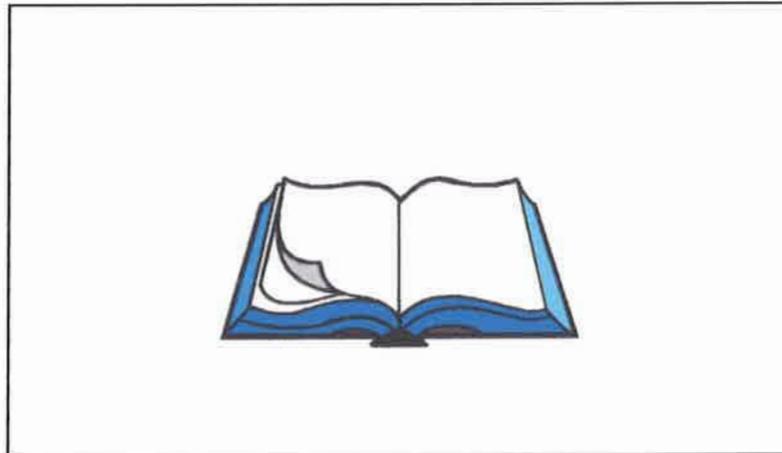


**SCHOOL DISTRICT
OF
CRANBURY**



**Cranbury Board of Education
Cranbury, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015**

**Comprehensive Annual
Financial Report**

of the

Cranbury Township Board of Education

Cranbury, New Jersey

For the Fiscal Year Ended June 30, 2015

**Prepared by
Cranbury Township Board of Education
Finance Department**

CRANBURY TOWNSHIP SCHOOL DISTRICT

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Introductory Section

Cranbury Township School District

Cranbury School

23 North Main Street • Cranbury, NJ 08512
Main Office: 609-395-1700 • Fax: 609-860-9655
Web Site – www.Cranburyschool.org

Susan L. Genco, Ed. D.
Chief School Administrator/Principal

Nicholas Bice
Board Secretary/Business Administrator

November 27, 2015

Honorable President and
Members of the Board of Education
Cranbury Township School District
23 North Main Street
Cranbury, New Jersey 08512

Dear Members of the Board:

The Comprehensive Annual Financial Report (CAFR) of the Cranbury Township School District for the fiscal year ending June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of the operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and the Budget Circular Letter 15-08 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:

Cranbury Township School District is an independent reporting entity within the criteria adopted by the GASB as established by the NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Cranbury Township Board of Education and the Cranbury Elementary School constitute the District's reporting entity.

The Cranbury Township School District is a comprehensive PK – 8 School District. High School students attend Princeton High School through a sending-receiving contract with the Princeton Public Schools District. High School students include regular, vocational, and special education students. The school district completed the 2014-2015 fiscal year with a total enrollment of 764 students. Over the last nine years, student enrollment at the Cranbury School has been decreasing slightly. Likewise, over the last four years, student enrollment at the high school level has been decreasing. During the 2014-2015 school year, student enrollment at both the Cranbury School and the high school level decreased at a higher rate than in previous years. A recent demographic study predicts this trend to continue through 2020. The following data illustrates the changes in student enrollment of the district over the past ten years.

STUDENT ENROLLMENT

<u>Fiscal Year</u>	<u>PK-8 Enrollment</u>	<u>Percent Change</u>	<u>High School Enrollment</u>	<u>Percent Change</u>	<u>Total Enrollment</u>
2005-2006	656	7.54%	239	8.64%	895
2006-2007	643	-1.98%	247	3.35%	890
2007-2008	639	-0.62%	250.5	1.42%	889.5
2008-2009	624	-2.35%	269	7.39%	893
2009-2010	614	-1.60%	269	0.00%	883
2010-2011	609	-.08%	270	.37%	879
2011-2012	581	-4.82%	266	-1.5%	847
2012-2013	557	-4.13%	256	-3.76%	813
2013-2014	556	-.002%	254	-.001%	810
2014-2015	518	-6.84%	246	-3.15%	764

2. ECONOMIC CONDITION AND OUTLOOK:

During the 2014-2015 school year, the Cranbury Township School District received \$466,503 in State Aid, which is 2.63% of the total budget. Given the recent economic climate and the fiscal state of the State, future budgets will most likely continue to be funded by the local taxpayer. Cranbury Township Board of Education continues to prioritize initiatives to optimize operating expenditures. Examples of this include four additional ROD Grants that were approved and provided approximately 40% subsidy to the district. These projects included: 2003 Boiler Replacement, Communications and Security Upgrade, Roof Replacement, and HVAC Improvements. Furthermore, as a result of the Cranbury Township Board of Education’s strong fiscal position, the district has been designated with a AAA credit rating since October 2010. This rating will benefit the district with lower costs on future financing.

3. MAJOR INITIATIVES:

Cranbury School continues to provide a sound professional development program that is data-driven, based on best instructional practices, collaborative in nature, and reflective. Curricula in all areas were revised over the summer months through the Connected Action Roadmap (CAR) framework. We have introduced the Measurement of Academic Progress (MAP) assessment for the 2015-2016 school year and will provide training for teachers, parents, and the community. A combination of embedded professional development, four district staff development days, and 15 additional staff training meetings are used to foster professionalism among teachers. Tools to support the development of 21st century skills as well as the continued transition to the PARCC assessment model

include iPads, Chrome books, and other handheld devices for student use as per the district technology plan. Network infrastructure and school security upgrades were completed and immediately put into effect. The district continues to offer high level programming for all students. An exciting educational innovation continues to be our Aquaponics program. Aquaponics provides opportunities for STEAM Education through integrated active learning in a constantly evolving learning laboratory. Students are learning about sustainability through hands on lessons in Biology, Chemistry, Math, Agriculture and the Life Cycles of Plants and animals through this project based experience.

4. INTERNAL ACCOUNTING CONTROLS:

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

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations by the District Management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. These amounts to be re-appropriated are reported as reservations of fund balance on June 30, 2015.

6. ACCOUNTING SYSTEM AND REPORT:

The District's accounting records reflect generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

7. CASH MANAGEMENT:

The investment policy of the District is guided in large part by 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 Government Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

8. **RISK MANAGEMENT:**

The Cranbury Township School District carries various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, and fidelity bonds.

9. **OTHER INFORMATION:**

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accounts. The accounting firm of Inverso & Stewart, LLC was selected by the Board. In addition to meeting the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and State Treasury Circular Letter 15-08 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.

10. **ACKNOWLEDGEMENTS:**

We would like to express our appreciation to the members of the Cranbury Township Board of Education 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, dedicated services of our financial and accounting staff.

Respectfully submitted:

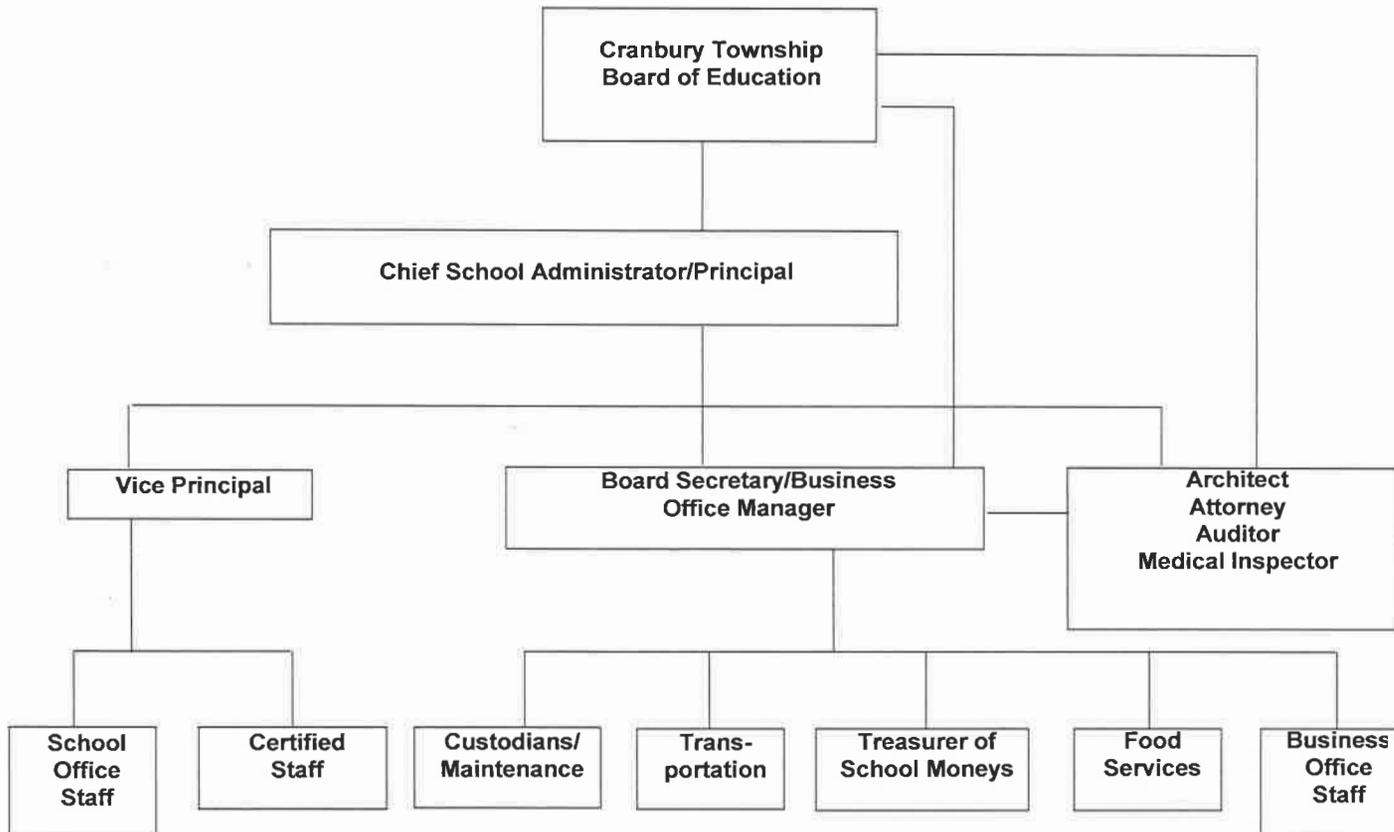


Nicholas Bice
Board Secretary/Business Administrator



Susan Genco, Ed.D.
Chief School Administrator/Principal

CRANBURY TOWNSHIP BOARD OF EDUCATION
Organizational Chart
(Unit Control)



CRANBURY TOWNSHIP SCHOOL DISTRICT

**Roster of Officials
June 30, 2015**

Members of the Board of Education:

Term Expires

Lynne Schwarz, President	2015
Jennifer Cooke, Vice President	2017
Karen Callahan	2015
Pramod Chivate	2016
Ash Hadap	2017
Dominique Jones	2015
Linda Penney	2016
Lindsay McDowell	2016
Evelyn Spann	2017

Other Officials:

Susan L. Genco, Ed. D. Chief School Administrator/Principal
Joyce Picariello, Business Administrator/Board Secretary
Denise Marabello, Treasurer of School Monies
Anthony P. Sciarrillo, Esq. Solicitor

**CRANBURY TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors**

Audit Firm

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

Attorney

Sciarrillo Cornell Merlino, McKeever & Osbourne, LLC
238 St. Paul Street
Westfield, NJ 07091

Architect

EI Associates
8 Ridgedale Avenue
Cedar Knolls, NJ 07927

Broker of Record

Rue Insurance Agency
3812 Quakerbridge Road
PO Box 3006
Trenton, NJ 08619

Official Depository

First Choice Bank
669 Whitehead Road
Lawrenceville, NJ 08648

Financial Section

INVERSO & STEWART, LLC
Certified Public Accountants

651 Route 73 North, Suite 402
Marlton, New Jersey 08053
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E-Mail: iscpas@concentric.net

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Cranbury School District, in the County of Middlesex, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

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

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cranbury School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey OMB's Circular 04-04 and/or 15-08, as applicable, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated November 27, 2015 on my consideration of the Cranbury School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cranbury School District's internal control over financial reporting and compliance.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
November 27, 2015

INVERSO & STEWART, LLC
Certified Public Accountants

651 Route 73 North, Suite 402
 Marlton, New Jersey 08053
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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**

INDEPENDENT AUDITOR'S REPORT

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

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

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
November 27, 2015

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Cranbury School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

As management of the Board of Education of the Township of Cranbury, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$7,814,621 (*net position*).
- Governmental activities have a deficit unrestricted net position of \$2,472,584. The accounting treatments in the governmental funds for compensated absences payable, and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this minimal amount.
- The total net position of the School District increased by \$522,905, or a 7.17% increase from the prior fiscal year-end balance. The majority of the increase is attributable the payment of current debt obligations and the capital projects program.
- Fund balance of the School District's governmental funds decreased by \$396,219 resulting in an ending fund balance of \$3,884,404. This decrease was mainly the result of operations in the general fund.
- Business-type activities have unrestricted net position of \$11,185, which may be used to meet the School District's ongoing obligations of the enterprise-related activities (Food Service Fund).
- The School District's long-term obligations decreased by \$656,128 which is the direct result of current year payments on existing debt obligations and the reduction in compensated absences payable.

Overview of the Basic Financial Statements

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

District-wide Financial Statements

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

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

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

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

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 enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

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. 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 2015. 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 2015.

The assets of the primary government activities exceeded liabilities by \$7,796,960 with a deficit unrestricted net position balance of \$2,472,584. As mentioned earlier, the minimal unrestricted net position are primarily due to the accounting treatment for compensated absences payable and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

The net position of the primary government does not include internal balances.

A net investment of \$6,706,807 in land, improvements, buildings and equipment which provide the services to the School District's public school students, represents 64.89% of the School District's net position. Net position of \$3,562,737 has been restricted as follows:

Restricted for Future Capital Projects	\$ 2,500,478
Restricted for Future Tuition Costs	600,000
Restricted for Future Maintenance Costs	411,187
Restricted for Encumbrances	36,537
Restricted for Subsequent Year's Budget	<u>14,535</u>
	<u>\$ 3,562,737</u>

**Comparative Summary of Net Position
As of June 30, 2015 and 2014**

	Governmental Activities		Business-Type Activities		District-Wide	
	2015	2014	2015	2014	2015	2014
ASSETS						
Current assets	\$ 4,875,565	\$ 5,242,355	\$ 24,411	\$ 35,756	4,899,976	\$ 5,278,111
Capital assets	<u>10,296,807</u>	<u>10,058,720</u>	<u>6,476</u>	<u>9,634</u>	<u>10,303,283</u>	<u>10,068,354</u>
Total assets	<u>15,172,372</u>	<u>15,301,075</u>	<u>30,887</u>	<u>45,390</u>	<u>15,203,259</u>	<u>15,346,465</u>
Deferred Outflows of Resources	<u>177,362</u>				<u>177,362</u>	
LIABILITIES						
Current liabilities	1,830,207	1,755,694	13,226	18,111	1,843,433	1,773,805
Noncurrent liabilities	<u>5,356,255</u>	<u>3,719,455</u>			<u>5,356,255</u>	<u>3,719,455</u>
Total Liabilities	<u>7,186,462</u>	<u>5,475,149</u>	<u>13,226</u>	<u>18,111</u>	<u>7,199,688</u>	<u>5,493,260</u>
Deferred Inflows of Resources	<u>366,312</u>				<u>366,312</u>	
Net Position	<u>\$ 7,796,960</u>	<u>\$ 9,825,926</u>	<u>\$ 17,661</u>	<u>\$ 27,279</u>	<u>\$ 7,814,621</u>	<u>\$ 9,853,205</u>
Net Position Consists of:						
Net investment in Capital Assets	6,706,807	5,758,720	6,476	9,634	6,713,283	5,768,354
Restricted Assets	3,562,737	3,974,388			3,562,737	3,974,388
Unrestricted Assets	<u>(2,472,584)</u>	<u>92,818</u>	<u>11,185</u>	<u>17,645</u>	<u>(2,461,399)</u>	<u>110,463</u>
Net Position	<u>\$ 7,796,960</u>	<u>\$ 9,825,926</u>	<u>\$ 17,661</u>	<u>\$ 27,279</u>	<u>\$ 7,814,621</u>	<u>\$ 9,853,205</u>

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

	Governmental Activities		Business-Type Activities		District-Wide	
	2015	2014	2015	2014	2015	2014
Revenues:						
Charges for services	\$ 4,000		\$ 124,002	\$ 139,900	\$ 128,002	\$ 139,900
Operating Grants and contributions	1,133,028	\$ 1,035,215	22,666	24,994	1,155,694	1,060,209
Capital Grants and contributions	441,446				441,446	
Property taxes	16,000,748	15,838,826			16,000,748	15,838,826
State aid - unrestricted	509,385	640,628			509,385	640,628
Other revenues	109,356	136,185	1,804	4,333	111,160	140,518
Total Revenues	18,197,963	17,650,854	148,472	169,227	18,346,435	17,820,081
Expenses:						
Governmental Activities:						
Instruction	5,231,837	5,104,115			5,231,837	5,104,115
Tuition	4,998,471	4,810,835			4,998,471	4,810,835
Related Services	1,117,388	1,054,179			1,117,388	1,054,179
Administrative Services	802,947	775,198			802,947	775,198
Operations and Maintenance	1,735,858	1,675,342			1,735,858	1,675,342
Transportation	733,998	743,547			733,998	743,547
Employee benefits	2,787,835	2,564,719			2,787,835	2,564,719
Interest on debt	167,925	177,637			167,925	177,637
Other	89,181	92,663			89,181	92,663
Business-Type Activities:						
Food Service			158,090	176,818	158,090	176,818
Total Expenses	17,665,440	16,998,235	158,090	176,818	17,823,530	17,175,053
Increase (Decrease) in Net Position before transfers	532,523	652,619	(9,618)	(7,591)	522,905	645,028
Adjustment to fixed assets						
Transfers						
Change in Net Position	532,523	652,619	(9,618)	(7,591)	522,905	645,028
Net Position, July 1, restated	7,264,437	9,173,307	27,279	34,870	7,291,716	9,208,177
Net Position, June 30	\$ 7,796,960	\$ 9,825,926	\$ 17,661	\$ 27,279	\$ 7,814,621	\$ 9,853,205

Governmental Activities

Governmental activities increased the net position of the School District by \$509,883 during the current fiscal year, thereby accounting for all of the total gain in the net position of the School District. Key elements of the increase in net position for governmental activities are as follows:

- A reduction in long term debt obligations in the amount of \$656,128.

Business-type Activities

Business-type activities decreased the School District's net position by \$9,618, or 35.26%. Key elements of the decrease in net position for governmental activities are as follows:

- The Food Services Fund operated at a loss for this fiscal year.

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 \$3,884,404, an decrease of \$396,219 in comparison with the prior year. This decrease is primarily the results of operations in the general fund.

The unassigned fund balance for the School District at the end of the fiscal year represents the General Fund unassigned fund balance of \$321,667 and the Capital Projects unassigned fund balance of \$362,573. 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) restricted cash reserved for future capital outlay expenditures \$2,055,891, 2) reserved for encumbrances \$118,551, reserved for future maintenance costs \$411,187 or reserved for future tuition payments \$600,000 or reserved for subsequent year's budget \$14,535.

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

General Fund Budgetary Highlights

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the general fund was \$365,487, while total fund balance (budgetary basis) was \$3,483,637. As a measure of the general fund's liquidity, it may be useful to compare both unassigned 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 \$17,062,079. Unassigned fund balance (budgetary basis) represents 2.14% of expenditures while total fund balance (budgetary basis) represents 20.42% of that same amount.

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2015, totaled \$10,303,283 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings and equipment. The total increase in the District's investment in capital assets for the current fiscal year was \$234,929, or 2.33%. The increase is due to the purchase of assets and building improvements as well as current year depreciation expense.

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

	Governmental Activities		Business-Type Activities		District-Wide	
	2015	2014	2015	2014	2015	2014
Land	\$ 451,596	\$ 451,596	\$ -	\$ -	\$ 451,596	\$ 451,596
Const. in Progress					-	-
Site Improvements	427,506	88,139			427,506	88,139
Building and Building Improvements	9,265,242	9,344,618			9,265,242	9,344,618
Equipment	152,463	174,367	6,476	9,634	158,939	184,001
Net Assets	<u>\$ 10,296,807</u>	<u>\$ 10,058,720</u>	<u>\$ 6,476</u>	<u>\$ 9,634</u>	<u>\$ 10,303,283</u>	<u>\$ 10,068,354</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, 2015, the School District had total bonded debt outstanding of \$3,590,000 backed by the full faith and credit of the School District. General obligation bonds for the School District decreased during the current fiscal year according to the normal schedule of payments. In addition the School District had \$183,327 in compensated absences payable as of June 30, 2015.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District's budget for the 2015-16 fiscal year:

- The 2015-16 budget maintains all programs and services and classroom aides. All areas of spending were maintained level or reduced from the prior year with the following

exceptions: regular education salaries, out-of-district special education tuition, staff training, co-curricular and athletics and maintenance and operations.

- For the 2015-16 fiscal year, Cranbury Township Board of Education received \$466,503 in State Aid, which represents only 2.5% of the total budget. The tax levy of the district has increased from the prior year by \$369,595 resulting in a tax rate increase from 1.039 in 2014 to 1.049 in 2015.
- The Cranbury Township School district has committed itself to strong financial controls. The School District spends much time monitoring its budget, scrutinizing spending requests, and has been implementing even stronger internal controls. The School District commits itself to constantly reviewing the ways in which it conducts business, and making improvements whenever possible, in order to meet future challenges and minimize instructional spending.

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 Cranbury School District Business Administrator, 23A North Main Street, Cranbury, New Jersey, 08755.

Basic Financial Statements

District-Wide Financial Statements

CRANBURY TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 956,599	\$ 12,601	\$ 969,200
Receivables, net	1,863,075	8,402	1,871,477
Inventory		3,408	3,408
Restricted Assets:			
Cash and Cash Equivalents	2,055,891		2,055,891
Capital Assets, net (Note 5)	10,296,807	6,476	10,303,283
Total Assets	<u>15,172,372</u>	<u>30,887</u>	<u>15,203,259</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	177,362		177,362
LIABILITIES:			
Accounts Payable	85,230	6,413	91,643
Intergovernmental Payables	51		51
Accrued Interest Payable	72,075		72,075
Unearned Revenue	905,880	6,813	912,693
Noncurrent Liabilities:			
Due within one year	766,971		766,971
Due beyond one year	3,006,356		3,006,356
Net pension liability	2,349,899		2,349,899
Total Liabilities	<u>7,186,462</u>	<u>13,226</u>	<u>7,199,688</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of resources from pensions	366,312		366,312
NET POSITION:			
Net investment in Capital Assets	6,706,807	6,476	6,713,283
Restricted for:			
Capital projects	2,500,478		2,500,478
Other purposes	1,062,259		1,062,259
Unrestricted	(2,472,584)	11,185	(2,461,399)
Total Net Position	<u>\$ 7,796,960</u>	<u>\$ 17,661</u>	<u>\$ 7,814,621</u>

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

CRANBURY TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 4,015,513	\$ 4,000	\$ 10,469	\$ -	\$ (4,001,044)	\$ -	\$ (4,001,044)
Special Education	942,112		129,182		(812,930)		(812,930)
Other instruction	274,212				(274,212)		(274,212)
Support Services:							
Tuition	4,998,471				(4,998,471)		(4,998,471)
Student & instruction related services	1,117,388		14,574		(1,102,814)		(1,102,814)
General administrative services	332,236				(332,236)		(332,236)
School administrative services	228,646				(228,646)		(228,646)
Central administrative services	242,065				(242,065)		(242,065)
Plant operations and maintenance	1,735,858			441,446	(1,294,412)		(1,294,412)
Pupil transportation	733,998				(733,998)		(733,998)
Employee benefits	2,787,835		978,803		(1,809,032)		(1,809,032)
Interest on long-term debt	167,925				(167,925)		(167,925)
Unallocated depreciation and amortization	89,181				(89,181)		(89,181)
Total Governmental Activities	<u>17,665,440</u>	<u>4,000</u>	<u>1,133,028</u>	<u>441,446</u>	<u>(16,086,966)</u>	<u>-</u>	<u>(16,086,966)</u>
Business-Type Activities:							
Food service	158,090	124,002	22,666			(11,422)	(11,422)
Total Business-Type Activities	<u>158,090</u>	<u>124,002</u>	<u>22,666</u>	<u>-</u>	<u>-</u>	<u>(11,422)</u>	<u>(11,422)</u>
Total Primary Government	<u>\$17,823,530</u>	<u>\$128,002</u>	<u>\$1,155,694</u>	<u>\$441,446</u>	<u>(16,086,966)</u>	<u>(11,422)</u>	<u>(16,098,388)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					15,122,858		15,122,858
Taxes levied for debt service					877,890		877,890
Federal and State aid not restricted					509,385		509,385
Investment Earnings					1,642	244	1,886
Miscellaneous Income					107,714	1,560	109,274
Total general revenues, special items, extraordinary items and transfers					<u>16,619,489</u>	<u>1,804</u>	<u>16,621,293</u>
Change in Net Position					532,523	(9,618)	522,905
Net Position - July 1, 2014, as restated (Note 19)					<u>7,264,437</u>	<u>27,279</u>	<u>7,291,716</u>
Net Position - June 30, 2015					<u>\$ 7,796,960</u>	<u>\$ 17,661</u>	<u>\$ 7,814,621</u>

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

Fund Financial Statements

CRANBURY TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2015

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 956,599	\$ -	\$ -	\$ -	\$ 956,599
Interfund receivable	1,117,281		662,169		1,779,450
Receivables, net					
State	60,489		1,799,286		1,859,775
Federal		6,293			6,293
Other		51			51
Restricted assets:					
Cash and cash equivalents	2,055,891				2,055,891
Total Assets	\$ 4,190,260	\$ 6,344	\$ 2,461,455	\$ -	\$ 6,658,059
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	85,230				85,230
Intergovernmental payable:					
State		51			51
Interfund	665,213	6,293	1,110,988		1,782,494
Unearned revenues			905,880		905,880
Total Liabilities	750,443	6,344	2,016,868		2,773,655
Fund Balances:					
Restricted for:					
Capital reserve	2,055,891				2,055,891
Tuition reserve	600,000				600,000
Maintenance reserve	411,187				411,187
Assigned to:					
Year-end encumbrances	36,537		82,014		118,551
Subsequent year's budget	14,535				14,535
Unassigned	321,667		362,573		684,240
Total Fund Balances	3,439,817		444,587		3,884,404
Total Liabilities and Fund Balances	\$ 4,190,260	\$ 6,344	\$ 2,461,455	\$ -	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$18,165,338 and the accumulated depreciation is \$7,868,531. 10,296,807

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

Deferred Outflows of resources from Pensions	177,362	
Net Pension Liability	(2,349,899)	
Deferred Inflows of resources from Pensions	(366,312)	(2,538,849)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds:

General Obligation Bonds	\$ (3,590,000)	
Compensated Absences Payable	(183,327)	
Accrued Interest Payable	(72,075)	(3,845,402)

Net position of governmental activities \$ 7,796,960

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

CRANBURY TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 15,122,858	\$ -	\$ -	\$ 877,890	\$ 16,000,748
Interest earned on capital reserve	1,642				1,642
Tuition	4,000				4,000
Miscellaneous	107,714				107,714
Total local sources	15,236,214			877,890	16,114,104
State sources	1,488,188	2,186	441,446		1,931,820
Federal sources		152,039			152,039
Total Revenues	16,724,402	154,225	441,446	877,890	18,197,963
EXPENDITURES:					
Current expense:					
Regular instruction	3,597,435	10,469			3,607,904
Special education instruction	812,930	129,182			942,112
Other instruction	274,212				274,212
Support services and undistributed costs:					
Tuition	4,998,471				4,998,471
Student & instruction related services	1,102,814	14,574			1,117,388
General administrative services	306,969				306,969
School administrative services	203,379				203,379
Central administrative services	242,065				242,065
Plant operations and maintenance	1,297,131				1,297,131
Pupil transportation	727,304				727,304
Employee benefits	2,810,475				2,810,475
Capital outlay	26,725		1,162,122		1,188,847
Debt service:					
Principal				710,000	710,000
Interest and other charges				167,925	167,925
Total Expenditures	16,399,910	154,225	1,162,122	877,925	18,594,182
Excess (Deficiency) of Revenues over (under) Expenditures	324,492		(720,676)	(35)	(396,219)
Other Financing Sources (Uses):					
Transfers in			662,169		662,169
Transfers out	(662,169)				(662,169)
Total Other Financing Sources (Uses)	(662,169)		662,169		
Net Change in Fund Balances	(337,677)		(58,507)	(35)	(396,219)
Fund Balances - July 1, 2014	3,777,494		503,094	35	4,280,623
Fund Balances - June 30, 2015	\$ 3,439,817	\$ -	\$ 444,587	\$ -	\$ 3,884,404

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

CRANBURY TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2015

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (396,219)

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

Governmental Funds report capital outlays as expenditures. However, in 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 capital outlays exceeded depreciation in the current period.

Depreciation expense	\$ (512,033)	
Capital outlay additions	<u>750,120</u>	238,087

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

710,000

Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.

11,887

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

22,640

In the statement of activities, certain operating expenses, (e.g. compensated absences) 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 (+)

(53,872)

Change in net position of Governmental Activities

\$ 532,523

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

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

	Business-Type Activities Enterprise Funds
	Food Service Fund
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 12,601
Intergovernmental receivables:	
State	201
Federal	2,781
Other	5,420
Inventories	3,408
Total current assets	24,411
Noncurrent assets:	
Machinery and equipment (net of accumulated depreciation)	6,476
Total noncurrent assets	6,476
Total Assets	30,887
LIABILITIES:	
Current liabilities:	
Accounts payable	6,413
Unearned revenue	6,813
Total current liabilities	13,226
NET POSITION:	
Net investment in capital assets	6,476
Unrestricted	11,185
Total Net Position	\$ 17,661

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

CRANBURY TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

	Business-Type Activities Enterprise Funds
	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily sales:	
Reimbursable programs	\$ 65,638
Non-reimbursable programs	55,131
Special functions	3,233
Total Operating Revenue	124,002
Operating Expenses:	
Salaries and fringe benefits	78,028
Management fee	3,725
Supplies and materials	10,767
Liability insurance	2,720
Other costs	22,379
Depreciation	3,158
Cost of sales	37,313
Total Operating Expenses	158,090
Operating Income (Loss)	(34,088)
Non-Operating Revenues:	
State sources:	
State school lunch program	985
Federal sources:	
Food distribution program	7,779
National school lunch program	13,902
Local sources:	
Miscellaneous	1,560
Interest earned	244
Total Non-Operating Revenues	24,470
Changes in Net Position	(9,618)
Net Position - July 1, 2014	27,279
Net Position - June 30, 2015	\$ 17,661

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

CRANBURY TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 124,381
Cash payments to employees for services	(74,293)
Cash payments to suppliers for goods and services	(84,413)
Net Cash Provided by (used for) Operating Activities	<u>(34,325)</u>
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	1,083
Cash received from federal sources	14,539
Miscellaneous	1,560
Net Cash Provided by (used for) Noncapital Financing Activities	<u>17,182</u>
Cash Flow Provided by Investing Activities:	
Interest on Cash Equivalents	244
Net Increase (Decrease) in Cash and Cash Equivalents	(16,899)
Cash and Cash Equivalents - July 1, 2014	<u>29,500</u>
Cash and Cash Equivalents - June 30, 2015	<u>\$ 12,601</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Operating Income (Loss)	\$ (34,088)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (used for)	
Operating Activities:	
Depreciation	3,158
Federal Commodities	7,779
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivables	(5,289)
(Increase) Decrease in Inventories	(1,000)
Increase (Decrease) in Unearned Revenue	394
Increase (Decrease) in Accounts Payables	(5,279)
Net Cash Provided by (used for) Operating Activities	<u>\$ (34,325)</u>
Noncash Noncapital Financing Activities:	
During the year the District received \$7,779 of food commodities from the U.S. Department of Agriculture.	

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

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

	<u>Trust Funds</u>		<u>Agency Funds</u>
	<u>Unemployment Compensation Insurance</u>	<u>Private Purpose Scholarship Fund</u>	
ASSETS:			
Cash and cash equivalents	\$ 46,463	\$ 5,106	\$ 18,755
Interfund			3,044
Total Assets	<u>46,463</u>	<u>5,106</u>	<u>21,799</u>
LIABILITIES:			
Accounts payable	789		
Payroll deductions and withholdings			3,456
Due to student groups			18,343
Total Liabilities	<u>789</u>		<u>\$ 21,799</u>
NET POSITION:			
Held in trust for unemployment claims and other purposes	<u>\$ 45,674</u>		
Reserved for scholarships		<u>\$ 5,106</u>	

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

CRANBURY TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2015

	Unemployment Compensation Insurance	Private Purpose Scholarship Fund
ADDITIONS:		
Contributions:		
Employee	\$ 10,217	\$ -
Total Contributions	10,217	
Investment earnings:		
Interest	488	51
Total Additions	10,705	51
DEDUCTIONS:		
Unemployment claims	23,000	
Scholarships awarded		250
Total Deductions	23,000	250
Change in Net Position	(12,295)	(199)
Net Position - July 1, 2014	57,969	5,305
Net Position - June 30, 2015	\$ 45,674	\$ 5,106

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Cranbury Township School District ("School District") is a Type II district located in the County of Middlesex, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education 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 resident students in grades K through 8. Students in grades 9 through 12 attend, on a tuition basis, the Princeton Regional High School District. The Cranbury Township School District has an approximate enrollment at June 30, 2015 of 515 students.

The primary criteria for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School district over which the Board exercises operating control.

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

Cranbury Education Foundation
P.O. Box 332
Cranbury, New Jersey 08512

Requests for financial information should be addressed to the organization listed above.

Basis of Presentation

The basic financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Government-wide Statements (Continued) - The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund - The general fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenues sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds (Continued) - The School District's enterprise funds are:

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

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

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

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

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

Measurement Focus

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

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

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

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

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

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

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

Budgets/Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office 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. 6:23A-16.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, and all eligibility and time requirements satisfied are reflected on the balance sheet as unearned grant revenue at fiscal year end.

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

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

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

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2015 and 2014 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

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

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

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

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land and Improvements	10-20 years	N/A
Buildings and Improvements	10-50 years	N/A
Furniture and Equipment	5-20 years	12 years
Vehicles	5-10 years	4-6 years

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.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

Fund Balance - The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2015.

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

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

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

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

In June, 2015, the GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued) - For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement is effective for financial statements for periods beginning after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

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

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17.9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District's amount on deposit of \$3,558,134 as of June 30, 2015, \$250,000 was insured under FDIC and the remaining balance of \$3,308,143 was collateralized under GUDPA.

3. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the New Jersey Department of Education, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

3. CAPITAL RESERVE ACCOUNT (Continued)

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

Balance July 1, 2014		\$	2,259,918
Increased by:			
Interest Earned	\$ 1,642		
Unspent Appropriations			
Board Resolution	<u>456,500</u>		
			<u>458,142</u>
			2,718,060
Decreased by:			
Transfer to Capital Projects			
Budget Withdrawal	<u>662,169</u>		<u>662,169</u>
Balance June 30, 2015		<u>\$</u>	<u>2,055,891</u>

The June 30, 2015 capital reserve balance does not exceed the LRFPP balance of local support costs of uncompleted projects.

4. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2015 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Accounts receivable at June 30, 2015 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Intergovernmental					
State	\$ 60,489		\$ 1,799,286	\$ 201	\$ 1,859,976
Federal		6,293		2,781	9,074
Other		<u>51</u>		<u>5,420</u>	<u>5,471</u>
Total	<u>\$ 60,489</u>	<u>\$ 6,344</u>	<u>\$ 1,799,286</u>	<u>\$ 8,402</u>	<u>\$ 1,874,521</u>

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

5. CAPITAL ASSETS

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

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Deletions/ Adjustments</u>	<u>Balance June 30, 2015</u>
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 451,596	\$ -	\$ -	\$ 451,596
Construction in progress				
Total capital assets not being depreciated	<u>451,596</u>			<u>451,596</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	388,794	386,784		775,578
Building and Improvements	15,095,839	346,127		15,441,966
Equipment	<u>1,488,500</u>	<u>17,209</u>	<u>9,511</u>	<u>1,496,198</u>
Total capital assets being depreciated	<u>16,973,133</u>	<u>750,120</u>	<u>9,511</u>	<u>17,713,742</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(300,655)	(47,417)		(348,072)
Building and Improvements	(5,751,221)	(425,503)		(6,176,724)
Equipment	<u>(1,314,133)</u>	<u>(39,113)</u>	<u>(9,511)</u>	<u>(1,343,735)</u>
Total accumulated depreciation	<u>(7,366,009)</u>	<u>(512,033)</u>	<u>(9,511)</u>	<u>(7,868,531)</u>
Total capital assets being depreciated, net	<u>9,607,124</u>	<u>238,087</u>		<u>9,845,211</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,058,720</u>	<u>\$ 238,087</u>	<u>\$ -</u>	<u>\$ 10,296,807</u>
Business-Type Activities:				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$ 80,522	\$ -	\$ -	\$ 80,522
Less accumulated depreciation	<u>(70,888)</u>	<u>(3,158)</u>		<u>(74,046)</u>
Total Capital Assets, being depreciated, net	<u>9,634</u>	<u>(3,158)</u>		<u>6,476</u>
Business-Type Activities Capital Assets, Net	<u>\$ 9,634</u>	<u>\$ (3,158)</u>	<u>\$ -</u>	<u>\$ 6,476</u>

Depreciation expense in the amount of \$512,033 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 353,737
Transportation	6,694
Administration	25,267
Business Services	25,267
Unallocated	<u>101,068</u>
Total depreciation expense	<u>\$ 512,033</u>

6. INVENTORY

Inventory in the food service fund at June 30, 2015 consisted of the following:

Food	\$ 2,212
Supplies	<u>1,196</u>
	<u>\$ 3,408</u>

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

7. LONG-TERM OBLIGATIONS

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

Governmental Activities:	<u>Principal Outstanding June 30, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2015</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 129,455	\$ 53,872	\$ -	\$ 183,327	\$ 21,971
General Obligation Bonds	<u>4,300,000</u>	<u> </u>	<u>710,000</u>	<u>3,590,000</u>	<u>745,000</u>
	<u>\$ 4,429,455</u>	<u>\$ 53,872</u>	<u>\$ 710,000</u>	<u>\$ 3,773,327</u>	<u>\$ 766,971</u>

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

2005 Refunding Bonds dated September 1, 2005 in the amount of \$400,000 due in annual installments through January 15, 2016, bearing interest rate of 5.00%.

2010 Refunding Bonds dated July 15, 2010 in the amount of \$3,190,000 due in annual installments through July 15, 2022, bearing interest rate of 3.00% to 4.00%.

As of June 30, 2015, principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 745,000	\$ 138,975	\$ 883,975
2017	355,000	106,700	461,700
2018	375,000	92,100	467,100
2019	395,000	76,700	471,700
2020	405,000	60,700	465,700
2021-2023	<u>1,315,000</u>	<u>80,300</u>	<u>1,395,300</u>
	<u>\$ 3,590,000</u>	<u>\$ 555,475</u>	<u>\$ 4,145,475</u>

As of June 30, 2015 the School District had no authorizations to issue additional bonded debt.

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

8. OPERATING LEASES

At June 30, 2015, the School District had operating lease agreements in effect for copy machines. Total rental payments for such leases were \$47,693 for the fiscal year ended June 30, 2015.

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

8. OPERATING LEASES (Continued)

The future minimum lease payments for these leases are as follows:

Fiscal Year Ending June 30,	Amount
2016	\$ 47,693
2017	47,693
2018	7,949
	\$ 103,335

9. PENSION PLANS

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

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund is a cost-sharing contributory defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114, 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92 P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

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

For the year ended June 30, 2015, the District recognized pension expense of \$1,366,486 and revenue of \$1,366,486 for support provided by the State. Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district.

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

9. PENSION PLANS (Continued)

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

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

	06/30/14	06/30/13
Collective deferred outflows of resources	\$ 2,306,623,861	\$ -
Collective deferred inflows of resources	1,763,205,593	-
Collective net pension liability (Non-Employer – State of New Jersey)	53,446,745,367	50,539,213,484
State's portion of the net pension liability that was associated with the district	25,394,928	25,911,874
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	.0475144512%	.0512708298%

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

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

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

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

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

9. PENSION PLANS (Continued)

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

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

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

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

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

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

Public Employees' Retirement System (PERS)

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

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

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 6.5%.

An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Adjustment</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability Paid by District</u>
2015	\$ 17,225	\$ -	\$ 79,681	\$ 6,563	\$ 103,469
2014	31,088	(11,933)	84,217	1,758	105,130
2013	26,760		63,984	5,401	96,145

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

For the year ended June 30, 2015, the District recognized pension expense of \$79,220. At June 30, 2015, the District reported a liability of \$2,349,899 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$
Changes of assumptions	73,893	
Net difference between projected and actual earnings on pension plan investments		140,041
Changes in proportion and differences between District contributions and proportionate share of contributions		226,271
District contributions subsequent to the measurement Date	103,469	
Total	\$ 177,362	\$ 366,312

\$103,469 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net liability in the year ended June 30, 2015.

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

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Inflow of Resources:
2016	\$ 58,484
2017	58,484
2018	58,484
2019	58,484
2020	58,483
Total	\$ 292,419

Additional Information

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

	6/30/2014	6/30/2013
Collective deferred outflows of resources	\$ 952,194,675	\$ (1)
Collective deferred inflows of resources	\$ 1,479,224,662	\$ (1)
Collective net pension liability	\$ 18,722,735,003	\$ 19,111,986,911
District's Proportion	.0125510444%	.0139526012%

(1) – Information not available.

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

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

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

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

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

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

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

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

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

	<u>1% Decrease (4.39%)</u>	<u>Current Discount Rate (5.39%)</u>	<u>1% Increase (6.39%)</u>
District's proportionate share of the net pension liability	\$ 2,956,253	\$ 2,349,899	\$ 1,840,716

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

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

9. PENSION PLANS (Continued)

Defined Contribution Retirement Program (DCRP)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Year</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2015	\$ 2,771	\$ 2,771
2014	2,739	2,739
2013	2,716	2,716

10. POST-RETIREMENT BENEFITS

The School District contributes to the New Jersey State Health Benefits Program (SHBP), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP was established to provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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

The State establishes the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contribution to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the year ended June 30, 2015 was \$394,058, which equaled the required contributions. The State's contribution to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

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

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2015, the School District has recognized as revenues and expenditures \$248,225 of on-behalf payments made by the State of New Jersey for normal retirement costs related to TPAF and \$336,520 for employer's share of social security contributions for TPAF members, as calculated on their base salaries.

12. RISK MANAGEMENT

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

Property and Liability Insurance - The School District maintains commercial insurance coverage for property, liability, student accident 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 necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

A complete schedule of insurance coverage can be found in the "Statistical Section" of this report.

The Fund publishes its own financial report which can be obtained by writing to: School Alliance Insurance Fund, c/o PEGAS, 51 Everett Drive, Lawrenceville, New Jersey, 08648.

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit 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 School District is billed quarterly for amounts due to the State.

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

<u>Year</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2015	\$ -	\$ 10,705	\$ 23,000	\$ 45,674
2014		10,332	3,371	57,969
2013	40,000	10,247	39,080	51,008

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) and 457. The plans, available to all permanent School District employees, permit participants to defer a portion of their current salary to future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and are administered by a third party therefore they are not reflected on the financial statements of the School District.

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

14. COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g. unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

School District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policy. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with the School District's agreements with the various employee unions.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2015, the liability for compensated absences in the governmental activities was \$183,327.

15. INTERFUND BALANCES AND TRANSFERS

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2016. The following interfund balances were recorded on the various balance sheets as of June 30, 2015:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 1,117,281	\$ 665,213
Special		6,293
Capital Projects	662,169	1,110,988
Fiduciary	<u>3,044</u>	<u> </u>
Total	<u>\$ 1,782,494</u>	<u>\$ 1,782,494</u>

16. CONTINGENCIES

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

At June 30, 2015, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, unearned revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

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

17. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2015, a deficit of \$2,472,584 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 as follows:

Balances, June 30, 2015:	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds)	
Unassigned	\$ 321,667
Liabilities:	
Net Pension Differences	(2,538,849)
Accrued Interest Payable	(72,075)
Compensated Absences	(183,327)
Unrestricted Net Position (Deficit)	<u>\$ (2,472,584)</u>

18. FUND BALANCES

RESTRICTED

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund:

Capital Reserve – As of June 30, 2015, the balance in the capital reserve account is \$2,055,891. Of this amount \$1,185,230 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2016 and \$870,661 is restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan.

Tuition Reserve – In accordance with N.J.A.C. 6A:23-3.1(f)(8), the School District has restricted fund balance at June 30, 2015 in the amount of \$600,000 for tuition adjustments. Of this amount \$300,000 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2016. This reserve represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated cost of the respective contract year.

Maintenance Reserve Account – As of June 30, 2015, the balance in the maintenance reserve account is \$411,187. Of this amount \$100,000 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2016. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

ASSIGNED

As stated in Note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund:

Other Purposes – At June 30, 2015 the School District has \$36,537 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Capital Projects Fund:

Other Purposes – At June 30, 2015 the School District has \$82,014 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

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

18. FUND BALANCES (Continued)

Debt Service Fund:

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2016, \$14,535 of general fund balance.

UNASSIGNED

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

General Fund – As of June 30, 2015, \$321,667 of general fund balance was unassigned.

Capital Projects Fund – As of June 30, 2015, \$362,573 of capital projects fund balance was unassigned.

19. RESTATEMENT OF NET POSITION

Governmental Activities

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

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

	Government -wide Statements
	Governmental Activities
Net Position as of June 30, 2014, as previously reported	\$ 9,825,926
Prior Period Adjustment - Implementation GASB 68:	
Net Pension Liability	(2,666,619)
Deferred Outflows - District's Contribution made during fiscal year 2014	105,130
Net Position as Restated, July 1, 2014	\$ 7,264,437

Required Supplementary Information - Part II

Budgetary Comparison Schedules

CRANBURY TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	\$ 15,122,858	\$ -	\$ 15,122,858	\$ 15,122,858	\$ -
Interest earned on capital reserve				1,642	1,642
Rents and Royalties	75,300		75,300	50,325	(24,975)
Tuition				4,000	4,000
Unrestricted Misc. Revenues	24,351		24,351	57,389	33,038
Total local sources	15,222,509		15,222,509	15,236,214	13,705
State sources:					
Special Education aid	380,947		380,947	380,947	
Security Aid	12,113		12,113	12,113	
Transportation Aid	58,143		58,143	58,143	
PARCC Readiness Aid	7,650		7,650	7,650	
Per Pupil Growth Aid	7,650		7,650	7,650	
Extraordinary aid				35,438	35,438
Extraordinary aid - additional prior year				423	423
Nonpublic transportation aid				8,526	8,526
On-behalf TPAF pension contrib.. (non-budgeted)				248,225	248,225
On-behalf TPAF post retirement med.. (non-budgeted)				394,058	394,058
Reimbursed TPAF social security contribution (non-budgeted)				336,520	336,520
Total state sources	466,503		466,503	1,489,693	1,023,190
TOTAL REVENUES	15,689,012	-	15,689,012	16,725,907	1,036,895
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool/Kindergarten	246,158	(35,480)	210,678	199,085	11,593
Grades 1-5	1,541,083	10,023	1,551,106	1,550,828	278
Grades 6-8	1,265,988	12,386	1,278,374	1,256,508	21,866
Regular Programs - Home Instruction:					
Salaries of teachers	7,811	1,600	9,411	2,494	6,917
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	91,590	62,561	154,151	146,363	7,788
Purchased technical services	210,443	(33,353)	177,090	165,119	11,971
General supplies	271,880	6,928	278,808	250,430	28,378
Textbooks	51,718	355	52,073	26,608	25,465
Total - Regular Programs - Instruction	3,686,671	25,020	3,711,691	3,597,435	114,256
Special Education Instruction:					
Learning and/or Language Disabilities:					
Salaries of teachers	120,700	900	121,600	120,815	785
Other salaries for instruction	141,000	3,400	144,400	137,520	6,880
General supplies	2,669	(846)	1,823	1,092	731
Textbooks	650		650	232	418
Total learning and/or language disab.	265,019	3,454	268,473	259,659	8,814

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

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CRANBURY TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource room/resource center:					
Salaries of teachers	\$ 431,570	\$ 76,525	\$ 508,095	\$ 508,095	\$ -
General supplies	7,897	(1,095)	6,802	6,801	1
Total resource room/resource center	439,467	75,430	514,897	514,896	1
Preschool Disabilities - Part-Time:					
Salaries of teachers	54,200	(22,799)	31,401	21,234	10,167
Other salaries for instruction	19,102		19,102	14,297	4,805
General supplies	2,850	2	2,852	2,844	8
Total preschool disabilities - part-time	76,152	(22,797)	53,355	38,375	14,980
Total Special Education - Instruction	780,638	56,087	836,725	812,930	23,795
Basic Skills/Remedial - Instruction					
Salaries of teachers	178,550	(54,450)	124,100	124,100	
General supplies	1,350	4,750	6,100	6,100	
Total basic skills/remedial - instruction	179,900	(49,700)	130,200	130,200	
School-Sponsored Cocurricular Act - Instruction:					
Salaries	38,722	9,935	48,657	40,745	7,912
Other objects	7,650	(580)	7,070	5,270	1,800
Transfers to cover deficit	4,500	(2,433)	2,067	774	1,293
Total school-sponsored cocurr. act. - instruct.	50,872	6,922	57,794	46,789	11,005
School-Sponsored Athletics - Instruction:					
Salaries	83,356	(4,056)	79,300	79,300	
Purchased services	10,000	(268)	9,732	5,919	3,813
Supplies and materials	12,500		12,500	12,004	496
Total school-sponsored athletics - instruct.	105,856	(4,324)	101,532	97,223	4,309
Total Instruction	4,803,937	34,005	4,837,942	4,684,577	153,365
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - reg.	4,262,948	14,192	4,277,140	4,266,014	11,126
Tuition to other LEAs within the state - spec	409,900	(33,054)	376,846	331,541	45,305
Tuition to private school for the disabled - w/i	589,457	(85,942)	503,515	400,916	102,599
Total undistributed expenditures - instruction	5,262,305	(104,804)	5,157,501	4,998,471	159,030

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

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CRANBURY TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Health Services:					
Salaries	\$ 86,217	\$ 2,597	\$ 88,814	\$ 87,590	\$ 1,224
Purchased professional and technical services	120,308	(5,695)	114,613	79,326	35,287
Supplies and materials	4,500		4,500	4,372	128
Other objects	200		200	85	115
Total health services	211,225	(3,098)	208,127	171,373	36,754
Speech, OT, PT, & Related Services:					
Salaries	133,700	2,075	135,775	135,775	
Purchased professional educational services	3,000	(442)	2,558	1,800	758
Supplies and materials	2,500	67	2,567	2,566	1
Total speech, ot, pt & related services	139,200	1,700	140,900	140,141	759
Guidance:					
Salaries of other professional staff	93,110	1,840	94,950	94,863	87
Supplies and materials	4,700		4,700	3,408	1,292
Total guidance	97,810	1,840	99,650	98,271	1,379
Child Study Teams:					
Salaries of other professional staff	310,568	(29,817)	280,751	257,187	23,564
Salaries of secretarial and clerical assistants	47,380		47,380	44,948	2,432
Purchased professional educational services	13,500	18,250	31,750	31,750	
Supplies and materials	8,031	(2,180)	5,851	5,383	468
Total child study teams	379,479	(13,747)	365,732	339,268	26,464
Improvement of Instructional Services:					
Salaries supervisor of instruction	88,001	95,191	183,192	183,192	
Salaries of secretarial and clerical assistants	52,068	(1)	52,067	49,467	2,600
Supplies and materials	4,000		4,000	3,437	563
Other objects	6,300		6,300	2,871	3,429
Total improvement of instructional services	150,369	95,190	245,559	238,967	6,592
Educational Media Services/School Library:					
Salaries	79,176	1,400	80,576	79,076	1,500
Supplies and materials	22,419		22,419	21,327	1,092
Total educational media services/school library	101,595	1,400	102,995	100,403	2,592
Instructional Staff Training Services:					
Other purchased services	22,150		22,150	14,391	7,759
Total instructional staff training services	22,150		22,150	14,391	7,759

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

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CRANBURY TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
General Administration:					
Salaries	\$ 189,749	\$ 101	\$ 189,850	\$ 185,183	\$ 4,667
Legal services	50,000	(8,671)	41,329	33,463	7,866
Audit fees	23,400		23,400	23,400	
Other purchased prof. services	6,125	11,000	17,125	11,159	5,966
Communications / telephone	23,250	1,150	24,400	24,229	171
BOE other purchased services	2,500		2,500	2,445	55
General supplies	5,225	1,400	6,625	6,621	4
Miscellaneous expenditures	24,585	(2,040)	22,545	20,469	2,076
Total general administration	324,834	2,940	327,774	306,969	20,805
School Administration:					
Salaries of principals/assist. principals	111,088	555	111,643	111,643	
Salaries of secretarial and clerical assistants	85,190	3,087	88,277	88,277	
Other purchased services	350	(350)			
Supplies and materials	1,800		2,300	2,300	
Other objects	1,300	(141)	1,159	1,159	
Total school administration	199,728	3,651	203,379	203,379	
Central services:					
Salaries	211,119	3,454	214,573	212,363	2,210
Supplies and materials	5,570	1,293	6,863	6,863	
Miscellaneous expenditures	19,900	3,281	23,181	22,839	342
Total central services	236,589	8,028	244,617	242,065	2,552
Required Maintenance School Facilities:					
Cleaning, repairs & maintenance services	109,610	58,750	168,360	168,359	1
Total required maintenance school facilities	109,610	58,750	168,360	168,359	1
Custodial Services:					
Salaries	391,102	(1,557)	389,545	384,837	4,708
Cleaning, repair and maintenance services	90,800	(5,395)	85,405	85,405	
Other purchased property services	28,250	141,895	170,145	148,747	21,398
Insurance	75,070	(7,500)	67,570	67,186	384
Miscellaneous purchased services	5,000	(1,600)	3,400	900	2,500
General Supplies	97,060	(22,340)	74,720	72,788	1,932
Energy (Electricity)	283,750	5,860	289,610	282,365	7,245
Energy (Natural Gas)	105,000	(70,390)	34,610	23,682	10,928
Total custodial services	1,076,032	38,973	1,115,005	1,065,910	49,095
Care and Upkeep of Grounds:					
Cleaning, repairs & maintenance services	70,000	5,000	75,000	62,862	12,138
Total care and upkeep of grounds	70,000	5,000	75,000	62,862	12,138
Total operation & maint. of plant services	1,255,642	102,723	1,358,365	1,297,131	61,234

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

(CONTINUED TO NEXT PAGE)

CRANBURY TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Student Transportation Services:					
Salaries for Pupil Trans (between home and school) - Regular Ed.	\$ 15,015	\$ -	\$ 15,015	\$ 11,585	\$ 3,430
Salaries for Pupil Trans (between home and school) - Special Ed.	32,123		32,123	21,868	10,255
Contr. serv. (between home & sch) - vendor	327,500	(31,758)	295,742	288,438	7,304
Contr. serv. (not between home & sch) - vendor	35,500		35,500	28,501	6,999
Contr. serv. (between home & sch) - joint agree.	4,500	(3,500)	1,000		1,000
Contr. Serv. (Spl. Ed. Students) - vendors	285,904	46,147	332,051	312,000	20,051
Contr. Serv. - aid in lieu of	57,500	(10,890)	46,610	44,200	2,410
Transportation supplies	31,150		31,150	20,712	10,438
Total student transportation services	789,192	(1)	789,191	727,304	61,887
Unallocated Benefits - Employee Benefits					
Social security contributions	132,500		132,500	121,225	11,275
Other retirement contributions - PERS	123,404	(19,935)	103,469	103,469	
Other retirement contributions - reg.	4,060		4,060	3,740	320
Workmen's compensation	69,680	(8,548)	61,132	61,132	
Health benefits	1,747,202	(101,563)	1,645,639	1,470,105	175,534
Tuition reimbursement	50,000	(10,000)	40,000	7,931	32,069
Other employee benefits	63,670	8,050	71,720	64,070	7,650
Total unallocated benefits	2,190,516	(131,996)	2,058,520	1,831,672	226,848
On-behalf TPAF pension contr. (non-budgeted)				248,225	(248,225)
On-behalf TPAF post retirement medical (non-budgeted)				394,058	(394,058)
Reimbursed TPAF social security contr. (non-budgeted)				336,520	(336,520)
Total Undistributed Expenditures	11,360,634	(36,174)	11,324,460	11,688,608	(364,148)
Total General Current Expense	16,164,571	(2,169)	16,162,402	16,373,185	(210,783)
CAPITAL OUTLAY:					
Equipment					
Grades 6-8	5,288	(5,288)			
Non-Instructional Equipment		7,457	7,457	7,417	40
Total Equipment	5,288	2,169	7,457	7,417	40
Facilities acquisition and construction services					
Construction Services					
Other objects					
Assessment for Debt Service on SDA Funding	19,308		19,308	19,308	
Total Facilities acquisition and construction	19,308	-	19,308	19,308	-
Total Capital Outlay	24,596	2,169	26,765	26,725	40

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

(CONTINUED TO NEXT PAGE)

CRANBURY TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

(Continued from prior page)	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
TOTAL EXPENDITURES	\$ 16,189,167	\$ -	\$ 16,189,167	\$ 16,399,910	\$ (210,743)
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>(500,155)</u>	<u>-</u>	<u>(500,155)</u>	<u>325,997</u>	<u>826,152</u>
Other Financing Sources:					
Capital reserve transfer to Capital Projects	<u>(662,169)</u>	<u>-</u>	<u>(662,169)</u>	<u>(662,169)</u>	<u>-</u>
Total Other Financing Sources	<u>(662,169)</u>	<u>-</u>	<u>(662,169)</u>	<u>(662,169)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	<u>(1,162,324)</u>	<u>-</u>	<u>(1,162,324)</u>	<u>(336,172)</u>	<u>826,152</u>
Fund Balance - July 1, 2014	<u>3,819,809</u>	<u>-</u>	<u>3,819,809</u>	<u>3,819,809</u>	<u>-</u>
Fund Balance - June 30, 2015	<u>\$ 2,657,485</u>	<u>\$ -</u>	<u>\$ 2,657,485</u>	<u>\$ 3,483,637</u>	<u>\$ 826,152</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital reserve				\$ 2,055,891	
Tuition reserve 2016-2017				300,000	
Tuition reserve 2015-2016				300,000	
Maintenance reserve				411,187	
Assigned Fund Balance:					
Year-end encumbrances				36,537	
Designated for subsequent year's budget				14,535	
Unassigned Fund Balance:				<u>365,487</u>	
				3,483,637	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				<u>(43,820)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,439,817</u>	

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

CRANBURY TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
State sources	\$ 2,237	\$ -	\$ 2,237	\$ 2,186	\$ (51)
Federal sources	152,039	-	152,039	152,039	-
Total Revenues	<u>154,276</u>	<u>-</u>	<u>154,276</u>	<u>154,225</u>	<u>(51)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	13,691	-	13,691	13,691	-
Purchased prof. - educational services	1,522	-	1,522	1,481	41
Purchased prof. services	123,774	-	123,774	123,774	-
Textbooks	715	-	715	705	10
Total Instruction	<u>139,702</u>	<u>-</u>	<u>139,702</u>	<u>139,651</u>	<u>51</u>
Support Services:					
Salaries	4,968	-	4,968	4,968	-
Purchased professional - tech. services	9,606	-	9,606	9,606	-
Total Support Services	<u>14,574</u>	<u>-</u>	<u>14,574</u>	<u>14,574</u>	<u>-</u>
Facilities Acquisition and Construction Services:					
Instructional equipment	-	-	-	-	-
Total Facilities Acq. and Const. Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>154,276</u>	<u>-</u>	<u>154,276</u>	<u>154,225</u>	<u>51</u>
Total Outflows	<u>154,276</u>	<u>-</u>	<u>154,276</u>	<u>154,225</u>	<u>51</u>
Excess (Deficiency) of Revenues over (under) Expenditures and other financing sources (uses)	<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.

CRANBURY TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2015

**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	\$ 16,725,907	\$ 154,225
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.	42,315	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(43,820)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 16,724,402</u>	<u>\$ 154,225</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 16,399,910	\$ 154,225
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>\$ 16,399,910</u>	<u>\$ 154,225</u>

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

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

	June 30, 2015
District's proportion of the net pension liability (asset)	0.0125510444%
District's proportionate share of the net pension liability (asset)	\$ 2,349,899
District's covered-employee payroll	928,450
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	253.10%
Plan fiduciary net position as a percentage of the total pension liability	42.74%

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

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

	June 30, 2015
Contractually required contribution	\$ 103,469
Contributions in relation to the contractually required contributions	(103,469)
Contribution deficiency (excess)	\$ -
District's covered-employee payroll	\$ 928,450
Contributions as a percentage of covered-employee payroll	11.14%

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

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

	June 30, 2015
District's proportion of the net pension liability (asset)	0.0475144512%
District's proportionate share of the net pension liability (asset)	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 25,394,928</u>
Total	<u><u>\$ 25,394,928</u></u>
District's covered-employee payroll	\$ 4,582,660
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%

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

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

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

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

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

2. Public Employees' Retirement System (PERS)

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

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

Other Supplementary Information

Special Revenue Fund

CRANBURY TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year ended June 30, 2015

	Nonpublic Textbooks	Nonpublic Technology	Nonpublic Nursing	Title I	Title IIA	IDEA Basic	IDEA Preschool	Totals
REVENUES:								
State sources	\$ 705	\$ 351	\$ 1,130	\$ -	\$ -	\$ -	\$ -	\$ 2,186
Federal sources				8,283	14,574	123,774	5,408	152,039
Total Revenues	705	351	1,130	8,283	14,574	123,774	5,408	154,225
EXPENDITURES:								
Instruction:								
Salaries of teachers				8,283			5,408	13,691
Purchased professional - educational serv.		351	1,130					1,481
Purchased professional services						123,774		123,774
Textbooks	705							705
Total Instruction	705	351	1,130	8,283		123,774	5,408	139,651
Support Services:								
Salaries					4,968			4,968
Purchased professional - technical serv.					9,606			9,606
Total Support Services					14,574			14,574
Facilities Acquisition and Const. Serv.:								
Instructional equipment								
Total Facilities Acq. and Const. Serv.								
Total Expenditures	705	351	1,130	8,283	14,574	123,774	5,408	154,225
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	---	---	---	---	---	---	---	---

Capital Projects Fund

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

Revenues and Other Financing Sources:

Transfer from Capital Reserve	\$ 662,169
State Aid - SDA Grant	441,446
Total revenues and other financing sources	<u>1,103,615</u>

Expenditures and Other Financing Uses:

Purchased professional services	\$ 19,260
Construction services	1,142,862
Total expenditures and other financing uses	<u>1,162,122</u>
Excess (deficiency) or revenues over (under) expenditures	(58,507)
Fund Balance - July 1, 2014	<u>503,094</u>
Fund Balance - June 30, 2015	<u>\$ 444,587</u>

CRANBURY TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Casework and Electrical Upgrades
From Inception and for the Fiscal Year ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SDA Grant	\$ 65,460	\$ -	\$ 65,460	\$ 65,460
Transfer from Capital Reserve	98,191		98,191	98,191
Total revenues	<u>163,651</u>		<u>163,651</u>	<u>163,651</u>
Expenditures and Other Financing Uses:				
Purchased professional services				
Construction services	163,651		163,651	163,651
Transfer to General Fund				
Total expenditures	<u>163,651</u>		<u>163,651</u>	<u>163,651</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	#0970-030-10-2003			
Grant Date	10/31/2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 163,651			
Additional Authorized Cost				
Revised Authorized Cost	\$ 163,651			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original target completion date	8/31/2013			
Revised target completion date	N/A			

CRANBURY TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Repair Parking Lot and Install Curbs
From Inception and for the Fiscal Year ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SDA Grant	\$ 247,108	\$ -	\$ 247,108	\$ 247,108
Transfer from Capital Reserve	370,661		370,661	370,661
Total revenues	<u>617,769</u>		<u>617,769</u>	<u>617,769</u>
Expenditures and Other Financing Uses:				
Purchased professional services	6,890		6,890	6,890
Construction services	430,054		430,054	430,054
Total expenditures	<u>436,944</u>		<u>436,944</u>	<u>436,944</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$180,825</u>	<u>\$ -</u>	<u>\$ 180,825</u>	<u>\$ 180,825</u>
Additional project information:				
Project Number	#0970-030-10-2001			
Grant Date	3/11/2013			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 617,769			
Additional Authorized Cost				
Revised Authorized Cost	\$ 617,769			
Percentage Increase over Original Authorized Cost				
Percentage Completion	100.00%			
Original target completion date	7/31/2013			
Revised target completion date	N/A			

CRANBURY TOWNSHIP SCHOOL DISTRICT
 Capital Projects Fund
 Statement of Project Revenues, Expenditures, Project Balance,
 and Project Status - Budgetary Basis
 Boiler Replacement
 From Inception and for the Fiscal Year ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SDA Grant	\$ 139,392	\$ -	\$ 139,392	\$ 139,392
Transfer from Capital Reserve	209,088		209,088	209,088
Total revenues	<u>348,480</u>		<u>348,480</u>	<u>348,480</u>
Expenditures and Other Financing Uses:				
Purchased professional services	22,155	6,300	28,455	28,455
Construction services	4,056	138,636	142,692	142,692
Total expenditures	<u>26,211</u>	<u>144,936</u>	<u>171,147</u>	<u>171,147</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 322,269</u>	<u>\$ (144,936)</u>	<u>\$ 177,333</u>	<u>\$ 177,333</u>
Additional project information:				
Project Number	#0970-030-141-1001			
Grant Date	5/6/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 348,480			
Additional Authorized Cost				
Revised Authorized Cost	\$ 348,480			
Percentage Increase over Original Authorized Cost				
Percentage Completion	10.00%			
Original target completion date	9/30/2014			
Revised target completion date	N/A			

CRANBURY TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Communications and Safety Project
From Inception and for the Fiscal Year ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SDA Grant	\$ -	\$ 441,446	\$ 441,446	\$ 441,446
Transfer from Capital Reserve		662,169	662,169	662,169
Total revenues		<u>1,103,615</u>	<u>1,103,615</u>	<u>1,103,615</u>
Expenditures and Other Financing Uses:				
Purchased professional services		12,960	12,960	12,960
Construction services		1,004,226	1,004,226	1,004,226
Total expenditures		<u>1,017,186</u>	<u>1,017,186</u>	<u>1,017,186</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 86,429</u>	<u>\$ 86,429</u>	<u>\$ 86,429</u>
Additional project information:				
Project Number	#0970-030-14-1002			
Grant Date	10/9/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,103,615			
Additional Authorized Cost				
Revised Authorized Cost	\$ 1,103,615			
Percentage Increase over Original Authorized Cost				
Percentage Completion				
Original target completion date	9/30/2015			
Revised target completion date	N/A			

Proprietary Funds

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

	Food Service Fund
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 12,601
Accounts receivable:	
State	201
Federal	2,781
Other	5,420
Inventories	<u>3,408</u>
Total Current Assets	<u>24,411</u>
Noncurrent Assets:	
Equipment	80,522
Less - accumulated depreciation	<u>(74,046)</u>
Total Noncurrent Assets	<u>6,476</u>
Total Assets	<u>30,887</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	6,413
Unearned Revenue	<u>6,813</u>
Total Current Liabilities	<u>13,226</u>
NET POSITION:	
Net investment in capital assets	6,476
Unrestricted	<u>11,185</u>
Total Net Position	<u>\$ 17,661</u>

CRANBURY TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2015

	<u>Food Service Fund</u>
OPERATING REVENUES:	
Charges for Services:	
Daily sales reimbursable programs:	
School lunch	\$ 65,638
Daily sales non-reimbursable programs	
Adult and a la carte sales	55,131
Special functions	3,233
	<u>124,002</u>
Total Operating Revenues	<u>124,002</u>
OPERATING EXPENSES:	
Salaries and fringe benefits	78,028
Management fee	3,725
Supplies and materials	10,767
Liability insurance	2,720
Other costs	22,379
Depreciation	3,158
Cost of sales	37,313
	<u>158,090</u>
Total Operating Expenses	<u>158,090</u>
Operating Income (Loss)	<u>(34,088)</u>
Non-Operating Revenues:	
State sources:	
State school lunch program	985
Federal sources:	
Food Distribution Program	7,779
National school lunch program	13,902
Local sources:	
Miscellaneous	1,560
Interest earned	244
	<u>24,470</u>
Total Non-Operating Revenues	<u>24,470</u>
Changes in Net Position	(9,618)
Net Position - July 1, 2014	<u>27,279</u>
Net Position - June 30, 2015	<u>\$ 17,661</u>

CRANBURY TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2015

	Food Service Fund
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 124,381
Cash payments to employees for services	(74,293)
Cash payments to suppliers for goods and services	(84,413)
Net cash provided by (used for) operating activities	<u>(34,325)</u>
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	1,083
Cash received from federal sources	14,539
Miscellaneous	1,560
Net cash provided by noncapital financing activities	<u>17,182</u>
Cash Flow Provided by Investing Activities:	
Interest on cash equivalents	244
Net increase (decrease) in cash and cash equivalents	(16,899)
Cash and cash equivalents - July 1, 2014	<u>29,500</u>
Cash and cash equivalents - June 30, 2015	<u>\$ 12,601</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for)	
Operating Activities:	
Operating income (loss)	\$ (34,088)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Depreciation	3,158
Federal Commodities	7,779
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(5,289)
(Increase) decrease in inventories	(1,000)
Increase (decrease) in unearned revenue	394
Increase (decrease) in accounts payable	(5,279)
Net cash provided by (used for) operating activities	<u>\$ (34,325)</u>
Noncash Noncapital Financing Activities:	
During the year the District received \$7,779 of food commodities from the U.S. Department of Agriculture.	

Fiduciary Funds

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

	Trust Funds		Agency Funds		
	Unemployment Compensation Insurance	Scholarship Funds	Student Activity	Payroll	Totals
ASSETS:					
Cash and cash equivalents	\$ 46,463	\$ 5,106	\$ 18,343	\$ 412	\$ 70,324
Interfund				3,044	3,044
Total Assets	\$ 46,463	\$ 5,106	\$ 18,343	\$ 3,456	\$ 73,368
 LIABILITIES:					
Accounts payable	789				789
Payroll deductions and withholdings				3,456	3,456
Due to student groups			18,343		18,343
Total Liabilities	789		\$ 18,343	\$ 3,456	22,588
 NET POSITION:					
Held in trust for payment of claims	45,674				45,674
Held in trust for scholarships		5,106			5,106
Total Net Position	\$ 45,674	\$ 5,106			\$ 50,780

CRANBURY TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2015

	<u>McPhillips Memorial Scholarship Fund</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
ADDITIONS:			
Interest on investments	\$ 51	\$ 488	\$ 539
Employee withholdings		10,217	10,217
Board Contribution			
Total Additions	<u>51</u>	<u>10,705</u>	<u>10,756</u>
DEDUCTIONS:			
Unemployment compensation			
Insurance claims		23,000	23,000
Scholarships	<u>250</u>		<u>250</u>
Total Deductions	<u>250</u>	<u>23,000</u>	<u>23,250</u>
Change in Net Position	(199)	(12,295)	(12,494)
Net Position -- July 1, 2014	<u>5,305</u>	<u>57,969</u>	<u>63,274</u>
Net Position -- June 30, 2015	<u>\$ 5,106</u>	<u>\$ 45,674</u>	<u>\$ 50,780</u>

CRANBURY TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2015

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable</u>	<u>Balance June 30, 2015</u>
Elementary School	\$ 16,140	\$ 53,385	\$ 51,182	\$ -	\$ 18,343
Total	<u>\$ 16,140</u>	<u>\$ 53,385</u>	<u>\$ 51,182</u>	<u>\$ -</u>	<u>\$ 18,343</u>

CRANBURY TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS:				
Cash and cash equivalents	\$ 1,376	\$ 6,773,047	\$ 6,774,011	\$ 412
Interfund receivable	4,324	-	1,280	3,044
Total Assets	\$ 5,700	\$ 6,773,047	\$ 6,775,291	\$ 3,456
LIABILITIES:				
Net payroll	\$ -	\$ 3,628,052	\$ 3,628,052	\$ -
Payroll deductions and withholdings	5,700	3,144,995	3,147,239	3,456
Total Liabilities	\$ 5,700	\$ 6,773,047	\$ 6,775,291	\$ 3,456

Long-Term Debt Schedules

**CRANBURY TOWNSHIP SCHOOL DISTRICT
Statement of Serial Bonds
For the Fiscal Year Ended June 30, 2015**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015
			Date	Amount					
2010 Refunding of 2002 bonds	07/15/10	\$ 3,880,000	07/15/15	\$ 345,000	3.000%	\$ 3,525,000	\$ -	\$ 335,000	\$ 3,190,000
			07/15/16	355,000	4.000%				
			07/15/17	375,000	4.000%				
			07/15/18	395,000	4.000%				
			07/15/19	405,000	4.000%				
			07/15/20	420,000	4.000%				
			07/15/21	440,000	4.000%				
			07/15/22	455,000	4.000%				
2005 Refunding of 1995 bonds	09/01/05	3,255,000	01/15/16	400,000	5.000%	775,000	375,000	400,000	
						<u>\$ 4,300,000</u>	<u>\$ -</u>	<u>\$ 710,000</u>	<u>\$ 3,590,000</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 877,890	\$ -	\$ 877,890	\$ 877,890	\$ -
Total Revenues	<u>877,890</u>		<u>877,890</u>	<u>877,890</u>	
EXPENDITURES:					
Regular debt service:					
Interest	167,925		167,925	167,925	
Redemption of principal	710,000		710,000	710,000	
Total Expenditures	<u>877,925</u>		<u>877,925</u>	<u>877,925</u>	
Excess (Deficiency) of revenues over (under) expenditures	<u>(35)</u>		<u>(35)</u>	<u>(35)</u>	
Other Financing Sources:					
Operating transfers in					
Total Other Financing Sources					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	<u>(35)</u>		<u>(35)</u>	<u>(35)</u>	
Fund Balance - July 1, 2014				<u>35</u>	<u>35</u>
Fund Balance - June 30, 2015	<u>\$ (35)</u>	<u>\$ -</u>	<u>\$ (35)</u>	<u>\$ -</u>	<u>\$ 35</u>

Statistical Section

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

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	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Net investment in capital assets	\$ 4,579,888	\$ 5,077,257	\$ 3,548,504	\$ 3,671,608	\$ 3,819,569	\$ 4,266,215	\$ 5,597,384	\$ 5,438,135	\$ 5,758,720	\$ 6,706,807
Restricted for:										
Capital projects	207,994	45,289	1,046,100	1,063,163	1,353,579	1,333,193	1,334,962	1,692,372	2,763,012	2,500,478
Debt service	41,564	29,782	7	7	-	-	2,000	-	35	-
Other purposes	590,781	1,656,525	1,558,789	1,749,410	1,641,168	1,424,415	1,186,165	1,995,182	1,211,341	1,062,259
Unrestricted	(45,364)	9,071	(28,573)	(45,167)	7,857	171,931	146,048	47,618	92,818	(2,472,584)
Total governmental activities net position	<u>\$ 5,374,863</u>	<u>\$ 6,817,924</u>	<u>\$ 6,124,827</u>	<u>\$ 6,439,021</u>	<u>\$ 6,822,173</u>	<u>\$ 7,195,754</u>	<u>\$ 8,266,559</u>	<u>\$ 9,173,307</u>	<u>\$ 9,825,926</u>	<u>\$ 7,796,960</u>
Business-type activities:										
Net investment in capital assets	\$ 1,058	\$ 564	\$ 14,997	\$ 12,896	\$ 10,795	\$ 8,485	\$ 16,138	\$ 8,768	\$ 9,634	\$ 6,476
Unrestricted	379	54,293	51,565	64,372	63,187	48,366	30,592	26,102	17,645	11,185
Total business-type activities net position	<u>\$ 1,437</u>	<u>\$ 54,857</u>	<u>\$ 66,562</u>	<u>\$ 77,268</u>	<u>\$ 73,982</u>	<u>\$ 56,851</u>	<u>\$ 46,730</u>	<u>\$ 34,870</u>	<u>\$ 27,279</u>	<u>\$ 17,661</u>
District-wide:										
Net investment in capital assets	\$ 4,580,946	\$ 5,077,821	\$ 3,563,501	\$ 3,684,504	\$ 3,830,364	\$ 4,274,700	\$ 5,613,522	\$ 5,446,903	\$ 5,768,354	\$ 6,713,283
Restricted:										
Capital projects	207,994	45,289	1,046,100	1,063,163	1,353,579	1,333,193	1,334,962	1,692,372	2,763,012	2,500,478
Debt service	41,564	29,782	7	7	-	-	2,000	-	35	-
Other purposes	590,781	1,656,525	1,558,789	1,749,410	1,641,168	1,424,415	1,186,165	1,995,182	1,211,341	1,062,259
Unrestricted	(44,985)	63,364	22,992	19,205	71,044	220,297	176,640	73,720	110,463	(2,461,399)
Total district net position	<u>\$ 5,376,300</u>	<u>\$ 6,872,781</u>	<u>\$ 6,191,389</u>	<u>\$ 6,516,289</u>	<u>\$ 6,896,155</u>	<u>\$ 7,252,605</u>	<u>\$ 8,313,289</u>	<u>\$ 9,208,177</u>	<u>\$ 9,853,205</u>	<u>\$ 7,814,621</u>

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 4,739,545	\$ 4,015,997	\$ 4,548,876	\$ 4,353,609	\$ 4,410,389	\$ 4,086,870	\$ 3,803,079	\$ 3,823,319	\$ 3,879,413	\$ 4,015,513
Special education	721,651	575,471	622,270	746,662	727,581	785,278	958,483	887,449	909,196	942,112
Other instruction	253,574	260,202	278,765	301,049	337,817	295,457	302,074	280,789	315,516	274,212
Support Services:										
Tuition	3,843,047	4,061,212	4,269,421	4,990,714	5,383,314	4,871,773	4,620,664	4,449,711	4,810,835	4,998,471
Student & instruction related services	962,875	866,486	1,078,933	1,126,456	1,149,998	1,098,149	1,026,639	1,066,856	1,054,179	1,117,388
School administrative services	273,597	200,997	225,175	206,745	220,007	219,886	210,625	193,913	196,656	228,646
General and business administrative services	707,432	605,199	654,682	633,678	608,220	618,270	570,864	550,985	578,542	574,301
Plant operations and maintenance	1,178,451	1,087,222	1,176,410	1,059,103	1,002,651	1,080,275	1,059,435	2,142,972	1,675,342	1,735,858
Pupil transportation	623,303	680,055	801,270	940,483	709,765	739,754	685,262	651,928	743,547	733,998
Business and other support services										
Unallocated employee benefits	549,254	2,306,090	2,273,273	2,404,642	2,553,488	2,661,493	2,693,641	2,797,811	2,564,719	2,787,835
Special schools										
Interest on long-term debt	373,029	389,399	365,811	348,877	322,067	274,544	239,847	219,440	177,637	167,925
Unallocated depreciation	40,224	76,664	94,114	515,089	717,813	15,064	109,645	69,285	92,663	80,181
Total governmental activities expenses	<u>14,265,982</u>	<u>15,124,994</u>	<u>16,389,000</u>	<u>17,627,107</u>	<u>18,143,110</u>	<u>16,746,813</u>	<u>16,280,258</u>	<u>17,134,458</u>	<u>16,998,235</u>	<u>17,665,440</u>
Business-type activities:										
Food service	163,001	197,061	224,557	207,779	219,295	210,856	229,704	203,142	176,818	158,090
Total business-type activities expense	<u>163,001</u>	<u>197,061</u>	<u>224,557</u>	<u>207,779</u>	<u>219,295</u>	<u>210,856</u>	<u>229,704</u>	<u>203,142</u>	<u>176,818</u>	<u>158,090</u>
Total district expenses	<u>\$ 14,428,983</u>	<u>\$ 15,322,055</u>	<u>\$ 16,613,557</u>	<u>\$ 17,834,886</u>	<u>\$ 18,362,405</u>	<u>\$ 16,957,669</u>	<u>\$ 16,509,962</u>	<u>\$ 17,337,600</u>	<u>\$ 17,175,053</u>	<u>\$ 17,823,530</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 18,000									\$ 4,000
Operating grants and contributions	729,939	\$ 1,029,599	\$ 1,052,912	\$ 873,410	\$ 1,322,242	\$ 919,341	\$ 1,032,394	\$ 1,239,441	\$ 1,035,215	1,133,028
Capital grants and contributions	562,468									441,446
Total governmental activities program revenues	<u>1,310,407</u>	<u>1,029,599</u>	<u>1,052,912</u>	<u>873,410</u>	<u>1,322,242</u>	<u>919,341</u>	<u>1,032,394</u>	<u>1,239,441</u>	<u>1,035,215</u>	<u>1,578,474</u>

(Continued)

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services:										
Food service	\$ 137,877	\$ 180,751	\$ 193,748	\$ 196,190	\$ 192,351	\$ 185,832	\$ 185,870	\$ 148,391	\$ 139,900	\$ 124,002
Operating grants and contributions	19,434	14,475	25,094	21,805	23,143	18,448	22,282	29,593	24,994	22,666
Capital grants and contributions										
Total business type activities program revenues	<u>157,311</u>	<u>195,226</u>	<u>218,842</u>	<u>217,995</u>	<u>215,494</u>	<u>204,280</u>	<u>208,152</u>	<u>177,984</u>	<u>164,894</u>	<u>146,668</u>
Total district program revenues	<u>\$ 1,467,718</u>	<u>\$ 1,224,825</u>	<u>\$ 1,271,754</u>	<u>\$ 1,091,405</u>	<u>\$ 1,537,736</u>	<u>\$ 1,123,621</u>	<u>\$ 1,240,546</u>	<u>\$ 1,417,425</u>	<u>\$ 1,200,109</u>	<u>\$ 1,725,142</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (12,955,575)	\$ (14,095,395)	\$ (15,336,088)	\$ (16,753,697)	\$ (16,820,868)	\$ (15,827,472)	\$ (15,247,864)	\$ (15,895,017)	\$ (15,963,020)	\$ (16,086,966)
Business-type activities	(5,690)	(1,835)	(5,715)	10,216	(3,801)	(6,576)	(21,552)	(25,158)	(11,924)	(11,422)
Total district-wide net expense	<u>\$ (12,961,265)</u>	<u>\$ (14,097,230)</u>	<u>\$ (15,341,803)</u>	<u>\$ (16,743,481)</u>	<u>\$ (16,824,669)</u>	<u>\$ (15,834,048)</u>	<u>\$ (15,269,416)</u>	<u>\$ (15,920,175)</u>	<u>\$ (15,974,944)</u>	<u>\$ (16,098,388)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 12,385,588	\$ 13,832,437	\$ 14,630,991	\$ 15,216,230	\$ 15,465,852	\$ 14,662,679	\$ 14,941,270	\$ 15,091,151	\$ 14,936,156	\$ 15,122,858
Taxes levied for debt service	823,731	850,765	880,459	908,461	910,819	912,168	880,961	896,425	902,670	877,890
Unrestricted grants and contributions	717,705	748,748	759,345	786,066	647,470	100,981	364,687	776,383	640,628	509,385
Investment earnings	6,917	266	266	2,578	1,411	1,473	1,902	1,634	1,634	1,642
Miscellaneous income	149,024	161,506	106,427	157,114	177,301	512,814	114,319	148,119	134,551	107,714
Adjustments to fixed assets							15,959			
Transfers	(5,000)	(55,000)				11,000				
Total governmental activities	<u>14,077,965</u>	<u>15,538,456</u>	<u>16,377,488</u>	<u>17,067,891</u>	<u>17,204,020</u>	<u>16,201,053</u>	<u>16,316,669</u>	<u>16,913,980</u>	<u>16,615,639</u>	<u>16,619,489</u>
Business-type activities:										
Miscellaneous	93	255	888	490	515	445	251	13,298	4,333	1,804
Adjustments to fixed assets							11,180			
Transfers	5,000	55,000				(11,000)				
Total business-type activities	<u>5,093</u>	<u>55,255</u>	<u>888</u>	<u>490</u>	<u>515</u>	<u>(10,555)</u>	<u>11,431</u>	<u>13,298</u>	<u>4,333</u>	<u>1,804</u>
Total district-wide	<u>\$ 14,083,058</u>	<u>\$ 15,593,711</u>	<u>\$ 16,378,376</u>	<u>\$ 17,068,381</u>	<u>\$ 17,204,535</u>	<u>\$ 16,190,498</u>	<u>\$ 16,330,100</u>	<u>\$ 16,927,278</u>	<u>\$ 16,619,972</u>	<u>\$ 16,621,293</u>
Change in Net Position:										
Governmental activities	\$ 1,122,390	\$ 1,443,061	\$ 1,041,400	\$ 314,194	\$ 383,152	\$ 373,581	\$ 1,070,805	\$ 1,018,963	\$ 652,619	\$ 532,523
Business-type activities	(597)	53,420	(4,827)	10,706	(3,286)	(17,131)	(10,121)	(11,860)	(7,591)	(9,618)
Total district-wide	<u>\$ 1,121,793</u>	<u>\$ 1,496,481</u>	<u>\$ 1,036,573</u>	<u>\$ 324,900</u>	<u>\$ 379,866</u>	<u>\$ 356,450</u>	<u>\$ 1,060,684</u>	<u>\$ 1,007,103</u>	<u>\$ 645,028</u>	<u>\$ 522,905</u>

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

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	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Restricted for:										
Capital reserve	\$ 147,551	\$ 18,160	\$ 1,018,705	\$ 1,063,163	\$ 1,353,579	\$ 1,333,193	\$ 1,334,962	\$ 1,692,372	\$ 2,259,918	\$ 2,055,891
Future tuition payments	200,000	500,000	800,000	905,000	738,653	33,653	250,000	500,000	550,000	600,000
Maintenance reserve				250,000	250,000		200,000	600,000	511,187	411,187
Excess surplus	154,281	363,422	268,197							
Assigned for:										
Year-end encumbrances		638,822	73,170	198,213	285,307	1,153,834	728,663	151,887	150,154	36,537
Designated for subsequent year's budget	236,500	154,281	417,422	396,197	367,208	213,913	7,502	5,145		14,535
Unassigned	249,832	288,098	290,511	254,567	269,186	340,259	299,406	285,937	306,235	321,667
Total general fund	<u>\$ 988,164</u>	<u>\$ 1,962,783</u>	<u>\$ 2,868,005</u>	<u>\$ 3,067,140</u>	<u>\$ 3,263,933</u>	<u>\$ 3,074,852</u>	<u>\$ 2,820,533</u>	<u>\$ 3,235,341</u>	<u>\$ 3,777,494</u>	<u>\$ 3,439,817</u>
All Other Governmental Funds										
Assigned for:										
Year-end encumbrances						\$ 6,801		\$ 571,585	\$ 152,278	\$ 82,014
Designated for subsequent year's budget									35	-
Unassigned, reported in:										
Capital projects fund	\$ 60,443	\$ 27,129	\$ 27,395					166,565	350,816	362,573
Debt service fund	41,564	29,782	7	\$ 7		16,214	\$ 2,000			
Total all other governmental funds	<u>\$ 102,007</u>	<u>\$ 56,911</u>	<u>\$ 27,402</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ 23,015</u>	<u>\$ 2,000</u>	<u>\$ 738,150</u>	<u>\$ 503,129</u>	<u>\$ 444,587</u>

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

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	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax levy	\$ 13,209,319	\$ 14,683,202	\$ 15,511,450	\$ 16,124,691	\$ 16,376,671	\$ 15,574,847	\$ 15,822,231	\$ 15,987,576	\$ 15,838,826	\$ 16,000,748
Tuition charges	18,000									
Interest earnings	6,917				2,578	1,411	1,473	1,902	1,634	1,642
Miscellaneous	149,024	161,506	106,693	157,114	177,301	512,814	114,319	148,119	134,551	111,714
State sources	1,836,265	1,603,734	1,630,174	1,475,256	1,608,546	812,085	1,175,621	1,822,137	1,496,632	1,931,820
Federal sources	173,847	174,613	182,083	184,240	361,166	208,237	221,460	193,687	179,211	152,039
Total revenue	15,393,372	16,623,055	17,430,400	17,941,301	18,526,262	17,109,394	17,335,104	18,153,421	17,650,854	18,197,963
Expenditures										
Instruction										
Regular Instruction	4,497,381	3,792,358	4,202,282	4,073,060	4,144,820	3,778,079	3,496,330	3,514,447	3,564,839	3,607,904
Special education instruction	721,651	575,471	622,270	746,662	727,581	785,278	958,483	887,449	909,186	942,112
Other special instruction	253,574	260,202	278,765	301,049	337,817	295,457	302,074	280,789	315,516	274,212
Other instruction										
Support Services:										
Tuition	3,843,047	4,061,212	4,269,421	4,990,714	5,383,314	4,871,773	4,620,664	4,449,711	4,810,835	4,998,471
Student & instruction related services	962,875	866,486	1,078,933	1,126,456	1,149,998	1,098,149	1,026,639	1,066,856	1,054,179	1,117,388
School administrative services	273,597	200,997	225,175	206,745	220,007	219,886	210,625	193,913	196,656	203,379
General and business admin. services	673,204	570,971	611,728	590,886	565,347	575,398	523,730	505,939	532,211	549,034
Plant operations and maintenance	1,178,451	1,223,722	1,176,410	1,059,103	1,002,651	1,080,275	1,046,067	1,042,209	1,039,487	1,297,131
Pupil transportation	623,303	680,055	801,270	940,483	709,765	739,754	670,918	645,234	736,553	727,304
Other support services	549,254	2,306,090	2,273,273	2,404,642	2,553,488	2,661,493	2,693,641	2,797,811	2,564,719	2,810,475
Special Schools										
Capital outlay	1,615,841	238,421	104,926	421,300	623,862	284,964	1,166,092	719,680	716,906	1,188,847
Debt service:										
Principal	424,135	464,735	530,358	551,017	576,688	602,409	648,168	678,985	709,843	710,000
Interest and other charges	397,537	397,812	379,876	357,444	334,138	293,545	247,007	219,440	192,792	167,925
Total expenditures	16,013,850	15,638,532	16,554,687	17,769,561	18,329,476	17,286,460	17,610,438	17,002,463	17,343,722	18,594,182
Excess (Deficiency) of revenues over (under) expenditures	(620,478)	984,523	875,713	171,740	196,786	(177,066)	(275,334)	1,150,958	307,132	(396,219)
Other Financing sources (uses)										
Proceeds from borrowing										
Accrued interest on sale of bonds										
Capital contribution										
Transfers in	989,496			27,395		11,000			209,088	662,169
Transfers out	(994,496)	(55,000)		(27,395)					(209,088)	(662,169)
Total other financing sources (uses)	(5,000)	(55,000)	-	-	-	11,000	-	-	-	-
Net change in fund balances	\$ (625,478)	\$ 929,523	\$ 875,713	\$ 171,740	\$ 196,786	\$ (166,066)	\$ (275,334)	\$ 1,150,958	\$ 307,132	\$ (396,219)
Debt service as a percentage of noncapital expenditures	5.71%	5.60%	5.53%	5.24%	5.14%	5.27%	5.44%	5.52%	5.43%	5.04%

Source: District records

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

J-5

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<u>Fiscal Year Ending June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Tuition Refund</u>	<u>Prior Year Refunds</u>	<u>Rentals</u>	<u>Donations</u>	<u>Insurance Rebate</u>	<u>Miscellaneous</u>	<u>Total</u>
2006	\$ 84,998	\$ 18,000	\$ -	\$ 56,831	\$ -	\$ -	\$ -	\$ 14,112	\$ 173,941
2007	94,139			61,817				5,550	161,506
2008	82,711	5,625		5,991				12,366	106,693
2009	94,510	3,600		46,758			11,698	548	157,114
2010	58,532			43,280	77,501			566	179,879
2011	43,053		420,867	17,481	29,251			3,573	514,225
2012	30,000			667	63,572	12,060		9,493	115,792
2013	34,134			53,831	55,900	4,293		1,863	150,021
2014	43,449		2,000	39,843	50,700			193	136,185
2015	48,733	4,000		4,581	50,325			5,717	113,356
	<u>\$ 614,259</u>	<u>\$ 31,225</u>	<u>\$ 422,867</u>	<u>\$ 331,080</u>	<u>\$ 327,249</u>	<u>\$ 16,353</u>	<u>\$ 11,698</u>	<u>\$ 53,981</u>	<u>\$ 1,808,712</u>

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2006	\$ 13,330,700	\$ 253,671,065	\$ 10,077,400	\$ 1,905,200	\$ 100,306,400	\$ 239,686,200	\$ 400,000	\$ 619,376,965	\$ 949,773	\$ 620,326,738	\$ 20,926,400	\$ 2.250	\$ 1,472,704,845
2007 R	29,857,600	780,884,700	33,710,000	2,866,400	243,145,200	762,437,400	1,025,800	1,853,927,100	2,293,513	1,856,220,613	61,557,035	0.814	1,826,559,176
2008	15,432,100	775,832,000	34,174,400	2,956,000	253,948,400	765,257,900	904,000	1,848,504,800	2,439,568	1,850,944,368	62,673,854	0.854	1,835,142,955
2009	12,606,200	737,428,700	33,301,200	2,947,400	255,959,900	740,997,500	904,000	1,784,144,900	2,612,263	1,786,757,163	64,315,451	0.910	1,739,475,554
2010	11,279,100	715,612,000	31,438,600	2,946,100	252,113,300	679,084,600	671,800	1,693,145,500	2,540,869	1,695,686,369	63,296,451	0.943	1,704,948,271
2011	11,192,000	705,262,400	31,426,900	2,895,900	230,035,500	616,811,400	671,800	1,598,295,900	2,159,257	1,600,455,157	68,045,651	0.981	1,629,928,334
2012	10,709,900	703,781,100	29,370,000	2,802,000	230,407,700	563,190,100	671,800	1,540,932,600	2,077,235	1,543,009,835	68,590,751	1.031	1,610,737,319
2013	10,174,400	703,300,000	30,428,100	2,867,300	229,943,500	564,889,800	622,300	1,542,225,400	1,978,191	1,544,203,591	68,453,451	1.031	1,494,986,311
2014	10,174,400	702,804,100	28,964,100	2,860,500	224,113,800	580,981,000	622,300	1,530,520,000	1,779,393	1,532,299,393	68,452,351	1.039	1,561,888,554
2015	21,772,400	704,045,500	29,613,400	2,830,800	224,047,500	558,454,900	622,300	1,541,386,800	1,934,189	1,543,320,989	68,713,851	1.049	1,467,820,463

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

- a Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies
- b Tax rates are per \$100 of assessed valuation.
- c Not available
- R Revaluation

**Cranbury Township School District
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years**
(rate per \$100 of assessed value)

J-7

Fiscal Year Ended June 30,	Cranbury School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Township of Cranbury	Middlesex County	
2006	\$ 2.110	\$ 0.140	\$ 2.250	\$ 0.881	\$ 0.709	\$ 3.840
2007 R	0.768	0.046	0.814	0.371	0.285	1.470
2008	0.819	0.035	0.854	0.395	0.285	1.534
2009	0.859	0.051	0.910	0.395	0.298	1.603
2010	0.890	0.053	0.943	0.394	0.300	1.637
2011	0.926	0.055	0.981	0.414	0.343	1.738
2012	0.973	0.058	1.031	0.430	0.373	1.834
2013	0.973	0.058	1.031	0.429	0.372	1.832
2014	0.981	0.058	1.039	0.460	0.406	1.905
2015	0.991	0.058	1.049	0.470	0.379	1.898

Source: Municipal Tax Collector

R Revaluation

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

J-8

Taxpayer	2015	
	Taxable Assessed Value	% of Total District Net Assessed Value
Keystone Properties, LLC	\$ 119,409,900	7.74%
Cedar Brook Corporate Center	116,426,300	7.54%
Prologis Development	72,791,700	4.72%
Sudler Management	54,158,900	3.51%
Duke Realty	44,987,900	2.92%
Prospect Plains ILP	42,333,600	2.74%
Kerzner Associates, LLC	37,836,800	2.45%
RREEF America REIT Corp	34,401,200	2.23%
Morris Cranbury Assoc. Ltd.	30,529,500	1.98%
Teachers Insurance Annuity Assoc.	28,389,700	1.84%
Total	\$ 581,265,500	37.66%

Taxpayer	2006	
	Taxable Assessed Value	% of Total District Net Assessed Value
One Continental, LLC	37,000,000	5.96%
258 Prospect Plains Owner Corp.	28,161,100	4.54%
Morris Cranbury Assoc. LTD	18,187,000	2.93%
Caleast Industrial Investors, LLC	18,050,700	2.91%
Security Capital Industrial Trust	17,067,000	2.75%
Keystone N.J. Associates	13,533,800	2.18%
Teachers Insurance Annuity Assoc.	12,644,700	2.04%
Prologis Dev. Services	11,445,700	1.85%
Armkel Cranbury, LLC	10,325,600	1.66%
Keystone Cranbury West, LLC	9,092,900	1.47%
Total	\$ 175,508,500	28.29%

Source: Municipal Tax Assessor

**Cranbury Township School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 13,209,319	\$ 13,209,319	100.00%	-
2007	14,683,202	14,683,202	100.00%	-
2008	15,511,450	15,511,450	100.00%	-
2009	16,124,691	16,124,691	100.00%	-
2010	16,376,671	16,376,671	100.00%	-
2011	15,574,847	15,574,847	100.00%	-
2012	15,822,231	15,822,231	100.00%	-
2013	15,987,576	15,987,576	100.00%	-
2014	15,838,826	15,838,826	100.00%	-
2015	16,000,748	16,000,748	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 Statutes, 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.

Cranbury Township School District
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

J-10

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^b	Per Capita ^c
	General Obligation Bonds ^a	Unfunded Pension Liability	Capital Leases	Capital Leases				
2006	\$ 9,050,203	\$ -	\$ -	\$ -	\$ -	\$ 9,050,203	5.26%	2,358
2007	8,585,468	-	-	-	-	8,585,468	4.65%	2,204
2008	8,055,110	-	-	-	-	8,055,110	4.21%	2,063
2009	7,504,093	-	-	-	-	7,504,093	4.05%	1,914
2010	6,927,405	-	-	-	-	6,927,405	3.77%	1,795
2011	6,336,996	-	-	-	-	6,336,996	3.26%	1,639
2012	5,688,828	-	-	-	-	5,688,828	2.82%	1,461
2013	5,009,843	-	-	-	-	5,009,843	2.45%	1,279
2014	4,300,000	-	-	-	-	4,300,000	d	1,094
2015	3,590,000	-	-	-	-	3,590,000	d	d

Sources:

- a District Records
- b Personal Income has been estimated based upon the municipal population and per capita personal income.
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.
- d Unavailable

**Cranbury Township School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable ^b	Per Capita ^c
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding ^a		
2006	9,050,203	-	9,050,203	1.46%	2,358
2007	8,585,468	-	8,585,468	0.46%	2,204
2008	8,055,110	-	8,055,110	0.44%	2,063
2009	7,504,093	-	7,504,093	0.42%	1,914
2010	6,927,405	-	6,927,405	0.41%	1,795
2011	6,336,996	-	6,336,996	0.40%	1,639
2012	5,688,828	-	5,688,828	0.37%	1,461
2013	5,009,843	-	5,009,843	0.32%	1,279
2014	4,300,000	-	4,300,000	0.28%	1,094
2015	3,590,000	-	3,590,000	0.23%	d

Sources:

- a District Records
- b Net Assessed Valuation provided by Anstract of Ratables, County Board of Taxation
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.
- d Not Available.

Cranbury Township School District
 Ratios of Overlapping Governmental Activities Debt
 As of December 31, 2014

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Township of Cranbury	\$ 16,664,255 (1)	100.000%	\$ 16,664,255
Middlesex County General Obligation Debt	578,120,091 (1)	1.628% (2)	9,411,795
Subtotal, overlapping debt			<u>26,076,050</u>
Cranbury School District Direct Debt			<u>3,965,000</u>
Total direct and overlapping debt			<u>\$ 30,041,050</u>

Sources:

- (1) Entity's Audit Report
- (2) The County percentage is based upon a calculation reflecting the Township's share of the 2014 Equalized Valuation. The source for this computation was the 2014 County Abstract of Ratables, provided by the County Board of Taxation.

Cranbury Township School District
 Legal Debt Margin Information,
 Last Ten Fiscal Years
 (dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2015

Equalized valuation basis (1)	
2014	\$ 1,448,121,866
2013	1,564,599,168
2012	<u>1,483,663,200</u>
	<u>\$ 4,496,384,234</u>

Average equalized valuation of taxable property \$ 1,498,794,745

Debt limit (3% of average equalized valuation) (2)	44,963,842
Net bonded school debt (3)	<u>3,590,000</u>
Legal debt margin	<u>\$ 41,373,842</u>

Fiscal Year

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 34,594,478	\$ 42,328,450	\$ 49,667,564	\$ 54,254,375	\$ 54,563,287	\$ 53,429,100	\$ 51,568,549	\$ 52,641,830	\$ 47,083,121	\$ 44,963,842
Total net debt applicable to limit (3)	<u>9,050,203</u>	<u>8,585,468</u>	<u>8,055,110</u>	<u>7,504,093</u>	<u>6,927,405</u>	<u>6,336,996</u>	<u>5,688,828</u>	<u>5,009,843</u>	<u>4,300,000</u>	<u>3,590,000</u>
Legal debt margin	<u>\$ 25,544,275</u>	<u>\$ 33,742,982</u>	<u>\$ 41,612,454</u>	<u>\$ 46,750,282</u>	<u>\$ 47,635,882</u>	<u>\$ 47,092,104</u>	<u>\$ 45,879,721</u>	<u>\$ 47,631,987</u>	<u>\$ 42,783,121</u>	<u>\$ 41,373,842</u>
Total net debt applicable to the limit as a percentage of debt limit	26.16%	20.28%	16.22%	13.83%	12.70%	11.86%	11.03%	9.52%	9.13%	7.98%

Sources:

- (1) Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 8 district.
- (3) District Records

Cranbury Township School District
 Demographic and Economic Statistics
 Last Ten Fiscal Years

J-14

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2006	3,838	\$ 171,976,942	44,809	2.1%
2007	3,896	184,615,856	47,386	1.9%
2008	3,905	191,372,335	49,007	2.5%
2009	3,921	185,208,435	47,235	4.0%
2010	3,860	183,728,280	47,598	4.0%
2011	3,867	194,382,489	50,267	3.9%
2012	3,894	201,436,620	51,730	3.9%
2013	3,918	204,876,138	52,291	3.9%
2014	3,931	e	e	5.1%
2015	e	e	e	e

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income has been established based upon the municipal population and per capita personal income presented.
- ^c Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development
- ^e Information not available

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

J-16

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	54	54	54	54	54	51	50	50	50	49
Special education	12	12	13	13	13	13	14	14	14	21
Support Services:										
Student & instruction related services	7	7	8	9	9	10	11	12	11	12
School administrative services	5	5	5	5	5	5	5	5	5	5
Plant operations and maintenance	7	7	7	7	7	7	7	7	7	7
Pupil transportation	1	1	1	1	1	1	1	1	1	1
Business and other support services	3	3	3	3	3	3	3	3	3	4
Total	89	89	91	92	92	90	91	92	91	99

Source:

District Personnel Records

Cranbury Township School District
 Operating Statistics,
 Last Ten Fiscal Years

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Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2006	652	\$ 13,576,337	20,823	15.76%	69	1:10	654.0	627.9	2.04%	96.01%
2007	637	14,537,564	22,822	9.60%	69	1:10	638.1	615.8	6.01%	96.50%
2008	640	15,539,527	24,281	6.39%	69	1:10	636.3	615.2	-0.09%	96.70%
2009	624	16,439,800	26,346	8.51%	69	1:10	618.0	595.1	-3.27%	96.29%
2010	614	16,794,788	27,353	3.82%	69	1:10	600.3	580.2	-2.50%	96.65%
2011	609	16,105,542	26,446	-3.32%	69	1:10	601.8	582.0	0.31%	96.71%
2012	581	15,549,171	26,763	1.20%	69	1:10	579.8	562.3	-3.38%	96.98%
2013	554	15,384,358	27,770	3.76%	67	1:10	554.1	535.2	-4.82%	96.59%
2014	547	15,724,181	28,746	3.52%	65	1:10	549.7	530.9	-0.80%	96.58%
2015	513	16,527,410	32,217	12.07%	65	1:10	515.3	496.3	-6.52%	96.31%

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).

N/A Information not available

**Cranbury Township School District
 School Building Information
 Last Ten Fiscal Years**

J-18

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
District Building										
<u>Elementary</u>										
Cranbury Township Elementary (1982)										
Square Feet	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Capacity (students)	750	750	750	750	750	750	750	750	750	750
Enrollment	652	637	640	624	614	609	581	554	550	515

Number of Schools at June 30, 2015

- Elementary = 1
- Middle School = 0
- Senior High School = 0
- Other = 0

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Source: District Facilities Office

Cranbury Township School District
 Schedule of Required Maintenance
 Last Ten Fiscal Years

J-19

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
* School Facilities											
Cranbury Public School	\$ 191,269	\$ 125,561	\$ 115,349	\$ 93,428	\$ 78,560	\$ 114,740	\$ 83,129	\$ 104,430	\$ 87,203	\$ 168,359	\$ 1,162,028
Project # (s)											
Total School Facilities	<u>\$ 191,269</u>	<u>\$ 125,561</u>	<u>\$ 115,349</u>	<u>\$ 93,428</u>	<u>\$ 78,560</u>	<u>\$ 114,740</u>	<u>\$ 83,129</u>	<u>\$ 104,430</u>	<u>\$ 87,203</u>	<u>\$ 168,359</u>	<u>\$ 1,162,028</u>

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

Source: District records

**Cranbury Township School District
Insurance Schedule
June 30, 2015**

J-20

	<u>Coverage</u>	<u>Self-insured Retention</u>	<u>Deductible</u>
School Package Policy (1)			
Building and Contents (All Locations)			
Limits of liability per occurrence	\$ 250,000,000	\$ 100,000	\$ 2,500
General and automobile liability	5,000,000	100,000	
Boiler and machinery	100,000,000		2,500
Workers' compensation	Statutory	100,000	
Supplemental workers' compensation	Statutory	100,000	
Crime coverage	500,000		1,000
School Leaders professional liability	5,000,000	50,000	5,000
Excess liability	15,000,000		
Employers liability	5,000,000		
Environmental impairment liability	25,000,000		10,000
Pollution Liability	25,000,000		
Surety Bonds (2)			
Treasurer	205,000		
Board Secretary	205,000		

(1) School Alliance Insurance Fund

(2) Selective Insurance Company

Source: District records

Single Audit Section

INVERSO & STEWART, LLC
Certified Public Accountants

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Marlton, New Jersey 08053
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-Member of-
American Institute of CPAs
New Jersey Society of CPAs

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

I have audited Cranbury School District (School District), in the County of Middlesex, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2015. The School District's major state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the School District's major state programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and State of New Jersey OMB's Circular 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and State of New Jersey Circular OMB's 04-04 and/or 15-08 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

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

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

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

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

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

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

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

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

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

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
November 27, 2015

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

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2014			Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2015		
					(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education														
Passed-through State Department of Education:														
Special Revenue Fund:														
Title I:														
Fiscal Year 2015	84.010	NCLB097015	\$ 8,283	7/1/14 - 6/30/15	\$ -	\$ -	\$ -	\$ -	\$ 8,283	\$ (8,283)	\$ -	\$ -	\$ -	\$ -
Fiscal Year 2014	84.010	NCLB097014	8,616	7/1/13 - 6/30/14	(3,360)				3,360					
Title II A:														
Fiscal Year 2015	84.367	NCLB097015	14,574	7/1/14 - 6/30/15					8,281	(14,574)		(6,293)		
Fiscal Year 2014	84.367	NCLB097014	13,984	7/1/13 - 6/30/14	(1,864)				1,864					
I.D.E.A. Part B - Basic:														
Fiscal Year 2015	84.027	IDEA097015	123,774	7/1/14 - 6/30/15					123,774	(123,774)				
Fiscal Year 2014	84.027	IDEA097014	150,826	7/1/13 - 6/30/14	(27,896)				27,896					
I.D.E.A. Part B - Preschool:														
Fiscal Year 2015	84.173	IDEA097015	5,408	7/1/14 - 6/30/15					5,408	(5,408)				
Total U.S. Department of Education					(33,120)				178,866	(152,039)		(6,293)		
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Enterprise Fund:														
Food Distribution Program:														
Fiscal Year 2015	10.565	N/A	7,779	7/1/14 - 6/30/15					7,779	(7,779)				
National School Lunch Program														
Fiscal Year 2015	10.555	N/A	13,902	7/1/14 - 6/30/15					11,121	(13,902)		(2,781)		
Fiscal Year 2014	10.555	N/A	16,007	7/1/13 - 6/30/14	(3,418)				3,418					
Total U.S. Department of Agriculture					(3,418)				22,318	(21,681)		(2,781)		
Total Federal Awards					\$ (36,538)	\$ -	\$ -	\$ -	\$ 201,184	\$ (173,720)	\$ -	\$ (9,074)	\$ -	\$ -

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

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

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2014				Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2015		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor	Adjustment				(Accounts Receivable)	Deferred Revenue	Due to Grantor
State Department of Education													
General Fund:													
Special Education Categorical Aid	15-495-034-5120-089	\$ 380,947	7/1/14- 6/30/15	\$ -	\$ -	\$ -	\$ -	\$ 345,164	\$ (380,947)	\$ -	\$ (35,783)	\$ -	
Special Education Categorical Aid	14-495-034-5120-089	380,947	7/1/13- 6/30/14	(35,726)				35,726					
Transportation Aid	15-495-034-5120-014	58,143	7/1/14- 6/30/15					52,682	(58,143)		(5,461)		
Transportation Aid	14-495-034-5120-014	58,143	7/1/13- 6/30/14	(5,453)				5,453					
Security Aid	15-495-034-5120-084	12,113	7/1/14- 6/30/15					10,975	(12,113)		(1,138)		
Security Aid	14-495-034-5120-084	12,113	7/1/13- 6/30/14	(1,136)				1,136					
PARCC Readiness Aid	15-495-034-5120-098	7,650	7/1/14- 6/30/15					6,931	(7,650)		(719)		
Per Pupil Growth Aid	15-495-034-5120-097	7,650	7/1/14- 6/30/15					6,931	(7,650)		(719)		
Extraordinary Special Education Costs	15-100-034-5120-473	35,438	7/1/14- 6/30/15					(35,438)			(35,438)		
Extraordinary Special Education Costs	14-100-034-5120-473	40,888	7/1/13- 6/30/14	(40,465)				40,888	(423)				
Nonpublic Transportation Aid	15-495-034-5120-014	8,526	7/1/14- 6/30/15					(8,526)			(8,526)		
Nonpublic Transportation Aid	14-495-034-5120-014	8,451	7/1/13- 6/30/14	(8,451)				8,451					
On-behalf TPAF Post Retirement Medical	15-100-034-5094-001	394,058	7/1/14- 6/30/15					394,058	(394,058)				
On-behalf TPAF Pension Contribution	15-100-034-5094-006	248,225	7/1/14- 6/30/15					248,225	(248,225)				
Reimbursed TPAF Social Security Contr.	15-100-034-5094-003	336,520	7/1/14- 6/30/15					319,995	(336,520)		(16,525)		
Reimbursed TPAF Social Security Contr.	14-100-034-5094-003	323,188	7/1/13- 6/30/14	(15,788)				15,788					
Total General Fund				(107,019)				1,492,403	(1,489,693)		(104,309)		
Special Revenue Fund:													
Nonpublic Textbook Aid	15-100-034-5120-064	715	7/1/14- 6/30/15					715	(705)			10	
Nonpublic Textbook Aid	14-100-034-5120-064	823	7/1/13- 6/30/14			40				40			
Nonpublic Technology Aid	15-100-034-5120-373	384	7/1/14- 6/30/15					384	(351)			33	
Nonpublic Technology Aid	14-100-034-5120-373	300	7/1/13- 6/30/14			5				5			
Nonpublic Nursing Aid	15-100-034-5120-070	1,138	7/1/14- 6/30/15					1,138	(1,130)			8	
Total Special Revenue Fund						45		2,237	(2,186)		45	51	
Total Department of Education				(107,019)		45		1,494,640	(1,491,879)	45	(104,309)	51	
New Jersey School Development Authority													
Capital Projects Fund													
Mechanical Upgrades	0970-030-10-2002	401,432	8/30/10- 6/30/11	(401,432)							(401,432)		
Windows and Exterior Doors	0970-030-10-2004	504,448	7/1/11- 6/30/12	(504,448)							(504,448)		
Casework and Electrical Upgrades	0970-030-10-2003	65,460	8/30/10- 6/30/13	(65,460)							(65,460)		
Site Improvements	0970-030-10-2001	247,108	3/1/13- 6/30/13	(247,108)							(247,108)		
Boiler Replacement	0970-030-14-1001	139,392	7/1/13 - 6/30/14	(139,392)							(139,392)		
Communications and Safety	0970-030-14-1002	441,446	7/1/14 - 6/30/15						(441,446)		(441,446)		
				\$ (1,357,840)					(441,446)		(1,799,286)		
State Department of Agriculture													
Enterprise Fund:													
National School Lunch Program (State Share)													
Fiscal Year 2015	15-100-010-3350-023	985	7/1/14- 6/30/15					784	(985)		(201)		
Fiscal Year 2014	14-100-010-3350-023	1,243	7/1/13- 6/30/14	(299)				299					
Total Department of Agriculture				(299)				1,083	(985)		(201)		
Total State Financial Assistance				\$ (1,465,158)	\$ -	\$ 45	\$ -	\$ 1,495,723	\$ (1,934,310)	\$ 45	\$ (1,903,796)	\$ 51	

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

**Cranbury Township School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2015**

I. GENERAL

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

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on 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 Board'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 from the budgetary basis to the GAAP basis is (\$1,505) for the general fund and \$-0-for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ -	\$ 1,488,188	\$ 1,488,188
Special Revenue	152,039	2,186	154,225
Capital Projects		441,446	441,446
Food Service	<u>21,681</u>	<u>985</u>	<u>22,666</u>
Total	<u>\$ 173,720</u>	<u>\$ 1,932,805</u>	<u>\$ 2,106,525</u>

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.

**Cranbury Township School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2015
(Continued)**

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

6. MAJOR PROGRAMS

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

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

Section 1 -- Summary of Auditor's Results (Continued)

State Awards

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

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

Material weaknesses identified? yes X no

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

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

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>15-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>15-100-034-5094-003</u>	<u>TPAF Reimbursed Social Security</u>
<u>0970-030-14-1002</u>	<u>School Development Authority Grant</u>
<u>15-100-010-3350-023</u>	<u>National School Lunch Program (State Share)</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

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

Section 2 -- Schedule of Financial Statement Findings

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

No findings identified.

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

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

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

FEDERAL AWARDS:

A federal single audit was not required.

STATE AWARDS:

No findings and/or questioned costs identified.

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

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB Circular A-133 and NJOMB's Circular 04-04 and/or 15-08, as applicable.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings

FEDERAL AWARDS

A federal single audit was not required.

STATE AWARDS

There were no prior year audit findings.