
Due beyond one year	10,089,013		10,089,013
Total liabilities	<u>12,308,145</u>	<u>116,893</u>	<u>12,425,038</u>
NET ASSETS:			
Invested in capital assets, net of related debt	3,963,662	73,275	4,036,937
Restricted for:			
Debt Service	(115,838)		(115,838)
Capital Projects	315,135		315,135
Other purposes	1,639,161		1,639,161
Unrestricted	(827,109)	100,276	(726,833)
Total net assets	<u>\$4,975,011</u>	<u>\$173,551</u>	<u>\$5,148,562</u>

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

CINNAMINSON SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction:						
Regular	\$11,656,571		\$112,545	(\$11,544,026)		(\$11,544,026)
Special education	3,003,294		425,922	(2,577,372)		(2,577,372)
Other instruction	2,702,239			(2,702,239)		(2,702,239)
Support Services:						
Tuition	2,935,790			(2,935,790)		(2,935,790)
Student & instruction related services	4,750,880		533,312	(4,217,568)		(4,217,568)
General administrative services	756,111			(756,111)		(756,111)
School administrative services	1,500,461			(1,500,461)		(1,500,461)
Central and technology adm. services	809,654			(809,654)		(809,654)
Plant operations and maintenance	3,091,532		167,660	(2,923,872)		(2,923,872)
Pupil transportation	2,068,803			(2,068,803)		(2,068,803)
Employee benefits	8,328,843		2,349,627	(5,979,216)		(5,979,216)
Special schools	25,599			(25,599)		(25,599)
Interest on long-term debt	323,547		539,768	216,221		216,221
Unallocated depreciation and amortization	87,983			(87,983)		(87,983)
Total governmental activities	42,041,307		4,128,834	(37,912,473)		(37,912,473)
Business-type activities:						
Food service program	654,289	\$495,958	159,302		\$971	971
School age child care program	329,504	333,518			4,014	4,014
School store	48,895	35,345			(13,550)	(13,550)
Total business-type activities	1,032,688	864,821	159,302		(8,565)	(8,565)
Total primary government	\$43,073,995	\$864,821	\$4,288,136	(\$37,912,473)	(\$8,565)	(\$37,921,038)
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net				26,735,855		26,735,855
Taxes levied for debt service				1,311,807		1,311,807
Federal and state aid not restricted				9,042,887		9,042,887
Tuition revenue				115,415		115,415
Transportation revenue				561,603		561,603
Miscellaneous revenue				236,984	1,824	238,808
Total general revenues, special items, and transfers				38,004,551	1,824	38,006,375
Change in Net Assets				92,078	(6,741)	85,337
Net Assets--July 1				4,882,933	180,292	5,063,225
Net Assets--June 30				\$4,975,011	\$173,551	\$5,148,562

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

Fund Financial Statements

The Individual Fund statements and schedules present more detailed information for the Individual Fund in a format that segregates information by fund type.

CINNAMINSON SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2010

ASSETS	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and cash equivalents	\$1,356,873			\$20,179	\$1,377,052
Receivables, net	885,181	\$188,572			1,073,753
Interfund receivable	117,577				117,577
Restricted cash and cash equivalents	315,135				315,135
Total assets	<u><u>\$2,674,766</u></u>	<u><u>\$188,572</u></u>		<u><u>\$20,179</u></u>	<u><u>\$2,883,517</u></u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	231,528	5,122			\$236,650
Intergovernmental payable:					
State		64,269			64,269
Federal					
Interfund payables	13,778	115,883			129,661
Deferred revenues	19,755	3,298			23,053
Total liabilities	<u><u>265,061</u></u>	<u><u>188,572</u></u>			<u><u>453,633</u></u>
Fund Balances:					
Reserved for:					
Encumbrances	61,796				61,796
Capital reserve account	315,135				315,135
Maintenance reserve account	100,000				100,000
Emergency reserve	300,000				300,000
Excess surplus	109,575				109,575
Excess surplus - designated for subsequent year's expenditures	794,709				794,709
Unreserved - designated for subsequent years expenditures	273,081			14,300	287,381
Unreserved	455,409			5,879	461,288
Total fund balances	<u><u>2,409,705</u></u>			<u><u>20,179</u></u>	<u><u>2,429,884</u></u>
Total liabilities and fund balances	<u><u>\$2,674,766</u></u>	<u><u>\$188,572</u></u>	<u><u>-</u></u>	<u><u>\$20,179</u></u>	

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

The cost associated with the issues of various bonds are expensed in the governmental funds in the year the bonds are issued, but are capitalized in the Statement of Net Assets. The bond issuance costs are \$456,314 and the accumulated amortization is \$320,427. 135,887

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$36,432,275 and the accumulated depreciation is \$22,038,862. 14,393,413

Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds. (136,017)

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. (11,848,156)

Net assets of governmental activities \$4,975,011

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

CINNAMINSON SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
for the Fiscal Year Ended June 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$26,735,855			\$1,311,807	\$28,047,662
Tuition charges	115,415				115,415
Transportation fees	561,603				561,603
Capital reserve interest	314				314
Other restricted revenues	48,280				48,280
Miscellaneous	188,390				188,390
Total revenues-local sources	27,649,857			1,311,807	28,961,664
Local sources		\$31,781			31,781
State sources	9,996,912	148,663		539,768	10,685,343
Federal sources	1,395,602	1,058,995			2,454,597
Total revenues	39,042,371	1,239,439		1,851,575	42,133,385
EXPENDITURES:					
Current expense:					
Regular instruction	11,003,946	112,545			11,116,491
Special education instruction	2,584,649	418,645			3,003,294
Other instruction	2,702,239				2,702,239
Support services and undistributed costs:					
Tuition	2,935,790				2,935,790
Student & instruction related services	4,210,291	540,589			4,750,880
General administrative services	756,111				756,111
School administrative services	1,500,461				1,500,461
Central services	514,773				514,773
Administrative technology services	294,881				294,881
Plant operations and maintenance	3,093,434				3,093,434
Pupil transportation	1,916,397				1,916,397
Employee benefits	8,328,843				8,328,843
Special schools	25,599				25,599
Capital outlay	390,274	167,660			557,934
Debt service:					
Principal				1,500,000	1,500,000
Interest and other charges				332,536	332,536
Total expenditures	40,257,688	1,239,439		1,832,536	43,329,663
Excess (deficiency) of revenues over (under) expenditures	(1,215,317)			19,039	(1,196,278)
Other Financing Sources (Uses):					
Capital Leases	255,000				255,000
Total other financing sources (uses)	255,000				255,000
Net change in fund balance	(960,317)			19,039	(941,278)
Fund balances, July 1	3,370,022			1,140	3,371,162
Fund balances, June 30	\$2,409,705	-	-	\$20,179	\$2,429,884

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

CINNAMINSON 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, 2010

Total net change in fund balances - governmental funds (from B-2)		(\$941,278)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p style="margin-left: 40px;">Capital outlays are reported in the governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current fiscal year.</p>		
Depreciation expense	(\$1,016,041)	
Capital outlay	<u>744,595</u>	(271,446)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is reported in the statement of activities.		1,500,000
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is reported in the statement of activities.		259,143
The issuance of capital lease debt increases long-term liabilities, however has no effect on net assets.		(255,000)
Bond issuance costs are reported in the governmental fund as expenditures in year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.		(37,181)
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.		8,989
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		<u>(171,149)</u>
Change in net assets of governmental activities		<u><u>\$92,078</u></u>

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

CINNAMINSON SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Business-type Activities			Total
	Enterprise Funds			
	Food Service Fund	School Age Child Care Program	School Store	
ASSETS:				
Current assets:				
Cash and cash equivalents	\$92,879	\$76,507	\$10,717	\$180,103
Accounts receivable	6,920		123	7,043
Interfund receivable	13,778			13,778
Inventories	10,206		6,039	16,245
Total current assets	123,783	76,507	16,879	217,169
Noncurrent assets:				
Equipment	435,186	29,123		464,309
Less accumulated depreciation	(384,481)	(6,553)		(391,034)
Total noncurrent assets	50,705	22,570		73,275
Total assets	\$174,488	\$99,077	\$16,879	\$290,444
LIABILITIES:				
Current liabilities:				
Accounts payable	\$85,861		\$407	\$86,268
Prepaid program fees		\$30,625		30,625
Total liabilities	85,861	30,625	407	116,893
NET ASSETS:				
Invested in capital assets net of related debt	50,705	22,570		73,275
Unrestricted	37,922	45,882	16,472	100,276
Total net assets	\$88,627	\$68,452	\$16,472	\$173,551

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

CINNAMINSON SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
for the Fiscal Year Ended June 30, 2010

	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	\$322,622			\$322,622
Daily sales-non-reimbursable programs	124,478			124,478
Special Functions	48,858			48,858
Sales			\$35,345	35,345
Program fees		\$332,308		332,308
Miscellaneous		1,210		1,210
Total operating revenue	495,958	333,518	35,345	864,821
Operating expenses:				
Salaries	246,940	232,602		479,542
Employee benefits	55,221	61,652		116,873
Supplies and materials	23,673	3,657		27,330
Depreciation	7,649	1,456		9,105
Management fee	10,993			10,993
Direct expenses	8,300	188		8,488
Other purchased services	36,065	908		36,973
Cost of sales	251,984	6,196	48,895	307,055
Building usage		18,000		18,000
Other	13,484	4,845		18,329
Total operating expenses	654,289	329,504	48,895	1,032,688
Operating income (loss)	(158,331)	4,014	(13,550)	(167,867)
Nonoperating revenues (expenses):				
State sources:				
State school lunch program	8,333			8,333
Federal sources:				
National school lunch program	103,146			103,146
Special milk program	1,336			1,336
U.S.D.A. commodities	46,487			46,487
Local sources:				
Interest revenue	964	751	109	1,824
Total nonoperating revenues (expenses)	160,266	751	109	161,126
Excess (deficiency) of revenues over (under) expenditures	1,935	4,765	(13,441)	(6,741)
Other Financing Sources (Uses):				
Change in net assets	1,935	4,765	(13,441)	(6,741)
Total net assets - July 1	86,692	63,687	29,913	180,292
Total net assets - June 30	\$88,627	\$68,452	\$16,472	\$173,551

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

CINNAMINSON SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
for the Fiscal Year Ended June 30, 2010

	Business-type Activities			Total
	Enterprise Funds			
	Food Service Fund	School Age Child Care Program	Student Store	
Cash flows from operating activities:				
Receipts from customers	\$526,437	\$334,635	\$36,106	\$897,178
Payments to employees for services	(219,632)	(294,254)		(513,886)
Payments to suppliers	(406,035)	(33,794)	(36,238)	(476,067)
Net cash used for operating activities	<u>(99,230)</u>	<u>6,587</u>	<u>(132)</u>	<u>(92,775)</u>
Cash flows from noncapital financing activities:				
Donations				
Cash received from federal and state sources	97,504			97,504
Net cash provided by non-capital financing activities	<u>97,504</u>			<u>97,504</u>
Cash flows from capital activities:				
Purchases of fixed assets				
Cash flows from investing activities:				
Interest and dividends	964	752	109	1,825
Net cash provided by investing activities	<u>964</u>	<u>752</u>	<u>109</u>	<u>1,716</u>
Net increase in cash and cash equivalents	(762)	7,339	(23)	6,554
Balances - July 1	<u>93,641</u>	<u>69,168</u>	<u>10,740</u>	<u>173,549</u>
Balances - June 30	<u>\$92,879</u>	<u>\$76,507</u>	<u>\$10,717</u>	<u>\$180,103</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:				
Operating income (loss)	(\$158,331)	\$4,014	(\$13,550)	(\$167,867)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	7,649	1,456		9,105
Federal commodities	46,487			46,487
(Increase) decrease in accounts receivable	30,479		717	31,196
(Increase) decrease in inventory	(856)		16,487	15,631
Increase (decrease) in prepaid program fees		1,117		1,117
Increase (decrease) in accounts payable	(24,658)		(3,786)	(28,444)
Total adjustments	<u>59,101</u>	<u>2,573</u>	<u>13,418</u>	<u>75,092</u>
Net cash provided by (used for) operating activities	<u>(\$99,230)</u>	<u>\$6,587</u>	<u>(\$132)</u>	<u>(\$92,775)</u>

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

**CINNAMINSON SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010**

	<u>Private Purpose Trusts</u>	<u>Unemployment Compensation Insurance Trust</u>	<u>Agency Funds</u>
ASSETS:			
Cash and cash equivalents	\$88,085	\$201,294	\$1,256,692
Other accounts receivable			
Interfund receivable			
Total assets	<u>88,085</u>	<u>201,294</u>	<u>1,256,692</u>
 LIABILITIES:			
Accounts payable		7,492	
Payroll deductions and withholdings			201,101
Due to Cinnaminson Education Assoc.			5,088
Due to employees			782,136
Interfund payable			1,694
Due to student groups			266,673
Total liabilities		<u>7,492</u>	<u>\$1,256,692</u>
 NET ASSETS:			
Reserved for private purpose trusts	<u>\$88,085</u>		
Held in trust for unemployment claims		<u>\$193,802</u>	

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

CINNAMINSON SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2010

	Private Purpose Trust Funds		Unemployment Compensation Insurance Trust
	Scholarship Fund	Organ Repair Fund	
ADDITIONS:			
Donations	\$14,376		
Board contribution			\$40,000
Employee withholdings			37,232
Total Contributions	<u>14,376</u>		<u>77,232</u>
Investment earnings:			
Interest	766	\$155	1,887
Net investment earnings	<u>766</u>	<u>155</u>	<u>1,887</u>
Total additions	<u>15,142</u>	<u>155</u>	<u>79,119</u>
DEDUCTIONS:			
Unemployment claims			112,007
Scholarships awarded	16,275		
Total deductions	<u>16,275</u>		<u>112,007</u>
Change in net assets	(1,133)	155	(32,888)
Net assets - July 1	<u>72,879</u>	<u>16,184</u>	<u>226,690</u>
Net assets - June 30	<u><u>\$71,746</u></u>	<u><u>\$16,339</u></u>	<u><u>\$193,802</u></u>

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

Cinnaminson School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

1. DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

The Cinnaminson 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 School District has an approximate enrollment at June 30, 2010 of 2,420 students.

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

Component Units

GASB Statement No. 14, *The Financial Reporting Entity*, provides 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 Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Components Units*. There are no organizations that are considered to be component units.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

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

Cinnaminson School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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

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 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.

Fund Accounting

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 states 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 the proceeds of specific revenues from the state and federal governments, other than major capital projects, debt service, or the enterprise funds, and local appropriations that are legally restricted to expenditures for specified purposes.

**Cinnaminson School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities, 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 the accumulation of resources for, and the payment of, general-long-term debt principal, interest and related costs.

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

The School District's enterprise funds are:

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

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

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

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

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

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

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

Cinnaminson School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

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

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

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

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means 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 thirty days of 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. There were no restricted formula aids.

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

**Cinnaminson School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

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

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. 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. 6:23-2.2(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:23-2.11.

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, as noted below. 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.

Encumbrance Accounting

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances 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 the special revenue fund, for which the School District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

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

**Cinnaminson School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents and Investments

Cash and cash equivalents 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. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Tuition Receivable

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

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2010 and 2009 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

Inventories

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

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, 2010.

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. This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

**Cinnaminson School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Expenditures

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

Short-Term Interfund Receivables / Payables

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

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are valued at their estimated fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

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

<u>Asset Class</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business -Type Activities Estimated Lives</u>
School Buildings	50 years	N/A
Building Improvements	50 years	N/A
Site Improvements	20 years	N/A
Machinery and Equipment	5-20 years	12 years

Accrued Salaries and Wages

Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2010, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

**Cinnaminson School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

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

Deferred Revenue

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

Accrued Liabilities and Long-term Obligations

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

Net Assets

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

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

Fund Balance Reserves

The School District reserves portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation for expenditures. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Fund balance reserves are established for encumbrances, legally restricted appropriations, tuition, excess surplus, capital reserve, maintenance reserve and emergency reserves.

Cinnaminson School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 food service, tuition fees for the latchkey school program and transportation (substitute teacher) fees for the internal service 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.

When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed.

Interfund Activity

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

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

3. CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Custodial credit is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's formal policy regarding custodial credit risk is in compliance with N.J.S.A. 17:9-41 et seq. and requires the District to deposit all public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA), as described in Note 1. As of June 30, 2010 the District's bank balance of \$4,467,581 was insured or collateralized as follows:

Insured by depository insurance	\$	365,135
Collateralized under GUDPA		4,102,446

**Cinnaminson School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

4. 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) and updated annually in the Quality Assurance Annual Report (QAAR). 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 at year end of any anticipated 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. 6A: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, 2008 to June 30, 2010 fiscal year is as follows:

Balance – July 1, 2009		\$114,822
Increased by:		
Interest Earned	\$313	
Transfer by Resolution	200,000	200,313
Balance – June 30, 2010		\$315,135

The June 30, 2010 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted capital projects.

5. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2010 consisted of tuition fees charged other governmental units and governmental grants. All receivables are considered collectible in full due to the stable condition of the other governmental units, State programs and the current fiscal year guarantee of federal funds.

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

	General Fund	Special Revenue Fund	Proprietary Funds	Total
State Aid	\$773,263		\$500	\$773,763
Federal Aid	3,803	\$188,572	6,420	198,795
Transportation fees	28,809			28,809
Tuition fees	77,618			77,618
Other	1,688		123	1,811
Total	\$885,181	\$188,572	\$7,043	\$1,080,796

**Cinnaminson School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	<u>Balance June 30, 2009</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2010</u>
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Land	\$4,252,300			\$4,252,300
Construction in progress				
Total capital assets, not being Depreciated	<u>4,252,300</u>			<u>4,252,300</u>
<i>Capital Assets, being depreciated:</i>				
Building and Building Improvements	26,235,605			26,235,605
Equipment	5,290,525	\$744,595	\$90,750	5,944,370
Totals at historical cost	<u>31,526,130</u>	<u>744,595</u>	<u>90,750</u>	<u>32,179,975</u>
<i>Less Accumulated Depreciation:</i>				
Building and Building Improvements	(16,858,084)	(665,457)		(17,523,541)
Equipment	(4,255,487)	(350,584)	(90,750)	(4,515,321)
Totals accumulated depreciation	<u>(21,113,571)</u>	<u>(1,016,041)</u>	<u>(90,750)</u>	<u>(22,038,862)</u>
Total Capital Assets, being depreciated, net	<u>10,412,559</u>	<u>(271,446)</u>		<u>10,141,113</u>
Governmental Activities Capital Assets, Net	<u>\$14,664,859</u>	<u>(\$271,446)</u>	-	<u>\$14,393,413</u>
Business-Type Activities:				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$464,308			\$464,308
Less accumulated depreciation	<u>(381,928)</u>	<u>(\$9,105)</u>		<u>(391,033)</u>
Business-Type Activities Capital Assets, Net	<u>\$82,380</u>	<u>(\$9,105)</u>	-	<u>\$73,275</u>

Depreciation expense in the amount of \$1,016,041 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Instruction	\$711,229
Plant Operations and Maintenance	101,604
Transportation	152,406
Unallocated	<u>50,802</u>
Total	<u>\$1,016,041</u>

**Cinnaminson School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

7. INVENTORY

Inventory in the Proprietary Funds at June 30, 2010 consisted of the following:

	<u>Food Service</u>	<u>School Store</u>
Food Supplies	\$6,915 <u>3,291</u>	<u>\$6,039</u>
	<u>\$10,206</u>	<u>\$6,039</u>

8. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2010, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2010</u>	<u>Amounts Due Within One Year</u>
General Obligation Bonds	\$11,380,000		\$1,500,000	\$9,880,000	\$1,500,000
Capital Leases Payable	553,894	\$255,000	259,143	549,751	259,143
Compensated Absences	<u>1,247,256</u>	<u>171,149</u>	<u> </u>	<u>1,418,405</u>	<u> </u>
	<u>\$13,181,150</u>	<u>\$426,149</u>	<u>\$1,709,143</u>	<u>\$11,848,156</u>	<u>\$1,759,143</u>

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

2005 Refunding Bonds dated January 1, 2000 in the amount of \$7,630,000 due in annual installments through January 15, 2019 bearing interest rates ranging from 1.05% - 4.00%.

2010 Refunding Bonds dated March 24, 2010 in the amount of \$2,250,000 due in annual installments through July 15, 2014 bearing interest rates ranging from 2.00% - 3.00%.

**Cinnaminson School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

8. LONG-TERM OBLIGATIONS (CONT'D)

Debt Service Requirements

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>
2011	\$1,500,000	\$300,275	\$1,800,275
2012	1,465,000	260,275	1,725,275
2013	1,470,000	217,689	1,687,689
2014	1,260,000	174,347	1,434,347
2015	1,205,000	137,249	1,342,249
2016-2019	<u>2,980,000</u>	<u>231,140</u>	<u>3,211,140</u>
	<u>\$9,880,000</u>	<u>\$1,320,975</u>	<u>\$11,200,975</u>

As of June 30, 2010 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.

Long-Term Debt Defeasance

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

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

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

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

**Cinnaminson School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

8. LONG-TERM OBLIGATIONS (CONT'D)

Capital Leases

The District is leasing computers and related equipment, thirteen school buses, one van, two tractors, and two trucks totaling \$1,309,508 under capital leases. The following is a schedule of the future minimum lease payments under these capital lease agreements:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$265,567	\$21,342	\$286,909
2012	130,268	11,083	141,351
2013	99,651	5,937	105,588
2014	<u>54,265</u>	<u>2,144</u>	<u>56,409</u>
	<u>\$549,751</u>	<u>\$40,506</u>	<u>\$590,257</u>

9. OPERATING LEASES

At June 30, 2010, the District had operating lease agreements in effect for the following:

Copiers
Mail Machine

Total operating lease payments made during the year ended June 30, 2010, and 2009 were \$166,158 and \$126,692 respectively. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2011	\$122,381
June 30, 2012	94,275
June 30, 2013	88,550
June 30, 2014	<u>68,310</u>
Total future minimum lease payments	<u>\$373,516</u>

10. PENSION PLANS

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

**Cinnaminson School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

10. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund is a single-employer contributory defined benefit pension plan which was established on January 1, 1955. The TPAF provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:6C.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 92 and 103, P.L. 1997, the TPAF employee contribution rate is 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in rate – authorized in statute and based on the existence of surplus pension assets in the Teachers' Pension and Annuity Fund; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

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

Public Employees' Retirement System (PERS)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 92 and 103, P.L. 1997, the PERS employee contribution rate is 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in rate within the parameters of the law.

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 year were as follows:

<u>Public Employees Retirement System</u>						
<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Non-Contr. Group Life Insurance</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Paid by District</u>
2010	\$153,107	\$196,725	\$48,514	\$398,346		\$398,346
2009	148,858	172,173	39,905	360,936		360,936
2008	177,742	136,975	136,975	314,717	\$62,943	251,774

11. POST-RETIREMENT BENEFITS

P.L.1987, c. 384 and P.L. 1990 c. 6 required Teachers' Pensions and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2009 there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

**Cinnaminson School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

12. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2010, the School District has recognized as revenues and expenditures on-behalf payments made by the State of New Jersey for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for NCGI premiums and post-retirement medical costs were \$55,546 and \$1,043,239, respectively. In addition, the State of New Jersey reimbursed the School District \$1,250,842 during the fiscal year ended June 30, 2010 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has also been included as a revenue and expenditure in the basic financial statements, and the combining and individual fund statements and schedules in accordance with GASB 24.

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, which are administered by an outside organization, approved by the School District, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The School District has very little administrative involvement, performs no investing function, and has no fiduciary responsibility for these plans. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, are solely the property and rights of the participants and are not subject to claims of the School District's creditors. Accordingly, the plan assets are not reported as a part of these financial statements.

14. RISK MANAGEMENT

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

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

Joint Insurance Pool - The School District is a member of the New Jersey School Alliance Insurance Fund, a public entity risk pool currently operating as a common risk management and insurance program. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if any. 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.

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.

**Cinnaminson School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

14. RISK MANAGEMENT (Continued)

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2009-2010	\$40,000	\$37,232	\$1,887	\$112,007	\$193,802
2008-2009		37,035	3,406	47,201	226,690
2007-2008	10,000	35,633	7,181	14,485	233,450
2006-2007	35,000	34,903	9,351	18,013	195,121
2005-2006		32,759	5,676	51,948	133,880

15. 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 vacation and sick leave in varying amounts in accordance with the School District's personnel policies. Unused sick leave may be accumulated carried forward to the subsequent years. Employees who retire from the School District shall be paid for unused sick leave in accordance with the School District's agreement or personnel policy.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2010, the liability for compensated absences in the governmental fund was \$1,418,405.

16. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various balance sheets as of June 30, 2010:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$117,577	\$13,778
Special Revenue		115,883
Proprietary	13,778	
Fiduciary		1,694
	<u>\$131,355</u>	<u>\$131,355</u>

All interfund balances are expected to be paid or collected within the subsequent year.

Cinnaminson School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

17. CONTINGENCIES

The School District participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount from future audits, if any, would not be material.

18. ECONOMIC DEPENDENCY

The School District receives a substantial portion of its operating support from the federal and state governments. A significant reduction in the level of support, if this were to occur, would have an effect on the School District's programs and activities.

19. DEFICIT UNRESTRICTED NET ASSETS

As reflected on Exhibit A-1, Statement of Net Assets, a deficit in unrestricted net assets of \$1,009,437 existed as of June 30, 2010 for governmental activities. The primary causes of this deficit are the School District not recognizing the receivable for the June state aid payments and the recording of the long-term liability for compensated absences. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net Assets, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the School district in the formulation of their annual budget (see Note 1), compensated absences that relate to future services, or that are contingent on a specific event outside the control of the School District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net assets for governmental activities does not indicate that the district is facing financial difficulties.

20. FUND BALANCES APPROPRIATED

General Fund – Of the \$2,409,705 General Fund balance at June 30, 2010, \$61,796 is reserved for encumbrances; \$315,135 has been reserved in the Capital Reserve Account, \$100,000 has been reserved for Maintenance Reserve, \$300,000 has been reserved for Emergency Reserve, \$904,284 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$794,709 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2010; \$273,081 has been appropriated and included as anticipated revenue for the year ending June 30, 2010; and \$455,409 is unreserved and undesignated.

Debt Service Fund – Of the \$20,179 Debt Service Fund balance at June 30, 2010, \$14,300 has been appropriated and included as anticipated revenue for the year ending June 30, 2011; and \$5,879 is unreserved and undesignated.

21. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2005, c.73 (S1701), the designation of Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted in their subsequent years' budget. The excess fund balance at June 30, 2010 is \$109,575. The excess fund balance at June 30, 2009 was \$1,247,633. Pursuant to the provisions of Executive Order No. 14, \$452,924 of that amount was approved by the Commissioner of the Department of Education for withdrawal to address any budget shortfall in the general fund account group due to the 2009-2010 withholding of state aid.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

CINNAMINSON BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$26,735,855		\$26,735,855	\$26,735,855	
Tuition	30,000		30,000	115,415	\$85,415
Transportation fees from other LEAs	365,000		365,000	561,603	196,603
Capital reserve interest	500		500	314	(186)
Other restricted revenues	58,000		58,000	48,280	(9,720)
Unrestricted miscellaneous revenue	75,000		75,000	188,390	113,390
Total local sources	27,264,355		27,264,355	27,649,857	385,502
State sources:					
Extraordinary Aid	137,219		137,219	696,234	559,015
Categorical Special Education Aid	1,266,661		1,266,661	1,266,661	
Equalization Aid	7,573,536	(\$1,374,188)	6,199,348	5,148,765	(1,050,583)
Categorical Security Aid	176,390		176,390	114,653	(61,737)
Categorical Transportation Aid	679,614		679,614	441,749	(237,865)
Additional Non-Public Transportation Aid				13,118	13,118
On-behalf TPAF pension contributions (non-budgeted)				1,098,785	1,098,785
Reimbursed TPAF social security contributions (non-budgeted)				1,250,842	1,250,842
Total state sources	9,833,420	(1,374,188)	8,459,232	10,030,807	1,571,575
Federal sources:					
ARRA - ESF		1,322,974	1,322,974	1,322,974	
ARRA - GSF		51,214	51,214	51,214	
Medicaid reimbursement	8,365		8,365	21,414	13,049
Total federal sources	8,365	1,374,188	1,382,553	1,395,602	13,049
TOTAL REVENUES	37,106,140		37,106,140	39,076,266	1,970,126
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	229,000	(10,000)	219,000	206,129	12,871
Grades 1-5	3,728,301	(12,282)	3,716,019	3,703,234	12,785
Grades 6-8	2,487,875	30,200	2,518,075	2,493,964	24,111
Grades 9-12	3,766,997	66,058	3,833,055	3,807,420	25,635
Total Instruction	10,212,173	73,976	10,286,149	10,210,747	75,402
Regular Programs - Home Instruction:					
Salaries of teachers	50,000	(5,671)	44,329	38,567	5,762
Purchased professional - educ services	7,500	(3,500)	4,000	566	3,434
Total Home Instruction	57,500	(9,171)	48,329	39,133	9,196

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

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CINNAMINSON BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2010

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Regular Programs - Undistributed Instruction:					
Purchased professional - educ services	\$10,730	(\$735)	\$9,995	\$4,222	\$5,773
Other purchased services	192,846	4,837	197,683	147,648	50,035
General supplies	505,950	2,233	508,183	475,851	32,332
Textbooks	100,000	18,255	118,255	118,154	101
Other objects	14,308	37	14,345	8,191	6,154
Total Undistributed Instruction	823,834	24,827	848,461	754,066	94,395
Total - Regular Programs - Instruction	11,093,507	89,432	11,182,939	11,003,946	178,993
Special Educ Instruction: Learning/Lang.					
Salaries of teachers	293,220	(71,000)	222,220	219,816	2,404
Other salaries for instruction	88,800	(18,400)	70,400	60,884	9,516
General supplies	8,988		8,988	4,281	4,707
Total Learning/Language Disabilities	391,008	(89,400)	301,608	284,981	16,627
Special Educ Instruction: Multiple Disabilities					
Salaries of teachers		115,000	115,000	115,000	
Other salaries for instruction		38,520	36,520	35,345	1,175
General supplies		5,000	5,000	5,000	
Total Multiple Disabilities		156,520	156,520	155,345	1,175
Special Educ Instruction: Res. Room/Res. Center					
Salaries of teachers	1,810,210	20,882	1,830,892	1,824,914	5,978
Other salaries for instruction	130,573	1,390	131,963	126,895	5,068
General supplies	21,812	(94)	21,718	19,152	2,566
Textbooks	4,132		4,132	3,755	377
Total Resource Room/Resource Center	1,966,727	21,978	1,988,705	1,974,716	13,989
Special Educ Instruction: Preschool Disabilities - PT					
Salaries of teachers	55,000		55,000	55,000	
Other salaries for instruction	25,849		25,849	22,832	3,017
General supplies	995		995	938	57
Total Preschool Disabilities - Part-Time	81,844		81,844	78,770	3,074
Special Educ Instruction: Home Instruction					
Salaries of teachers	70,000	5,671	75,671	75,670	1
Purchased professional - educ services	12,500	3,500	16,000	15,167	833
General Supplies	500		500		500
Total Home Instruction	83,000	9,171	92,171	90,837	1,334
Total Special Education - Instruction	2,522,579	98,269	2,620,848	2,584,649	36,199
Basic Skills/Remedial - Instruction					
Salaries of teachers	1,385,055	(141,940)	1,243,115	1,240,485	2,630
Other salaries for instruction	233,551	(11,580)	221,971	205,456	16,515
Purchased professional - educ services		1,654	1,654	1,654	
Miscellaneous purch. Serv.	450		450	390	60
General supplies	19,750	(1,404)	18,346	17,956	390
Total Basic Skills/Remedial - Instruction	1,638,806	(153,270)	1,485,536	1,465,941	19,595

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

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CINNAMINSON BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2010

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction					
Salaries of teachers	\$60,600		\$60,600	\$60,600	
Other salaries for instruction		\$11,000	11,000	5,715	\$5,285
Other purchased services	1,000	(533)	467	467	
General supplies	1,400	533	1,933	1,909	24
Total Bilingual Education - Instruction	63,000	11,000	74,000	68,691	5,309
School-Sponsored Cocurricular Act - Inst.					
Salaries	257,612	(14,065)	243,547	212,957	30,590
Purchased services	26,642	(630)	26,012	16,938	9,074
Supplies and materials	19,730		19,730	11,440	8,290
Other objects	1,272	1,380	2,652	2,047	605
Total School-Sponsored Cocurr. Act. - Inst.	305,256	(13,315)	291,941	243,382	48,559
School-Sponsored Athletics - Inst.					
Salaries	650,000	17,923	667,923	666,993	930
Purchased services	108,902	(558)	108,344	87,662	20,682
Supplies and materials	125,593	9,042	134,635	115,856	18,779
Other objects	32,719		32,719	31,495	1,224
Total School-Sponsored Athletics - Inst.	917,214	26,407	943,621	902,006	41,615
Other Instructional Programs - Instruction					
Salaries	22,000		22,000	20,874	1,126
Purchased services	3,000		2,600		2,600
Supplies and materials	1,000		1,400	1,345	55
Total Other Instructional Programs - Inst.	26,000		26,000	22,219	3,781
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - regular	90,030	(60,000)	30,030	26,298	3,732
Tuition to other LEAs within the state - spec	131,700	(46,432)	85,268	84,164	1,104
Tuition county voc. school dist. - regular	39,270		39,270	36,960	2,310
Tuition county voc. school dist. - special	13,860		13,860	13,860	
Tuition to CSSD & reg. day schools	1,184,448		1,184,448	1,152,088	32,360
Tuition to priv. sch. for the disabled w/ state	1,709,869	(132,547)	1,577,322	1,478,884	98,438
Tuition to priv. sch. disabled & other LEAs - Spl, O/S	71,001	28,219	99,220	98,884	336
Tuition - other	45,400		45,400	44,652	748
Total Undistributed Expenditures - Instruction	3,285,578	(210,760)	3,074,818	2,935,790	139,028
Undistributed Expenditures - Attendance & Social Work					
Salaries	174,355		174,355	174,008	347
Purchased services	12,500		12,500	11,305	1,195
Supplies and materials	510		510	492	18
Total Undistributed Expenditures - Attendance & Soc.	187,365		187,365	185,805	1,560

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

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**CINNAMINSON BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2010**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Health Services					
Salaries	\$323,547	\$14,282	\$337,829	\$332,318	\$5,511
Purchased Professional and Technical Services	16,520		16,520	16,510	10
Other purchased services	8,910	500	9,410	4,239	5,171
Supplies and materials	9,952		9,952	8,746	1,206
Other objects	500		500	133	367
Total Undistributed Expenditures - Health Svcs.	359,429	14,782	374,211	361,946	12,265
Undist. Expend. - Speech, OT, PT & Rel. Serv.					
Salaries	186,303		186,303	182,409	13,894
Purchased professional - educ services	186,500	93,150	259,650	246,409	13,241
Supplies and materials	1,488		1,488	1,348	140
Total Undist. Expend. - OT, PT & Rel. Serv.	364,291	93,150	457,441	430,166	27,275
Undist. Expend. - Other Supp. Serv. Stud. - Extra					
Salaries	204,250		204,250	176,043	28,207
Purchased professional - educ services	775,000	(64,890)	710,110	704,534	5,576
Supplies and materials	10,000	(5,000)	5,000	5,000	
Total Undst. Expend. - Other Supp. Serv. Stud. - Extra	989,250	(69,890)	919,360	885,577	33,783
Undist. Expend. - Guidance					
Salaries of other professional staff	485,984	1,087	487,071	486,495	576
Salaries of secretarial and clerical assistants	153,583	(2,305)	151,258	150,837	421
Purchased professional - educ services	7,050	(470)	6,580	5,570	1,010
Other purchased services	5,144		5,144	3,538	1,606
Supplies and materials	10,042	(385)	9,657	8,784	873
Other objects	3,650		3,650	3,175	475
Total Undst. Expend. - Guidance	665,433	(2,073)	663,360	658,399	4,961
Undist. Expend. - Child Study Team					
Salaries of other professional staff	492,575	(5,000)	487,575	482,911	4,664
Salaries of secretarial and clerical assistants	112,125		112,125	109,125	3,000
Other purchased prof. and tech. services	90,000	5,006	95,006	94,801	205
Misc. purchased serv. (400-500 series o/than resid. costs)	24,000	(2,162)	21,838	19,918	1,920
Supplies and materials	5,230	1,143	6,373	6,373	
Other objects	750	269	1,019	1,019	
Total Undst. Expend. - Child Study Team	724,680	(744)	723,936	714,147	9,789
Undist. Expend. - Improvement of Instr. Services					
Salaries of supervisor of instruction	400,986	31,101	432,087	430,620	1,477
Salaries of other professional staff	31,948	(1)	31,947	24,835	7,112
Salaries of secretarial and clerical assistants	61,900	1	61,901	59,574	2,327
Purchased professional - educ services	4,000		4,000	980	3,020
Other purchased services	11,700		11,700	2,952	8,748
Supplies and materials	5,150		5,150	2,867	2,283
Other objects	3,560		3,560	1,959	1,601
Total Undst. Expend. - Improvement of Instr. Services	519,254	31,101	550,355	523,787	26,568

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

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CINNAMINSON BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2010

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Educ. Media Serv./Sch. Library					
Salaries	\$286,204		\$286,204	\$281,328	\$4,876
Other purchased services	11,107	(\$95)	11,012	7,189	3,823
Supplies and materials	47,309	389	47,698	44,938	2,760
Other objects	15,750		15,750	15,246	504
Total Undst. Expend. - Educ. Media Serv./Sch. Library	360,370	294	360,664	348,701	11,963
Undist. Expend. - Instructional Staff Training Services					
Salaries of supervisor of instruction	74,612	1,064	75,676	75,676	
Salaries of secretarial and clerical assistants	22,158		22,158	22,158	
Other purchased services	15,000		15,000	3,929	11,071
Total Undst. Expend. - Instructional Staff Training Svcs.	111,770	1,064	112,834	101,763	11,071
Undist. Expend. - Supp. Serv. General Admin.					
Salaries	309,264	8,240	317,504	312,797	4,707
Legal services	55,000	50,000	105,000	79,793	25,207
Audit fees	25,500		25,500	25,100	400
Other purchased professional services	27,000	1,050	28,050	19,151	8,899
Communications / telephone	133,375	6,893	140,268	121,671	18,597
BOE - Other purchased services	7,000		7,000	4,053	2,947
Other purchased services	124,500	1,000	125,500	120,910	4,590
General supplies	5,800		5,800	5,312	488
Judgements		40,000	40,000	36,899	3,101
Miscellaneous expenditures	12,000		12,000	11,990	10
BOE Membership dues and fees	19,000		19,000	18,435	565
Total Undst. Expend. - Supp. Serv. General Admin.	718,439	107,183	825,622	756,111	69,511
Undist. Expend. - Supp. Serv. School Admin.					
Salaries of principals/assist. principals	758,150	54,874	813,024	810,146	2,878
Salaries of other professional staff	125,776	(2,125)	123,651	122,915	736
Salaries of secretarial and clerical assistants	484,729	14,032	498,761	483,793	14,968
Other purchased services	18,493	(750)	17,743	13,315	4,428
Supplies and materials	44,158	19,522	63,680	55,222	8,458
Other objects	22,416	(629)	21,787	15,070	6,717
Total Undst. Expend. - Supp. Serv. School Admin.	1,453,722	84,924	1,538,646	1,500,461	38,185
Undist. Expend. - Central Services					
Salaries	464,727	(36,121)	428,606	424,150	4,456
Purchased professional services	42,500		42,500	40,192	2,308
Miscellaneous purchased services	22,671	15	22,686	14,747	7,939
Supplies and materials	21,000	650	21,650	21,406	244
Interest on lease purchase agreements	7,584		7,584	7,584	
Miscellaneous expenditures	11,750		11,750	6,694	5,056
Total Undst. Expend. - central services	570,232	(35,456)	534,776	514,773	20,003
Undist. Expend. - Admin. Info. Tech.					
Salaries	242,155	36,122	278,277	278,272	5
Other purchased property services	5,860		5,860	4,469	1,391
Supplies and materials	8,800	20,000	28,800	12,140	16,660
Total Undst. Expend. - Admin. Info. Tech.	256,815	56,122	312,937	294,881	18,056

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

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CINNAMINSON BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2010

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Required Maint. Sch. Facilities					
Salaries	\$209,447	\$605	\$210,052	\$210,051	\$1
Cleaning, repair, and maintenance services	80,300	20,685	100,985	100,755	210
General supplies	72,900	936	73,836	73,835	1
Total Undst. Expend. - Required Maint. Sch. Facilities	382,647	22,206	384,853	384,641	212
Undist. Expend. - Other Oper. & Maint. of Plant					
Salaries	910,535	8,311	918,846	899,177	19,669
Salaries of Non-Instructional Aides	162,945	(10,000)	152,945	143,205	9,740
Purchased professional & tech. services	8,000	6	8,008	8,000	6
Cleaning, repair, and maintenance services	102,100	(57,000)	45,100	35,487	9,613
Other purchased property services	435,000	(49,000)	386,000	377,592	8,408
Insurance	156,137		156,137	156,137	
Miscellaneous purchased services	49,500	(3,379)	46,121	45,477	644
General supplies	117,200	50,615	167,815	167,813	2
Energy (natural gas)	395,000	(17,500)	377,500	225,241	152,259
Energy (heat & electricity)	625,000	22,187	647,187	528,806	118,381
Other objects	5,000	(970)	4,030	3,978	52
Total Undst. Expend. - Other oper. & Maint. of Plant	2,966,417	(58,730)	2,909,687	2,590,913	318,774
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	107,590	1,084	108,674	106,907	1,767
Total Undst. Expend. - Care & Upkeep of Grounds	107,590	1,084	108,674	106,907	1,767
Undist. Expend. - Security					
Salaries	15,000	(4,027)	10,973	10,973	
Total Undst. Expend. - Security	15,000	(4,027)	10,973	10,973	
Total Undst. Expend. - Oper. & Maint. of Plant Services	3,451,654	(37,487)	3,414,167	3,093,434	320,733
Undist. Expend. - Student Transportation Services					
Salaries of non-instructional aides	185,000		185,000	168,430	16,570
Salaries for pupil trans. (bet home & sch) - reg.	612,346	15,000	627,346	610,128	17,218
Salaries for pupil trans. (bet home & sch) - spec ed.	330,000	(5,000)	325,000	308,807	16,193
Salaries for pupil trans. (other than bet home & sch)	98,164		98,164	76,002	22,162
Salaries for pupil trans. (bet h&s) - nonpublic sch	52,000		52,000	52,000	
Other purchased professional and technical services	2,800		2,800	666	2,134
Cleaning, repair, and maintenance services	45,000	(5,865)	39,135	37,868	1,267
Lease purchase payments - school buses	172,000		172,000	172,000	
Contr. serv. (other than bet. home & sch.) - vendors	12,250		12,250	4,750	7,500
Contr. serv. (bet home & sch) - joint agreements	37,500	(32,455)	5,045	4,930	115
Contr. serv. (sp ed stds) - vendors	45,000	(15,000)	30,000	19,805	10,195
Contr. serv. (sp ed stds) - joint agreements	25,000	11,800	36,800	36,630	170
Contr. serv. (sp ed stds) - ESCs & CTSA's	75,000	(29,500)	45,500	41,674	3,826
Contr. serv. - aid in lieu of payments	85,000	(5,000)	80,000	77,503	2,497
Miscellaneous purchased services - transportation	25,500		25,500	4,443	21,057
General Supplies	13,000	(13,000)			
Transportation Supplies	287,500	27,155	314,655	298,211	16,444
Other objects	3,750		3,750	2,550	1,200
Total Undst. Expend. - Student Transportation Services	2,106,810	(51,885)	2,054,945	1,916,397	138,548
Student Transportation Services - Employee Benefits					
Social security contributions	105,000	(22,800)	82,200	82,109	91
Workmen's compensation	60,000		60,000	60,000	
Health benefits	275,000		275,000	265,651	9,349
Total Student Transportation Services - Employee Ben.	440,000	(22,800)	417,200	407,760	9,440
Unallocated Benefits - Employee Benefits					
Social security contributions	470,000	(7,600)	462,400	462,316	84
Other retirement contributions - Regular	415,000	(15,000)	400,000	398,564	1,436
Unemployment compensation		90,000	90,000	90,000	
Workmen's compensation	231,000	(3,500)	227,500	220,646	6,854
Health benefits	4,076,196	(72,700)	4,003,496	4,003,466	30
Tuition reimbursement	37,000	3,500	40,500	39,013	1,487
Other employee benefits	220,000	140,400	360,400	357,451	2,949
Total Unallocated Benefits - Employee Benefits	5,449,196	135,100	5,584,296	5,571,456	12,840

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

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CINNAMINSON BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2010

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
On-behalf TPAF pension contributions (non-budgeted)				\$1,098,785	(\$1,098,785)
Reimbursed TPAF social security contributions (non-bud.)				1,250,842	(1,250,842)
Total Undistributed Expenditures - TPAF				2,349,627	(2,349,627)
Total Undistributed Expenditures	\$21,891,698	\$95,608	\$21,987,306	\$23,433,101	(1,445,795)
Total General Current Expense	38,560,650	151,188	38,731,838	39,841,815	(1,109,977)
CAPITAL OUTLAY:					
Equipment:					
Grades 1-5		3,980	3,980	3,980	
School-sponsored and other instructional programs	6,500		6,500	5,844	656
Undist. expend. - support services - child study teams	9,000	3,671	12,671	12,588	83
Undist. expend. - admin info tech	10,000		10,000	10,000	
Operation and maintenance of plant		24,485	24,485	24,482	3
Security		4,027	4,027	4,027	
Non-instructional equipment		5,865	5,865	5,863	2
School buses		1,000	1,000	1,000	
Total Equipment	25,500	43,028	68,528	67,784	744
Facilities acquisition and construction services:					
Lease Purchase Agreements - Principal	67,490		67,490	67,490	
Total Facilities acquisition and construction services	67,490		67,490	67,490	
Assets acquired under capital leases (non-budgeted):					
Equipment					
School buses				235,100	(235,100)
Operation of Plant Services				19,900	(19,900)
Total Facilities Acquisition and Construction Services				255,000	(255,000)
Total Capital Outlay	92,990	43,028	136,018	390,274	(254,256)
SPECIAL SCHOOLS:					
ADULT SCHOOL:					
Adult Education - Local - Instruction:					
Salaries of teachers	3,500		2,500		2,500
Purchased professional and technical services	20,000		21,000	20,438	562
Total Adult Education - Local - Instruction	23,500		23,500	20,438	3,062
Adult Education - Local - Support Services:					
Salaries of teachers	2,000		2,000	1,700	300
Other purchased services	6,000	(250)	5,750	2,951	2,799
Supplies and materials	500	250	750	510	240
Total Adult Education - Local - Support Services	8,500		8,500	5,161	3,339
Total Special Schools	32,000		32,000	25,599	6,401
Total Expenditures	38,705,640	194,216	38,899,856	40,257,688	(1,357,832)
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(1,599,500)	(194,216)	(1,793,716)	(1,181,422)	612,294
Other Financing Sources (Uses):					
Capital leases				255,000	255,000
Total Other Financing Sources				255,000	255,000

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

CINNAMINSON BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2010

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(\$1,599,500)	(\$194,216)	(\$1,793,716)	(\$926,422)	\$867,294
Fund Balance, July 1	\$4,205,912		4,205,912	4,205,912	
Fund Balance, June 30	\$2,606,412	(\$194,216)	\$2,412,196	\$3,279,490	\$867,294
Recapitulation:					
Reserve for Encumbrances				\$61,796	
Reserve for Excess Surplus				109,575	
Capital Reserve				315,135	
Maintenance Reserve				100,000	
Emergency Reserve				300,000	
Excess surplus designated for subsequent year's expenditures				794,709	
Unreserved:					
Designated for Subsequent Year's Expenditures				273,081	
Undesignated				1,325,194	
				3,279,490	
Last State Aid Payment not Recognized on a GAAP Basis				(869,785)	
Fund Balance per Governmental Funds (GAAP)				\$2,409,705	

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

CINNAMINSON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
American Recovery & Reinvestment Act - Education Stabilization Fund
Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal sources:					
American Recovery & Reinvestment Act - Education Stabilization Fund	<u> </u>	<u>\$1,322,974</u>	<u>\$1,322,974</u>	<u>\$1,322,974</u>	<u> </u>
Total Equalization Stabilization Fund	<u> </u>	<u>1,322,974</u>	<u>1,322,974</u>	<u>1,322,974</u>	<u> </u>
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Grades 1-5		548,787	548,787	548,787	
Grades 6-8		267,342	267,342	267,342	
Grades 9-12		<u>508,845</u>	<u>508,845</u>	<u>508,845</u>	
Total Instruction		<u>1,322,974</u>	<u>1,322,974</u>	<u>1,322,974</u>	
Total Expenditures		<u>\$1,322,974</u>	<u>\$1,322,974</u>	<u>\$1,322,974</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u> </u>				
Fund Balance, July 1	<u> </u>				
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

CLINAMINSON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
American Recovery & Reinvestment Act - Government Services Fund
Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal sources:					
American Recovery & Reinvestment Act - Government Services Fund	<u> </u>	<u> \$51,214 </u>	<u> \$51,214 </u>	<u> \$51,214 </u>	<u> </u>
Total Government Services Fund	<u> </u>	<u> 51,214 </u>	<u> 51,214 </u>	<u> 51,214 </u>	<u> </u>
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers Grades 9-12	<u> </u>	<u> 51,214 </u>	<u> 51,214 </u>	<u> 51,214 </u>	<u> </u>
Total Instruction	<u> </u>	<u> 51,214 </u>	<u> 51,214 </u>	<u> 51,214 </u>	<u> </u>
Total Expenditures	<u> </u>	<u> \$51,214 </u>	<u> \$51,214 </u>	<u> \$51,214 </u>	<u> </u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u> </u>				
Fund Balance, July 1	<u> </u>				
Fund Balance, June 30	<u> </u>				

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

CINNAMINSON SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
REVENUES:					
Local sources	\$15,000	\$19,469	\$34,469	\$31,781	(\$2,688)
State sources	233,000	(26,462)	206,538	148,663	(57,875)
Federal sources	680,000	746,797	1,426,797	1,058,995	(367,802)
Total revenues	928,000	739,804	1,667,804	1,239,439	(428,365)
EXPENDITURES:					
Instruction:					
Salaries of teachers	91,000	16,745	107,745	45,510	62,235
Purchased professional - educ. services		500	500	100	400
Purchased professional - tech. services		1,200	1,200	1,200	
Tuition	250,000	9,391	259,391	260,707	(1,316)
Other purchased services		175,846	175,846	96,461	79,385
General supplies	30,000	110,324	140,324	71,876	68,448
Textbooks	23,000	3,626	26,626	26,545	81
Miscellaneous		31,469	31,469	28,791	2,678
Total instruction	394,000	349,101	743,101	531,190	211,911
Support services:					
Salaries of other professional staff					
Other salaries					
Personal services - employee benefits		8,174	8,174	3,444	4,730
Purchased professional - educ. services	56,500	(56,500)			
Purchased professional and technical services	280,000	194,992	474,992	376,696	98,296
Other purchased services	195,000	10,534	205,534	122,237	83,297
Supplies and materials	2,500	44,503	47,003	38,212	8,791
Total support services	534,000	201,703	735,703	540,589	195,114
Facilities acquisition and construction services:					
Construction services					
Supplies and materials					
Instructional equipment		189,000	189,000	167,660	21,340
Total facilities acq. and const. services		189,000	189,000	167,660	21,340
Total expenditures	928,000	739,804	1,667,804	1,239,439	428,365
Total outflows	928,000	739,804	1,667,804	1,239,439	428,365
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)					

**Cinnaminson School District
Notes to Required Supplementary Information
Budgetary Comparison**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 39,076,266	\$ 1,239,439
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	835,890	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(869,785)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 39,042,371</u>	<u>\$ 1,239,439</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 40,257,688	\$ 1,239,439
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 40,257,688</u>	<u>\$ 1,239,439</u>

Other Supplementary Information

**Special Revenue Fund
Detail Statements**

The Special Revenue Fund is used to account for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted for specific purposes.

CINNAMINSON SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2010
(With comparative totals for June 30, 2009)

	Brought Forward (Exh. E-1B)	Brought Forward (Exh. E-1C)	Brought Forward (Exh. E-1D)	Brought Forward (Exh. E-1E)	Totals	
					2010	2009
REVENUES:						
State sources	\$89,543			\$59,120	\$148,663	\$191,388
Federal sources		\$119,716	\$939,279		1,058,995	709,028
Local sources				31,781	31,781	21,788
Total Revenues	89,543	119,716	939,279	90,901	1,239,439	922,202
EXPENDITURES:						
Instruction:						
Salaries of teachers		45,010		500	45,510	46,815
Professional education services				100	100	1,225
Purchased professional and technical services		1,200			1,200	1,907
Other purchased services			98,461		96,461	833
General supplies		7,009	61,477	3,390	71,876	53,288
Tuition			260,707		260,707	263,908
Textbooks				26,545	26,545	25,356
Miscellaneous				28,791	28,791	21,788
Total instruction		53,219	418,645	59,326	531,190	415,120
Support services:						
Personal services-employee benefits		3,444			3,444	3,676
Purchased prof. and educational services			334,621	31,575	376,696	343,448
Purchased professional and technical services	89,543	26,829	5,865		122,237	143,043
Other purchased services						
Rentals						
Transportation		25,724	12,488		38,212	16,915
Supplies and materials						
Miscellaneous						
Total support services	89,543	66,497	352,974	31,575	540,589	507,082
Facilities acquisition and const. serv.:						
Construction services						
Instructional equipment			167,660		167,660	
Supplies and materials						
Total facilities acquisition and const. serv.:			167,660		167,660	
Total Expenditures	89,543	119,716	939,279	90,901	1,239,439	922,202
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)						

CINNAMINSON SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2010

	Chapter 192	Chapter 193 - Handicapped Services			Carried Forward (Exh. E-1A)
	Auxiliary Services	Exam & Classification	Corrective Speech	Suppl. Instruction	
	Comp. Education				
REVENUES:					
State sources	\$28,311	\$23,757	\$28,874	\$8,601	\$89,543
Federal sources					
Local sources					
Total Revenues	28,311	23,757	28,874	8,601	89,543
EXPENDITURES:					
Instruction:					
Salaries of teachers					
Other salaries for instruction					
Professional education services					
Purchased professional and technical services					
Other purchased services					
General supplies					
Tuition					
Textbooks					
Total instruction					
Support services:					
Personal services-employee benefits					
Purchased prof. and educational services					
Purchased professional and technical services					
Other purchased services					
Rentals					
Transportation					
Other purchased services (400-500)	28,311	23,757	28,874	8,601	89,543
Tuition					
Supplies and materials					
Miscellaneous					
Total support services	28,311	23,757	28,874	8,601	89,543
Facilities acquisition and const. serv.:					
Construction services					
Instructional equipment					
Non-instructional equipment					
Total facilities acquisition and const. serv.:					
Total Expenditures	28,311	23,757	28,874	8,601	89,543
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)					

CINNAMINSON SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2010

E.S.E.A. as amended by No Child Left Behind (N.C.L.B.)

	<u>Title I</u> <u>Current Yr.</u>	<u>Title I</u> <u>Prior Yr.</u>	<u>Title II - Part A</u> <u>Current Yr.</u>	<u>Title II - Part A</u> <u>Prior Yr.</u>	<u>Title II - Part D</u> <u>Current Yr.</u>	<u>Title IV</u> <u>Current Yr.</u>	<u>Totals</u>
REVENUES:							
State sources							
Federal sources	\$51,535	\$22,854	\$32,666	\$7,364	\$673	\$4,624	\$119,716
Local sources							
Total Revenues	51,535	22,854	32,666	7,364	673	4,624	119,716
EXPENDITURES:							
Instruction:							
Salaries of teachers	10,795	20,884	8,143	5,188			45,010
Other salaries for instruction							
Professional education services						1,200	1,200
Purchased professional and technical services							
Other purchased services						1,725	7,009
General supplies			4,313	971			
Tuition							
Textbooks							
Total instruction	10,795	20,884	12,456	6,159		2,925	53,219
Support services:							
Personal services-employee benefits	826	1,598	623	397			3,444
Purchased prof. and educational services							
Purchased professional and technical services	8,050		2,450				10,500
Other purchased services	6,286	372	17,137	662	673	1,699	26,829
Rentals							
Transportation							
Other purchased services (400-500)							
Tuition							
Supplies and materials	25,578			146			25,724
Miscellaneous							
Total support services	40,740	1,970	20,210	1,205	673	1,699	66,497
Facilities acquisition and const. serv.:							
Construction services							
Instructional equipment							
Non-Instructional equipment							
Total facilities acquisition and const. serv.:							
Total Expenditures	51,535	22,854	32,666	7,364	673	4,624	119,716
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)							

CINNAMINSON SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2010

	IDEA - Part B				Totals
	Basic Current Yr.	Basic Prior Yr.	ARRA - Basic Current Yr.	Preschool Current Yr.	
REVENUES:					
State sources					
Federal sources	\$555,914	\$405	\$337,733	\$23,467	\$21,760
Local sources					
Total Revenues	555,914	405	337,733	23,467	21,760
EXPENDITURES:					
Instruction:					
Salaries of teachers					
Other salaries for instruction					
Professional education services					
Purchased professional and technical services					
Other purchased services			74,701		21,760
General supplies	6,286	405	54,776		
Tuition	260,707				96,461
Textbooks					61,477
Total instruction	267,003	405	129,477	21,760	418,645
Support services:					
Personal services-employee benefits					
Purchased prof. and educational services					
Purchased professional and technical services	274,721		36,433	23,467	334,621
Other purchased services.					
Rentals					
Transportation					
Other purchased services (400-500)	5,865				5,865
Tuition					
Supplies and materials	8,325		4,163		12,488
Miscellaneous					
Total support services	288,911		40,596	23,467	352,974
Facilities acquisition and const. serv.:					
Construction services					
Instructional equipment			167,660		167,660
Supplies and materials					
Total facilities acquisition and const. serv.:			167,660		167,660
Total Expenditures	555,914	405	337,733	23,467	21,760
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)					

CINNAMINSON SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2010

	Nonpublic Nursing	Nonpublic Textbook	NJ Wet Project	Cinnaminson Education Foundation Grant	Lowes Grant	Totals
REVENUES:						
State sources	\$31,575	\$26,545	\$1,000			\$59,120
Federal sources						
Local sources				\$28,791	\$2,990	31,781
Total Revenues	31,575	26,545	1,000	28,791	2,990	90,901
EXPENDITURES:						
Instruction:						
Salaries of teachers			500			500
Other salaries for instruction						
Professional education services			100			100
Purchased professional and technical services						
Other purchased services						
General supplies			400		2,990	3,390
Tuition						
Textbooks		26,545				26,545
Miscellaneous				28,791		28,791
Total Instruction		26,545	1,000	28,791	2,990	59,326
Support services:						
Personal services-employee benefits						
Purchased prof. and educational services						
Purchased professional and technical services	31,575					31,575
Other purchased professional and technical serv.						
Rentals						
Transportation						
Other purchased services (400-500)						
Tuition						
Supplies and materials						
Miscellaneous						
Total support services	31,575					31,575
Facilities acquisition and const. serv.:						
Construction services						
Non-instructional equipment						
Supplies and Materials						
Total facilities acquisition and const. serv.:						
Due to Charter School						
Total Expenditures	31,575	26,545	1,000	28,791	2,990	90,901
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)						

Proprietary Funds Detail Statements

Proprietary 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 District's Board is that the costs of providing goods or services be financed through user fees.

Food Service Fund - This fund provides for the operation of food services in all all schools within the school district.

School Age Child Care - This fund provides for the operation of the before and after program provided by the school district.

School Store - This fund provides for the operation of the school store.

CINNAMINSON SCHOOL DISTRICT
Enterprise Funds
Statement of Net Assets
as of June 30, 2010 and 2009

	Food Service Fund	School Age Child Care Program	School Store	2010	2009
ASSETS:					
Current assets:					
Cash and cash equivalents	\$92,879	\$76,507	\$10,717	\$180,103	\$173,549
Accounts receivable:					
State	500			500	429
Federal	6,420			6,420	4,958
Other			123	123	31,319
Interfund	13,778			13,778	
Inventories	10,206		6,039	16,245	31,876
Total current assets	123,783	76,507	16,879	217,169	242,131
Fixed assets:					
Equipment	435,186	29,123		464,309	464,309
Less Accumulated depreciation	(384,481)	(6,553)		(391,034)	(381,928)
Total fixed assets	50,705	22,570		73,275	82,381
Total assets	\$174,488	\$99,077	\$16,879	\$290,444	\$324,512
LIABILITIES					
Current liabilities:					
Accounts payable	\$85,861		\$407	\$86,268	\$114,712
Prepaid program fees		\$30,625		30,625	29,508
Total current liabilities	85,861	30,625	407	116,893	144,220
NET ASSETS					
Invested in capital assets net of related debt	50,705	22,570		73,275	82,380
Unrestricted	37,922	45,882	16,472	100,276	97,912
Total net assets	\$88,627	\$68,452	\$16,472	\$173,551	\$180,292

CINNAMINSON SCHOOL DISTRICT
Enterprise Funds
Comparative Statement of Revenues, Expenses and Changes in Fund Net Assets
for the Fiscal Years ended June 30, 2010 and 2009

	Food Service Fund	School Age Child Care Program	School Store	2010	2009
OPERATING REVENUES:					
Local sources:					
Daily sales-reimbursable programs:					
School lunch program	<u>\$322,622</u>			<u>\$322,622</u>	<u>319,648</u>
Total-daily sales-reimbursable programs	322,622			322,622	319,648
Daily sales non-reimbursable programs:					
Adult and AlaCarte meals	124,478			124,478	135,409
Special functions	48,858			48,858	40,776
Sales			\$35,345	35,345	34,607
Program fees		\$332,308		332,308	334,766
Miscellaneous		<u>1,210</u>		<u>1,210</u>	<u>33,143</u>
Total operating revenue	<u>495,958</u>	<u>333,518</u>	<u>35,345</u>	<u>864,821</u>	<u>898,349</u>
OPERATING EXPENSES:					
Salaries	246,940	232,602		479,542	474,288
Employee benefits	55,221	61,652		116,873	104,385
Supplies and materials	23,673	3,657		27,330	30,258
Depreciation	7,649	1,456		9,105	18,540
Management fee	10,993			10,993	2,801
Direct expenses	8,300	188		8,488	23,685
Other purchased services	36,065	908		36,973	28,803
Cost of sales	251,964	6,196	48,895	307,055	336,449
Building usage		18,000		18,000	18,000
Other	<u>13,484</u>	<u>4,845</u>		<u>18,329</u>	<u>13,609</u>
Total operating expenses	<u>654,289</u>	<u>329,504</u>	<u>48,895</u>	<u>1,032,688</u>	<u>1,050,818</u>
Operating income (loss)	<u>(158,331)</u>	<u>4,014</u>	<u>(13,550)</u>	<u>(167,867)</u>	<u>(152,469)</u>
Non-operating revenues:					
State sources:					
State school lunch program	8,333			8,333	7,859
Federal sources:					
National school lunch program	103,146			103,146	86,367
Special milk program	1,336			1,336	2,425
U.S.D.A. commodities	46,487			46,487	40,150
Contributed equipment					29,123
Interest revenue	<u>964</u>	<u>751</u>	<u>109</u>	<u>1,824</u>	<u>2,170</u>
Total non-operating revenues	<u>160,266</u>	<u>751</u>	<u>109</u>	<u>161,126</u>	<u>168,094</u>
Excess (deficiency) of revenues over (under) expenditures	1,935	4,765	(13,441)	(6,741)	15,625
Other Financing Sources (Uses):					
Retirement of Fixed assets					<u>(57,122)</u>
Net change in Net assets	1,935	4,765	(13,441)	(6,741)	(41,497)
Net assets - July 1	<u>86,692</u>	<u>63,687</u>	<u>29,913</u>	<u>180,292</u>	<u>221,789</u>
Net assets - June 30	<u>\$88,627</u>	<u>\$68,452</u>	<u>\$16,472</u>	<u>\$173,551</u>	<u>\$180,292</u>

CINNAMINSON SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
for the Fiscal Years ended June 30, 2010 and 2009

	Food Service Fund	School Age Child Care Program	School Store	2010	2009
Cash flows from operating activities:					
Cash receipts from customers	\$526,437	\$334,635	\$36,106	\$897,178	\$895,094
Cash payments to employees for services	(219,632)	(294,254)		(513,886)	(526,960)
Cash payments to suppliers for goods and services	(406,035)	(33,794)	(36,238)	(476,067)	(414,826)
Net cash used by operating activities	(99,230)	6,587	(132)	(92,775)	(46,692)
Cash flows from noncapital financing activities:					
Donations					
Cash received from state and federal reimbursements	97,504			97,504	94,653
Net cash provided by noncapital financing activities	97,504			97,504	94,653
Cash flows from capital financing activities:					
Purchases of fixed assets					
Net cash used by capital financing activities					
Cash flows from investing activities:					
Interest on investments	964	752	109	1,825	2,170
Net cash provided by investing activities	964	752	109	1,825	2,170
Net increase (decrease) in cash and cash equivalents	(762)	7,339	(23)	6,554	50,131
Cash and cash equivalents, July 1	93,641	69,168	10,740	173,549	123,418
Cash and cash equivalents, June 30	<u>\$92,879</u>	<u>\$76,507</u>	<u>\$10,717</u>	<u>\$180,103</u>	<u>\$173,549</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	(\$158,331)	\$4,014	(\$13,550)	(\$167,867)	(\$152,469)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:					
Depreciation	7,649	1,456		9,105	18,540
Federal commodities	46,487			46,487	40,150
Change in assets and liabilities:					
(Increase)/decrease in accounts receivable	30,479		717	31,196	(31,319)
(Increase)/decrease in inventory	(856)		16,487	15,631	7,939
Increase/(decrease) in accounts payable	(24,658)		(3,786)	(28,444)	73,064
Increase/(decrease) in prepaid program fees		1,117		1,117	(2,597)
Net cash used by operating activities	(99,230)	6,587	(132)	(92,775)	(46,692)

Fiduciary Funds Detail Statements

Fiduciary Funds are used to account for funds received by the district for a specific purpose.

Unemployment Compensation Insurance Fund - This fiduciary fund is used to pay unemployment compensation claims.

Agency Funds are used to account for assets held by the district as an agent for individuals, private organizations, or other governments and/or other funds.

Payroll Fund - This agency fund is used to account for the payroll transactions of the district.

Student Activity Fund - This agency fund is used to account for the funds held by the district to be used for student related projects.

CINNAMINSON SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Net Assets
June 30, 2010
(With comparative totals for June 30, 2009)

	<u>Agency Funds</u>		<u>Private Purpose Trust Funds</u>		<u>Unemployment Compensation Insurance Trust</u>	<u>Totals</u>	
	<u>Student Activity</u>	<u>Payroll</u>	<u>Scholarship Fund</u>	<u>Organ Repair Fund</u>		<u>2010</u>	<u>2009</u>
ASSETS							
Cash and cash equivalents	\$266,573	\$990,019	\$71,746	\$16,339	\$201,294	\$1,545,971	\$1,515,416
Other accounts receivable							\$400
Interfund receivable							778
Total assets	<u>\$266,573</u>	<u>\$990,019</u>	<u>\$71,746</u>	<u>\$16,339</u>	<u>\$201,294</u>	<u>\$1,545,971</u>	<u>\$1,516,594</u>
LIABILITIES							
LIABILITIES:							
Accounts payable					\$7,492	\$7,492	7,872
Payroll deductions and withholdings		\$201,101				201,101	\$190,671
Due to Cinnaminson Education Assoc.		5,088				5,088	4,560
Due to employees		782,136				782,136	753,691
Interfund payable		1,694				1,694	5,688
Due to student groups	<u>\$266,673</u>					<u>266,673</u>	<u>238,359</u>
Total liabilities	<u>266,673</u>	<u>990,019</u>			<u>7,492</u>	<u>1,264,184</u>	<u>1,200,841</u>
NET ASSETS							
Reserved for private purpose trusts			\$71,746	\$16,339		88,085	89,063
Reserved for unemployment claims					<u>193,802</u>	<u>193,802</u>	<u>226,690</u>
Total net assets	<u>---</u>	<u>---</u>	<u>\$71,746</u>	<u>\$16,339</u>	<u>\$193,802</u>	<u>\$281,887</u>	<u>\$315,753</u>

CINNAMINSON SCHOOL DISTRICT
Fiduciary Fund
 Comparative Statement of Changes in Fiduciary Net Assets
 for the Fiscal Years ended June 30, 2010 and 2009

	Private Purpose Trust Fund		Unemployment Compensation Insurance Trust Fund	Totals	
	Scholarship Fund	Organ Repair Fund		2010	2009
REVENUES:					
Local sources:					
Donations	\$14,376			\$14,376	\$11,102
Board contribution			\$40,000	40,000	
Employee withholdings			37,232	37,232	37,035
Interest on Investments	766	\$155	1,887	2,808	4,789
Total Revenues	15,142	155	79,119	94,416	52,926
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures:					
Unemployment claims			112,007	112,007	47,201
Scholarship payments	16,275			16,275	14,124
Total Expenditures	16,275	-	112,007	128,282	61,325
Excess (deficiency) of revenues over (under) expenditures	(1,133)	155	(32,888)	(33,866)	(8,399)
Net Assets July 1	72,879	16,184	226,690	315,753	324,152
Net Assets June 30	\$71,746	\$16,339	\$193,802	\$281,887	\$315,753

CINNAMINSON SCHOOL DISTRICT
Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2010

	<u>Balance July 1, 2009</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable June 30, 2010</u>	<u>Balance June 30, 2010</u>
JUNIOR/SENIOR HIGH SCHOOLS:					
Cinnaminson:					
Activities	\$210,877	\$597,857	\$573,757		\$234,977
Athletic	<u>27,482</u>	<u>59,237</u>	<u>55,023</u>		<u>31,696</u>
Total	<u>\$238,359</u>	<u>\$657,094</u>	<u>\$628,780</u>	---	<u>\$266,673</u>

CINNAMINSON SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2010

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
ASSETS:				
Cash and cash equivalents	\$954,610	\$31,014,220	\$30,978,811	\$990,019
Interfund receivable				
Total assets	<u><u>\$954,610</u></u>	<u><u>\$31,014,220</u></u>	<u><u>\$30,978,811</u></u>	<u><u>\$990,019</u></u>
LIABILITIES:				
Payroll deductions and withholdings	190,671	15,232,892	15,222,462	201,101
Net payroll		14,740,727	14,740,727	
Due to employees	753,691	1,031,624	1,003,179	782,136
Due to Cinnaminson Education Assoc.	4,560	5,452	4,924	5,088
Interfund payable	<u>5,688</u>	<u>3,525</u>	<u>7,519</u>	<u>1,694</u>
Total liabilities	<u><u>\$954,610</u></u>	<u><u>\$31,014,220</u></u>	<u><u>\$30,978,811</u></u>	<u><u>\$990,019</u></u>

Long-Term Debt Schedules

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

CINNAMINSON SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Serial Bonds
June 30, 2010

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance July 1, 2009	Issued	Retired	Balance June 30, 2010
			Date	Amount					
General Obligation Bonds	08/01/00	\$9,985,000				\$540,000		\$540,000	
Refunding Bonds	01/15/04	9,455,000	08/01/10	\$1,045,000	3.00%	8,115,000		485,000	\$7,630,000
			08/01/11	1,025,000	3.00%				
			08/01/12	1,015,000	3.15%				
			08/01/13	815,000	3.40%				
			08/01/14	750,000	3.55%				
			08/01/15	755,000	3.70%				
			08/01/16	755,000	3.80%				
			08/01/17	745,000	3.90%				
			08/01/18	725,000	4.00%				
Refunding Bonds	04/07/09	2,725,000	7/15/10	455,000	2.00%	2,725,000		475,000	2,250,000
			7/15/11	440,000	2.00%				
			7/15/12	455,000	3.00%				
			7/15/13	445,000	3.00%				
			7/15/14	455,000	2.75%				
						\$11,380,000	-	\$1,500,000	\$9,880,000

CINNAMINSON SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Obligations Under Capital Leases
June 30, 2010

Series	Interest Rate Payable	Amount of Original Issue	Amount Outstanding July 1, 2009	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2010
2 School Buses	4.898%	165,000	54,519		26,819	\$27,700
2 School Buses, 1 Truck, and 1 Tractor	3.980%	500,000	220,789		108,241	112,548
2 School Buses and 1 Truck	4.350%	164,508	98,586		31,473	67,113
1 (9) Passenger School Bus, 2 (54) Passenger School Buses, 1 2008 Ford 350	3.500%	225,000	180,000		42,610	137,390
1 (9) Passenger School Bus, 2 (54) Passenger School Buses, 1 2008 Ford 350	3.85%	255,000	<u> </u>	<u>255,000</u>	<u>50,000</u>	<u>205,000</u>
			<u>\$553,894</u>	<u>\$255,000</u>	<u>\$259,143</u>	<u>\$549,751</u>

CINNAMINSON SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$1,311,807		\$1,311,807	\$1,311,807	
Miscellaneous					
Total revenues - local sources	<u>1,311,807</u>		<u>1,311,807</u>	<u>1,311,807</u>	
State sources:					
Debt service aid type II	539,768		539,768	539,768	
Total revenues - state sources	<u>539,768</u>		<u>539,768</u>	<u>539,768</u>	
Total Revenues	<u>1,851,575</u>		<u>1,851,575</u>	<u>1,851,575</u>	
EXPENDITURES:					
Regular debt service:					
Interest	352,715		352,715	332,536	\$20,179
Redemption of principal	<u>1,500,000</u>		<u>1,500,000</u>	<u>1,500,000</u>	
Total Expenditures	<u>1,852,715</u>		<u>1,852,715</u>	<u>1,832,536</u>	<u>20,179</u>
Excess (Deficiency) of revenues over (under) expenditures	(1,140)		(1,140)	19,039	20,179
Other Financing Sources (Uses):					
Total Other Financing Sources (Uses)					
Excess (Deficiency) of revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,140)		(1,140)	19,039	20,179
Fund Balances, July 1	<u>1,140</u>		<u>1,140</u>	<u>1,140</u>	
Fund Balances, June 30	<u>\$0</u>		<u>\$0</u>	<u>\$20,179</u>	<u>\$20,179</u>
Recapitulation of Excess (Deficiency) or revenues over (under) expenditures					
Budgeted Fund Balance	<u>(\$1,140)</u>		<u>(\$1,140)</u>	<u>\$19,039</u>	<u>\$20,179</u>

Statistical Section

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

Exhibit J-1

Fiscal Year Ending June 30,

	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities:								
Invested in capital assets, net of related debt	\$ (1,498,953)	\$ (796,590)	\$ 324,910	\$ 658,716	\$ 1,109,713	\$ 1,905,765	\$ 2,730,965	\$ 3,963,662
Restricted for:								
Special Revenue	(4,890)							
Capital projects	1,585,688	273,136	98,486	32,163	40,947	113,733	114,822	315,135
Debt service	1,416	(245,566)	(219,963)	(239,431)	(234,750)	(206,088)	(143,866)	(115,838)
Other purposes	181,806	675,086	1,498,591	1,890,157	2,852,322	2,601,779	2,939,974	1,639,161
Unrestricted	(1,241,796)	(1,310,369)	(4,450,861)	(621,859)	(973,173)	(808,163)	(758,962)	(827,109)
Total governmental activities net assets	\$ (976,729)	\$ (1,404,303)	\$ (2,748,837)	\$ 1,719,746	\$ 2,795,059	\$ 3,607,026	\$ 4,882,933	\$ 4,975,011
Business-type activities:								
Invested in capital assets, net of related debt	\$ 96,141	\$ 83,624	\$ 73,282	\$ 70,105	\$ 75,537	\$ 128,920	\$ 82,380	\$ 73,275
Unrestricted	371,894	352,457	333,341	275,089	204,684	92,869	97,912	100,276
Total business-type activities net assets	\$ 468,035	\$ 436,081	\$ 406,623	\$ 345,194	\$ 280,221	\$ 221,789	\$ 180,292	\$ 173,551
District-wide:								
Invested in capital assets, net of related debt	\$ (1,402,812)	\$ (712,966)	\$ 398,192	\$ 728,821	\$ 1,185,250	\$ 2,034,685	\$ 2,813,345	\$ 4,036,937
Restricted:								
Special Revenue	(4,890)							
Capital projects	1,585,688	273,136	98,486	32,163	40,947	113,733	114,822	315,135
Debt service	1,416	(245,566)	(219,963)	(239,431)	(234,750)	(206,088)	(143,866)	(115,838)
Other purposes	181,806	675,086	1,498,591	1,890,157	2,852,322	2,601,779	2,939,974	1,639,161
Unrestricted	(869,902)	(957,912)	(4,117,520)	(346,770)	(768,489)	(715,294)	(661,050)	(726,833)
Total district net assets	\$ (508,694)	\$ (968,222)	\$ (2,342,214)	\$ 2,064,940	\$ 3,075,280	\$ 3,828,815	\$ 5,083,225	\$ 5,148,562

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

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

Exhibit J-2

Fiscal Year Ending June 30,

	2003	2004	2005	2006	2007	2008	2009	2010
Expenses:								
Governmental activities:								
Instruction:								
Regular	\$ 12,532,064	\$ 13,221,058	\$ 14,271,988	\$ 8,439,738	\$ 11,468,390	\$ 11,630,460	\$ 11,607,549	\$ 11,656,571
Special education	2,876,366	2,741,280	3,197,722	2,116,818	2,775,407	2,679,369	2,974,615	3,003,294
Other instruction	2,133,415	2,416,846	2,703,919	1,900,416	2,218,640	2,476,863	2,738,823	2,702,239
Support Services:								
Tuition	1,651,285	2,102,181	2,218,308	2,204,333	2,586,590	2,568,556	3,080,967	2,935,790
Student & instruction related services	3,603,624	3,693,200	4,472,255	3,351,741	3,432,282	4,145,179	4,243,068	4,750,880
School administrative services	1,469,297	1,471,703	1,932,043	1,322,934	1,604,915	1,645,622	1,458,109	1,500,461
General and business administrative services	1,616,342	1,754,014	2,035,023	1,262,443	1,436,843	1,498,613	1,501,287	1,565,765
Plant operations and maintenance	2,887,697	3,243,975	3,628,019	2,635,451	2,985,385	2,754,206	2,604,075	3,091,532
Pupil transportation	1,540,690	1,889,504	1,586,915	1,777,213	1,801,481	1,910,558	1,906,611	2,068,803
Unallocated employee benefits				6,720,418	8,131,124	8,836,787	7,378,067	8,328,843
Special schools	8,796	12,380	13,368	16,687	18,349	21,507	22,942	25,599
Interest on long-term debt	934,678	770,509	664,993	587,065	551,091	484,536	395,548	323,547
Unallocated depreciation	16,678	75,070	93,060	98,267	74,774	77,293	75,901	87,983
Total governmental activities expenses	31,270,932	33,391,720	36,817,613	32,433,524	39,085,271	40,729,549	39,987,562	42,041,307
Business-type activities:								
Food service	540,140	605,728	601,582	622,458	676,104	748,401	671,924	654,289
School age child care program	276,374	288,895	300,207	330,662	316,503	321,452	341,590	329,504
Employment orientation program/School store	75,252	94,848	75,539	57,051	58,473	51,782	37,304	48,895
Total business-type activities expense	891,766	989,471	977,328	1,010,171	1,051,080	1,121,635	1,050,818	1,032,688
Total district expenses	\$ 32,162,698	\$ 34,381,191	\$ 37,794,941	\$ 33,443,695	\$ 40,136,351	\$ 41,851,184	\$ 41,038,380	\$ 43,073,995
Program Revenues:								
Governmental activities:								
Operating grants and contributions	3,207,191	\$ 3,548,849	\$ 3,746,970	4,071,041	5,212,946	5,166,028	3,761,287	4,128,834
Total governmental activities program revenues	3,207,191	3,548,849	3,746,970	4,071,041	5,212,946	5,166,028	3,761,287	4,128,834
Business-type activities:								
Charges for services:								
Food service	482,433	492,363	457,994	473,786	501,618	521,561	527,779	495,958
School age child care program	308,087	279,102	280,270	274,927	282,222	329,352	335,176	333,518
School store	83,524	99,231	75,191	51,012	56,742	60,792	35,394	35,345
Operating grants and contributions	80,498	104,604	124,723	133,277	116,308	130,018	136,801	159,302
Capital grants and contributions			-					
Total business type activities program revenues	954,542	975,300	938,178	933,002	956,890	1,041,723	1,035,150	1,024,123
Total district program revenues	\$ 4,161,733	\$ 4,524,149	\$ 4,685,148	\$ 5,004,043	\$ 6,169,836	\$ 6,207,751	\$ 4,796,437	\$ 5,152,957
Net (Expense)/Revenue:								
Governmental activities	\$ (28,063,741)	\$ (29,842,871)	\$ (33,070,643)	\$ (28,362,483)	\$ (33,872,325)	\$ (35,563,521)	\$ (36,226,275)	\$ (37,912,473)
Business-type activities	62,776	(14,171)	(39,150)	(77,169)	(94,190)	(79,912)	(15,668)	(8,565)
Total district-wide net expense	\$ (28,000,965)	\$ (29,857,042)	\$ (33,109,793)	\$ (28,439,652)	\$ (33,966,515)	\$ (35,643,433)	\$ (36,241,943)	\$ (37,921,038)

(Continued)

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

Exhibit J-2

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
General Revenues and Other Changes in Net Assets:								
Governmental activities:								
Property taxes levied for general purposes, net	\$ 16,955,182	\$ 19,250,740	\$ 20,927,472	\$ 21,907,043	\$ 23,924,030	\$ 25,112,486	\$ 25,470,077	\$ 26,735,855
Taxes levied for debt service	1,234,045	1,361,073	1,336,032	1,273,421	1,300,569	1,333,387	1,330,560	1,311,807
Unrestricted grants and contributions	7,788,116	8,718,217	8,876,356	8,849,731	8,863,694	9,150,859	9,860,671	9,042,887
State aid restricted for capital projects	-	-	-	-	-	-	-	-
Tuition revenue	86,128	42,641	111,960	206,194	171,961	61,264	61,829	115,415
Transportation revenue	259,948	206,641	281,335	342,358	376,193	486,650	542,656	561,603
Miscellaneous revenue	213,578	197,776	192,954	252,319	311,191	230,842	236,589	236,984
Transfers	-	-	-	-	-	-	-	-
Total governmental activities	26,536,997	29,777,088	31,726,109	32,831,066	34,947,838	36,375,488	37,502,182	38,004,551
Business-type activities:								
Miscellaneous income	-	5,488	9,691	15,740	29,217	21,480	2,170	1,824
Contributed equipment	-	-	-	-	-	-	29,123	-
Retirement of Fixed Assets	-	-	-	-	-	-	(57,122)	-
Transfers	-	-	-	-	-	-	-	-
Total business-type activities	-	5,488	9,691	15,740	29,217	21,480	(25,829)	1,824
Total district-wide	\$ 26,536,997	\$ 29,782,576	\$ 31,735,800	\$ 32,846,806	\$ 34,976,855	\$ 36,396,968	\$ 37,476,353	\$ 38,006,375
Change in Net Assets:								
Governmental activities	\$ (1,526,744)	\$ (65,783)	\$ (1,344,534)	\$ 4,488,583	\$ 1,075,313	\$ 811,967	\$ 1,275,907	\$ 92,078
Business-type activities	62,776	(8,683)	(29,459)	(61,429)	(64,973)	(58,432)	(41,497)	(6,741)
Total district-wide	\$ (1,463,968)	\$ (74,466)	\$ (1,373,993)	\$ 4,407,154	\$ 1,010,340	\$ 753,535	\$ 1,234,410	\$ 85,337

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

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

Exhibit J-3

		Fiscal Year Ending June 30,							
		2003	2004	2005	2006	2007	2008	2009	2010
General Fund:									
Reserved for:									
Encumbrances		\$ 181,806	\$ 295,360	\$ 308,841	\$ 379,368	\$ 301,165	\$ 117,006	\$ 92,341	\$ 61,796
Legally restricted			62,346	7,988	7,988	-	-	-	-
Capital reserve		5,345	5,396	5,516	5,740	12,599	113,733	114,822	315,135
Maintenance reserve									100,000
Emergency reserve									300,000
Excess surplus			317,380	519,049	912,303	1,465,776	868,681	1,247,633	109,575
Excess surplus - designated for subsequent year's expenditures				317,379	519,049	912,303	1,465,776	874,057	794,709
Unreserved									
Undesignated		434,226	437,976	315,334	343,120	396,133	478,831	725,943	273,081
Designated for subsequent year's expenditures				235,291	71,449	173,078	150,316	315,226	455,409
Total general fund		\$ 621,377	\$ 1,118,458	\$ 1,709,398	\$ 2,239,017	\$ 3,261,054	\$ 3,194,343	\$ 3,370,022	\$ 2,409,705
All Other Governmental Funds									
Reserved:									
Encumbrances									
Unreserved, reported in:									
Special revenue fund		\$ (4,890)							
Capital projects fund		1,580,343	\$ 267,740	\$ 92,970	\$ 26,423	\$ 28,348	\$ -	\$ -	\$ -
Debt service fund		1,416	62,880	61,401	10,034	1,708	1,631	1,140	20,179
Total all other governmental funds		\$ 1,576,869	\$ 330,620	\$ 154,371	\$ 36,457	\$ 30,056	\$ 1,631	\$ 1,140	\$ 20,179

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

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

Exhibit J-4

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

Continued

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

Exhibit J-4

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

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Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

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

Exhibit J-5

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<u>Fiscal Year Ending June 30,</u>	<u>Interest on Investments</u>	<u>Program Fees</u>	<u>Tuition</u>	<u>Transportation</u>	<u>Prior Year Refunds</u>	<u>Other Refunds</u>	<u>Rentals</u>	<u>Technology Services</u>	<u>Miscellaneous</u>	<u>Total</u>
2001	\$ 209,656		\$ 72,959	\$ 124,944	\$ 67,910	\$ 43,676	\$ 12,000		\$ 19,858	\$ 551,003
2002	71,993	\$ 26,585	37,170	181,991	5,938	23,564	13,500		240	360,981
2003	33,078		86,128	259,948	6,678	111,612	15,000		28,137	540,581
2004	30,924	13,260	42,641	206,641	13,866	49,413	16,500		31,857	405,102
2005	76,057	35,090	111,960	281,335	10,761	30,447	17,400		9,267	572,317
2006	164,513	39,148	206,194	342,358	7,360	5,387	18,825		13,869	797,654
2007	225,354	41,739	171,961	376,193	2,446	6,618	18,625		6,412	849,348
2008	144,870	43,385	61,264	486,650	12,791	2,666	19,505		6,486	777,617
2009	67,787	43,069	61,629	542,656	36,319	54,699	21,632		13,083	840,874
2010	56,528	48,280	115,415	561,603	57,325	24,980	19,000	\$ 18,626	11,931	913,688
	<u>\$ 1,080,760</u>	<u>\$ 290,556</u>	<u>\$ 967,321</u>	<u>\$ 3,364,319</u>	<u>\$ 221,394</u>	<u>\$ 353,062</u>	<u>\$ 171,987</u>	<u>\$ 18,626</u>	<u>\$ 141,140</u>	<u>\$ 6,609,165</u>

Source: District records

Cinnaminson 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
2001	\$ 17,315,000	\$ 694,488,550	\$ 832,300	\$ 52,050	\$ 89,359,700	\$ 70,645,500	\$ 95,200	\$ 872,788,300	\$ 3,862,726	\$ 876,651,026	\$ 52,518,100	1.937	\$ 970,557,552
2002	14,312,400	706,218,150	482,300	52,050	89,036,000	70,645,500	95,200	880,841,600	4,138,947	884,980,547	54,108,100	2.055	1,009,654,053
2003	13,261,100	719,033,950	482,300	51,050	88,134,600	70,154,500	95,200	891,212,700	3,896,280	895,108,980	56,000,500	2.303	1,138,992,911
2004	10,144,300	733,470,550	482,300	51,050	88,389,300	70,074,100	95,200	912,718,800	3,501,542	916,218,342	55,045,300	2.430	1,234,160,469
2005	12,343,000	742,948,850	482,300	51,050	88,271,200	69,599,500	95,200	923,791,100	3,018,420	926,809,520	55,070,500	2.502	1,409,495,933
2006	12,911,900	761,331,950	482,300	51,050	99,062,700	68,178,100	95,200	940,113,200	2,553,211	942,666,411	56,621,500	2.676	1,584,827,637
2007	10,257,600	765,962,750	562,700	95,400	104,312,900	64,783,100	95,200	946,069,650	2,379,656	948,449,306	56,711,700	2.789	1,755,630,558
2008	r 27,748,600	1,602,489,900	1,740,700	96,600	197,684,400	129,724,100	167,600	1,959,631,900	4,281,200	1,963,893,100	113,088,800	1.365	1,844,075,346
2009	29,059,800	1,606,252,700	1,740,700	99,400	197,062,000	129,004,100	167,600	1,963,386,300	4,348,334	1,967,734,634	123,655,800	1.425	2,014,147,220
2010	26,962,500	1,620,131,100	1,740,700	99,400	199,488,700	128,545,000	167,600	1,977,145,000	4,411,918	1,981,556,918	138,962,200	1.493	2,025,084,518

Source: Municipal Tax Assessor

Note:

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

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

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

b Tax rates are per \$100.

c Information not available.

**Cinnaminson 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	
2001	\$ 1.927	\$ 0.010	\$ 1.937	\$ 0.441	\$ -	\$ 0.112	\$ 0.619	\$ 3.109
2002	2.040	0.015	2.055	0.485	-	0.117	0.612	3.269
2003	2.289	0.014	2.303	0.549	-	0.647	0.131	3.630
2004	2.415	0.015	2.430	0.542	-	0.631	0.149	3.752
2005	2.488	0.014	2.502	0.542	0.017	0.695	0.194	3.950
2006	2.662	0.014	2.676	0.570	0.017	0.210	0.744	4.217
2007	2.775	0.014	2.789	0.588	0.017	0.255	0.776	4.425
2008	^c 1.297	0.068	1.365	0.327	0.017	0.134	0.374	2.217
2009	1.358	0.067	1.425	0.350	0.017	0.140	0.389	2.321
2010	1.427	0.066	1.493	0.397	0.017	0.139	0.388	2.434

Source: Municipal Tax Collector

Note:

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

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

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

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

Exhibit J-8

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Taxpayer	2009-2010		Taxpayer	1999-2000	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Whitesell Enterprises et al	\$ 39,709,200	2.00%	Whitesell Enterprises	\$16,573,000	1.94%
National Keystone Property	26,851,400	1.36%	N.J. Float Glass Company	7,000,000	0.82%
Hoeganaes Corp.	12,872,500	0.65%	Mall Associates	5,556,800	0.65%
1 Sea Box Drive, LLC	9,250,000	0.47%	Hoeganaes Sponge Iron Company	5,400,000	0.63%
Riverton Country Club	8,998,400	0.45%	Kinko	4,563,000	0.53%
Progida (The Merion)	8,071,800	0.41%	Riverton Country Club	4,175,700	0.49%
New Plan Excel Realty Trust	7,015,100	0.35%	J.C.I. Data Processing	2,500,000	0.29%
Kimco Corp.	6,779,800	0.34%	Main Line Center	2,450,300	0.28%
Mainline Shopping Center	5,915,200	0.30%	Cheskin Rheta	2,173,400	0.25%
ACME/Albertsons	5,471,900	0.28%	Triboro	2,047,100	0.24%
Total	\$ 130,935,300	6.61%		\$ 52,439,300	6.12%

Source: Municipal Tax Assessor

**Cinnaminson 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	
2001	\$ 15,997,000	\$ 15,997,000	100.00%	-
2002	16,988,003	16,988,003	100.00%	-
2003	18,189,227	18,189,227	100.00%	-
2004	20,611,813	20,611,813	100.00%	-
2005	22,263,504	22,263,504	100.00%	-
2006	23,180,464	23,180,464	100.00%	-
2007	25,244,599	25,244,599	100.00%	-
2008	26,445,873	26,445,873	100.00%	-
2009	26,800,637	26,800,637	100.00%	-
2010	28,047,662	28,047,662	100.00%	-

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

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^b
	General Obligation Bonds	Unfunded Pension Liability	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2001	\$ 20,472,000	-	\$ 887,039	-	-	\$ 21,359,039	4.14%	1,461
2002	19,312,000	-	616,879	-	-	19,928,879	3.61%	1,347
2003	18,082,000	-	467,726	-	-	18,549,726	3.27%	1,242
2004	17,845,000	-	664,694	-	-	18,509,694	3.11%	1,233
2005	16,655,000	-	460,520	-	-	17,115,520	2.80%	1,141
2006	15,400,000	-	423,680	-	-	15,823,680	2.37%	1,033
2007	14,115,000	-	681,706	-	-	14,796,706	2.14%	972
2008	12,745,000	-	590,684	-	-	13,335,684	1.87%	869
2009	11,380,000	-	553,894	-	-	11,933,894	c	769
2010	9,880,000	-	344,751	-	-	10,224,751	c	c

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

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

Cinnaminson 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		
2001	\$ 20,472,000	\$ -	\$ 20,472,000	2.34%	1,400
2002	19,312,000	-	19,312,000	2.18%	1,305
2003	18,082,000	-	18,082,000	2.02%	1,211
2004	17,845,000	-	17,845,000	1.95%	1,189
2005	16,655,000	-	16,655,000	1.80%	1,110
2006	15,400,000	-	15,400,000	1.63%	1,005
2007	14,115,000	-	14,115,000	1.49%	928
2008	12,745,000	-	12,745,000	0.65%	830
2009	11,380,000	-	11,380,000	0.58%	733
2010	9,880,000	-	9,880,000	0.50%	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 School District
Ratios of Overlapping Governmental Activities Debt
As of December 31, 2009**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Township of Cinnaminson	\$ 14,876,800	100.000%	\$ 14,872,031
Burlington County General Obligation Debt	385,986,680	3.828%	<u>14,775,570</u>
Subtotal, overlapping debt			29,647,601
Cinnaminson Township School District Direct Debt			<u>9,880,000</u>
Total direct and overlapping debt			<u><u>\$ 39,527,601</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 School District
 Legal Debt Margin Information,
 Last Ten Fiscal Years**
(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2010

	Equalized valuation basis	
	2009	\$ 1,993,285,584
	2008	1,992,913,556
	2007	1,854,674,868
	[A]	<u>\$ 5,840,874,008</u>
Average equalized valuation of taxable property	[A/3]	\$ 1,946,958,003
Debt limit (4% of average equalized valuation)	[B]	77,878,320 ^a
Net bonded school debt	[C]	<u>9,880,000</u>
Legal debt margin	[B-C]	<u>\$ 67,998,320</u>

Fiscal Year

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt limit	\$ 37,118,145	\$ 38,161,138	\$ 40,534,134	\$ 43,831,872	\$ 49,074,063	\$ 54,856,983	\$ 62,040,392	\$ 68,380,818	\$ 74,372,857	\$ 77,873,320
Total net debt applicable to limit	<u>20,472,000</u>	<u>19,312,000</u>	<u>18,082,000</u>	<u>17,845,000</u>	<u>16,655,000</u>	<u>15,400,000</u>	<u>14,115,000</u>	<u>12,745,000</u>	<u>11,380,000</u>	<u>9,880,000</u>
Legal debt margin	<u>\$ 16,646,145</u>	<u>\$ 18,849,138</u>	<u>\$ 22,452,134</u>	<u>\$ 25,986,872</u>	<u>\$ 32,419,063</u>	<u>\$ 39,456,983</u>	<u>\$ 47,925,392</u>	<u>\$ 55,635,818</u>	<u>\$ 62,992,857</u>	<u>\$ 67,993,320</u>
Total net debt applicable to the limit as a percentage of debt limit	55.15%	50.61%	44.61%	40.71%	33.94%	28.07%	22.75%	18.64%	15.30%	12.69%

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 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>
2001	14,624	\$ 515,920,096	\$ 35,279	3.0%
2002	14,798	551,950,602	37,299	3.3%
2003	14,936	567,299,152	37,982	3.3%
2004	15,011	594,525,666	39,606	4.0%
2005	15,005	612,128,975	40,795	3.8%
2006	15,319	667,157,769	43,551	4.1%
2007	15,217	691,810,471	45,463	3.7%
2008	15,351	714,803,964	46,564	5.1%
2009	15,524	e	e	8.8%
2010	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 School District
Full-time Equivalent District Employees by Function/Program,
Last Four Fiscal Years**

Exhibit J-16

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

Source: District Personnel Records

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

Cinnaminson School District
 Operating Statistics,
 Last Four Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2005	2,525	\$ 32,541,688	\$ 12,888	-	220	1:12	1:11	1:12	2,556.0	2,432.0	5.75%	95.15%
2006	2,577	34,609,940	13,392	4.00%	220	1:12	1:11	1:12	2,577.0	2,450.0	0.08%	95.07%
2007	2,525	37,228,588	14,744	1.03%	227	1:12	1:9	1:12	2,521.1	2,391.2	-2.16%	94.85%
2008	2,469	39,577,816	16,030	8.72%	227	1:11	1:10	1:11	2,459.9	2,337.7	-2.43%	95.03%
2009	2,420	39,075,720	16,147	0.73%	211	1:11	1:9	1:11	2,385.7	2,272.1	-2.43%	95.24%
2010	2,407	40,939,193	17,008	5.33%	208	1:12	1:10	1:12	2,419.8	2,299.5	1.43%	95.03%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

**Cinnaminson School District
School Building Information
Last Five Fiscal Years**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>District Building</u>						
<u>Elementary</u>						
New Albany Elementary (1966)						
Square Feet	47,966	47,966	47,966	47,966	47,966	47,966
Capacity (students)	470	470	470	470	470	470
Enrollment	478	546	530	527	487	517
Rush Elementary (1962)						
Square Feet	50,248	50,248	50,248	50,248	50,248	50,248
Capacity (students)	505	505	505	505	505	505
Enrollment	503	493	504	507	531	544
Middle School (1968)						
Square Feet	118,434	118,434	118,434	118,434	118,434	118,434
Capacity (students)	704	704	704	704	704	704
Enrollment	660	657	567	554	516	536
High School (1961)						
Square Feet	148,668	148,668	148,668	148,668	148,668	148,668
Capacity (students)	810	810	810	810	810	810
Enrollment	861	881	920	872	852	823
<u>Other</u>						
Central Administration (1959)						
Square Feet	27,965	27,965	27,965	27,965	27,965	27,965
Number of Schools at June 30, 2006						
Elementary = 2						
Middle School = 1						
Senior High School = 1						
Other = 1						

Source: District Facilities Office

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

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

Cinnaminson School District
 Schedule of Required Maintenance
 Last Eight Years

Exhibit J-19

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

* School Facilities	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Cinnaminson School District										
New Albany Elementary	\$ 73,001	\$ 45,828	\$ 52,061	\$ 48,557	\$ 51,356	\$ 53,537	\$ 55,640	\$ 61,109	\$ 62,926	\$ 504,015
Rush Intermediate	71,644	46,739	48,012	49,133	53,091	53,604	56,650	54,475	55,707	489,055.00
Middle School	119,961	66,762	69,781	72,160	76,248	83,111	79,418	77,941	87,148	732,530.00
High School	167,515	101,108	112,597	103,885	114,300	114,103	118,756	110,102	122,049	1,064,415.00
Central Office	68,940	46,824	52,962	53,628	46,866	61,969	70,406	47,590	56,811	505,996.00
Total School Facilities	\$ 501,061	\$ 307,281	\$ 335,413	\$ 327,363	\$ 341,861	\$ 366,324	\$ 380,870	\$ 351,217	\$ 384,641	\$ 3,296,011

* 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 School District
Insurance Schedule
June 30, 2010**

Exhibit J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - School Alliance Insurance Fund		
Property - Blanket Buildings and Contents	\$ 71,339,249	\$ 1,000
Liability (General and Auto)	5,000,000	1,000
Aggregate Excess Liability	10,000,000	1,000
Pollution Liability	1,000,000	1,000
Crime Coverage - Employee Dishonesty	100,000	1,000
School Board Legal Liability (1)	5,000,000	5,000
Workers Compensation (2)	Statutory	
Excess Liability (1)	10,000,000	
Student Accident - Guarantee Trust Life	1,000,000	
Surety Bonds (4)		
Treasurer	300,000	
Board Secretary	100,000	

- (1) New Jersey School Board Association.
- (2) School Alliance Insurance Fund.
- (3) AIG Life Insurance
- (4) Selective Insurance Company.

Source: District records

Single Audit Section

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

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New Jersey Society of CPAs

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

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

Compliance

We have audited the compliance of the Board of Education of the Cinnaminson School District (School District), in the County of Burlington, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement*, and the *New Jersey State Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010. The School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the Board of Education of the Cinnaminson School District, in the County of Burlington, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010.

Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Public School Accountant

Marlton, New Jersey
October 8, 2010

CINNAMINSON SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2010

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period	Balance at June 30, 2009		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balance	Adjustment	Balance at June 30, 2010		
					Deferred Revenue (Accts. Receivable)	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education														
General Fund:														
ARRA-SFSF-ESF (Educ. State Grants)	84.394	N/A	\$1,322,974	7/1/09-6/30/10				\$1,322,974	(\$1,322,974)					
ARRA-SFSF-GSF (Government Services)	84.397	N/A	51,214	7/1/09-6/30/10				51,214	(51,214)					
Medical Assistance Program (SEMI)	93.778	N/A	21,414	7/1/09-6/30/10				21,414	(21,414)					
Total General Fund								1,395,602	(1,395,602)					
Special Revenue Fund:														
No Child Left Behind (N.C.L.B.)														
Title I - Current Year	84.010	NCLB-3430-10	75,723	9/1/09 - 8/31/10				\$35,348	(\$51,535)					(\$16,187)
Title I - Prior Year	84.010	NCLB-3430-09	70,308	9/1/08 - 8/31/09	(\$13,203)			35,857	(22,854)					(200)
Title II - A - Current Year	84.367	NCLB-3430-10	80,940	9/1/09 - 8/31/10				23,973	(32,668)					(8,693)
Title II - A - Prior Year	84.367	NCLB-3430-09	59,303	9/1/08 - 8/31/09	(16,356)			22,906	(7,364)					(814)
Title II - D - Current Year	84.318	NCLB-3430-10	736	9/1/09 - 8/31/10			\$13	627	(673)					(33)
Title II - D - Prior Year	84.318	NCLB-3430-09	584	9/1/08 - 8/31/09	\$13		(13)							
Title IV - Current Year	84.188A	NCLB-3430-10	4,841	9/1/09 - 8/31/10				1,789	(4,624)					(2,825)
Title IV - Prior Year	84.188A	NCLB-3430-09	5,175	9/1/08 - 8/31/09	(921)			921						
Individuals With Disabilities Act (I.D.E.A.)														
Part B - Basic Current Year	84.027	FT-3430-10	559,391	9/1/09 - 8/31/10				475,269	(555,914)					(80,645)
Part B - Basic Prior Year	84.027	FT-3430-09	565,406	9/1/08 - 8/31/09	(162,978)			163,383	(405)					
Part B - Basic ARRA	84.391	ARRA-3430-10	601,628	7/1/09 - 6/30/11				287,757	(337,733)					(69,976)
Part - Preschool Current Year	84.173	PS-3430-10	23,487	9/1/09 - 8/31/10				23,467	(23,487)					
Part - Preschool Prior Year	84.173	PS-3430-09	23,538	9/1/08 - 8/31/09	(5)			5						
Part - Preschool ARRA	84.392	ARRA-3430-10	21,760	7/1/09 - 6/30/11				12,581	(21,760)					(9,199)
Total Special Revenue Fund					(193,450)			1,063,873	(1,058,895)					(188,572)
U.S. Department of Agriculture														
Enterprise Fund:														
Food Distribution Program	10.550	N/A	46,487	9/1/09 - 6/30/10				\$46,487	(\$46,487)					
National School Lunch Program	10.555	N/A	103,146	9/1/09 - 6/30/10				96,831	(103,146)					(\$6,315)
National School Lunch Program	10.555	N/A	86,367	9/1/08 - 6/30/09	(\$4,779)			4,779						
Special Milk Program	10.556	N/A	1,336	9/1/09 - 8/30/10				1,231	(1,336)					(105)
Special Milk Program	10.556	N/A	2,425	9/1/08 - 6/30/09	(179)			179						
Total Enterprise Fund					(4,958)			149,507	(150,969)					(6,420)
Total Federal Awards					(\$198,408)			\$2,608,982	(\$2,605,586)					(\$194,992)

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

CINNAMINSON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2010

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	Balance at June 30, 2009		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2010	
				Deferred Revenue (Accts. Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue
State Department of Education											
<u>General Fund:</u>											
Nonpublic Transportation Aid	10-103190	\$13,118	7/1/09 - 6/30/10					(\$13,118)		(\$13,118)	
Nonpublic Transportation Aid	09-103190	15,138	7/1/08 - 6/30/09	(\$15,138)			\$15,138				
Extraordinary Aid	10-495-034-5120-473	696,234	7/1/09 - 6/30/10					(696,234)		(696,234)	
Extraordinary Aid	09-495-034-5120-473	728,278	7/1/08 - 6/30/09	(\$728,278)			728,278				
Equalization Aid	10-495-034-5120-078	7,573,536	7/1/09 - 6/30/10				4,506,420	(5,148,765)		(642,345)	
Equalization Aid	09-495-034-5120-078	7,582,842	7/1/08 - 6/30/09	(\$684,237)			684,237				
Transportation Aid	10-495-034-5120-014	679,614	7/1/09 - 6/30/10				386,638	(441,749)		(55,111)	
Transportation Aid	09-495-034-5120-014	528,177	7/1/08 - 6/30/09	(\$46,267)			46,267				
Special Education Categorical Aid	10-495-034-5120-089	1,266,661	7/1/09 - 6/30/10				1,108,636	(1,266,661)		(158,025)	
Special Education Categorical Aid	09-495-034-5120-089	1,256,276	7/1/08 - 6/30/09	(\$110,046)			110,046				
Security Aid	10-495-034-5120-084	178,390	7/1/09 - 6/30/10				100,349	(114,653)		(14,304)	
Security Aid	09-495-034-5120-084	175,123	7/1/08 - 6/30/09	(\$15,340)			15,340				
On Behalf TPAF Pension Contributions	10-495-034-5095-007	55,546	7/1/09 - 6/30/10				55,546	(55,546)			
On Behalf TPAF Post Retirement Medical	10-495-034-5095-001	1,043,239	7/1/09 - 6/30/10				1,043,239	(1,043,239)			
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	1,250,842	7/1/09 - 6/30/10				1,186,931	(1,250,842)		(63,911)	
Reimbursed TPAF Social Security Contributions	09-495-034-5095-002	1,223,656	7/1/08 - 6/30/09	(61,556)			61,556				
Total General Fund				<u>(1,640,862)</u>	<u>—</u>	<u>—</u>	<u>10,028,621</u>	<u>(10,030,807)</u>	<u>—</u>	<u>(1,643,048)</u>	<u>—</u>
<u>Special Revenue Fund</u>											
<u>N.J. Nonpublic Aid:</u>											
Textbook Aid	10-100-034-5120-064	26,626	7/1/09 - 6/30/10				26,626	(26,545)			\$81
Textbook Aid	09-100-034-5120-064	25,392	7/1/08 - 6/30/09		\$36				(\$36)		
Nursing Aid	10-100-034-5120-070	31,575	7/1/09 - 6/30/10				31,575	(31,575)			
<u>Auxiliary Services:</u>											
Compensatory Education	10-100-034-5120-067	81,574	7/1/09 - 6/30/10				81,574	(28,311)			53,263
Compensatory Education	09-100-034-5120-067	99,533	7/1/08 - 6/30/09		49,569				(49,569)		
<u>Handicapped Services:</u>											
Examination & Classification	10-100-034-5120-066	25,223	7/1/09 - 6/30/10				25,223	(23,757)			1,466
Examination & Classification	09-100-034-5120-066	33,170	7/1/08 - 6/30/09		12,316				(12,316)		
Corrective Speech	10-100-034-5120-066	29,413	7/1/09 - 6/30/10				29,413	(28,874)			539
Corrective Speech	09-100-034-5120-066	30,318	7/1/08 - 6/30/09		1,302				(1,302)		
Supplemental Instruction	10-100-034-5120-066	17,521	7/1/09 - 6/30/10				17,521	(8,601)			8,920
Supplemental Instruction	09-100-034-5120-066	24,780	7/1/08 - 6/30/09		11,564				(11,564)		
State Department of Environmental Protection											
N.J. Wet Grant	NJ03084003	1,000	7/1/09 - 6/30/10				1,000	(1,000)			
Total Special Revenue Fund					<u>74,787</u>	<u>—</u>	<u>212,932</u>	<u>(148,663)</u>	<u>(74,787)</u>		<u>64,269</u>

CINNAMINSON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2010

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	Balance at June 30, 2009			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2010		
				Deferred Revenue (Accts. Receivable)	Due to Grantor	Carryover (Walkover) Amount				(Accounts Receivable)	Deferred Revenue	Due to Grantor
Debt Service Fund												
Debt Service Aid Type II	10-100-034-5120-017	\$539,768	7/1/09 - 6/30/10	—	—	—	\$539,768	(\$539,768)	—	—	—	—
State Department of Agriculture												
Enterprise Fund:												
State School Lunch Program	10-100-010-3350-023	8,333	9/1/09 - 6/30/10				\$7,833	(\$8,333)		(\$500)		
State School Lunch Program	09-100-010-3350-023	7,859	9/1/08 - 6/30/09	(\$429)			429					
Total Enterprise Fund				(429)	—	—	8,262	(8,333)	—	(500)	—	—
Total State Financial Assistance				(\$1,641,291)	\$74,767	—	\$10,789,583	(\$10,727,571)	(\$74,787)	(\$1,643,548)		\$64,269

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

Cinnaminson School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2010

1. GENERAL

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

2. BASIS OF ACCOUNTING

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

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when the expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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 last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is (\$33,895), for the general fund and \$-0- for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Expenditures from awards and financial assistance revenues are reported in the School District's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$1,395,602	\$9,996,912	\$11,392,514
Special Revenue Fund	1,058,995	148,663	1,207,658
Debt Service Fund		539,768	539,768
Food Service Fund	<u>150,969</u>	<u>8,333</u>	<u>159,302</u>
Total Awards & Financial Assistance	<u>\$2,605,566</u>	<u>\$10,693,676</u>	<u>\$13,299,242</u>

Cinnaminson School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2010
(Continued)

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2010. TPAF Social Security Contributions represents the amount reimbursed by the State for the School District's share of social security contributions for TPAF members for the year ended June 30, 2010.

6. MAJOR PROGRAMS

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

**CINNAMINSON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Section I –Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: UNQUALIFIED

Internal control over financial reporting:

- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Noncompliance material to general-purpose financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.394</u>	<u>ARRA - Education Stabilization Funds</u>
<u>84.397</u>	<u>ARRA - Government Services Funds</u>
<u>84.027</u>	<u>IDEA Part B - Basic</u>
<u>84.391</u>	<u>ARRA - IDEA Basic</u>
<u>84.392</u>	<u>ARRA - IDEA Preschool</u>
<u>10.555</u>	<u>National School Lunch Program</u>

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

Auditee qualified as low-risk auditee? yes X no

**CINNAMINSON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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 paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

No findings were identified.

**CINNAMINSON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

This section identifies audit findings required to be reported by section .510(a) Circular A-133 and NJOMB Circular Letter 04-04.

FEDERAL AWARDS

No findings and/or questioned costs identified.

STATE AWARDS

No findings and/or questioned costs identified.

**CINNAMINSON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

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

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings.

FEDERAL AWARDS

There were no prior year audit findings.

STATE AWARDS

There were no prior year audit findings.