

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
BURLINGTON COUNTY, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Prepared By

**Chesterfield Township School
Board of Education**

BOARD OF EDUCATION OF THE
CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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INTRODUCTORY SECTION

Chesterfield Township Board of Education

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Chesterfield, New Jersey 08515*



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MRS. GENEVA R. MOORE
Interim Business Administrator
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September 27, 2012

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

Dear Board Members:

The comprehensive annual financial report of the Chesterfield School District (District) for the fiscal year ended June 30, 2012, 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 (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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 Management's Discussion and Analysis (MD&A), the 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 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

1. **REPORTING ENTITY AND ITS SERVICES:** Chesterfield School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Chesterfield Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-School through 6. These include regular as well as special education for handicapped youngsters. The District completed the 2011-2012 fiscal year with an enrollment of 590 students, which is 27 students above the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2007-2008	413	+14%
2008-2009	447	+ 8%
2009-2010	489	+ 9%
2010-2011	563	+15%
2011-2012	590	+ 5%

2. **ECONOMIC CONDITION AND OUTLOOK:** Chesterfield Township is experiencing and will continue to experience substantial residential expansion. Approximately 677 new residential dwellings have been occupied over the past few years and as many as 455 additional dwellings are anticipated in the receiving area during the next 3 to 4 years. Projected student enrollment is expected to increase by an additional 100 students during this period of time.

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

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation 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.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2012.

5. **ACCOUNTING SYSTEM AND REPORTS:** The District applies the provisions of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*. 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. These funds are explained in "Notes to the Financial Statements", Note 1.

6. **FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service fund for the fiscal year ended June 30, 2012, and the amount and percentage of increases in relation to prior year revenues on a GAAP basis.

Revenue	2011-2012 Amount	Percent of Total	Increase (Decrease) From 2010-2011	Percentage of Increase (Decrease)
Local Sources	\$ 7,904,649	85.8%	\$ 58,631	21.3%
State Sources	1,104,042	12.0%	240,816	87.5%
Federal Sources	201,001	2.2%	(24,111)	-8.8%
Total	\$ 9,209,692	100%	\$ 275,336	100%

The increase in state sources is attributable primarily to the increase in on-behalf payments made by the state of New Jersey for pension costs.

The following schedule presents a summary of general fund, special revenue fund, capital projects and debt service fund expenditures for the fiscal year ended June 30, 2011.

Expenditures	2011-2012 Amount	Percent of Total	
		2011-2012	2010-2011
Instruction	\$ 2,810,649	26.8%	12.3%
Undistributed Expenditures	4,566,246	43.6%	19.7%
Capital Outlay	6,806	0.1%	0.0%
Capital Projects	700,631	6.7%	56.8%
Special Schools	-	0.0%	0.0%
Special Revenue Fund	243,842	2.3%	1.3%
Debt Service Fund	2,142,008	20.5%	9.9%
Total	\$ 10,470,182	100.0%	100.0%

7. **DEBT ADMINISTRATION:** At June 30, 2012, the District's outstanding debt issues included \$87,000 of general obligation bonds which were issued on August 6, 1997, and \$36,760,000 for a bond for a new elementary school, which was issued on February 13, 2008. The proceeds of these bond issues were placed in the District's capital projects fund for use to provide funds for capital improvements to the District's buildings.

The Project for the bonds issued in 1997 consisted of: (i) the construction of an addition to house two (2) kindergarten classrooms, a gifted/talented classroom and support facilities; (ii) the expansion of an existing kindergarten classroom and library and renovations thereof for use as a new library/media center and computer room; (iii) the completion of such other improvements as were necessary or appropriate to make said improvements compatible with the existing building; (iv) the completion of site work and other related items, and (v) the acquisition of furniture, fixtures and other equipment for said improvements.

The Project for the bonds issued on February 13, 2008, consisted of: The Board of Education of the Township of Chesterfield in the County of Burlington, New Jersey is authorized (a) to construct a new school on land to be acquired by the Township of Chesterfield on behalf of the Board of Education, and identified as Block Number 202 and all, or a portion of, Lot Numbers 28.01 and 28.02 on the tax map of the Township of Chesterfield, consisting of approximately 9.0 acres; (b) to make the necessary onsite and offsite improvements necessary for the construction of a new school; (c) to acquire the necessary equipment, furnishings, related instructional materials for a new school; (d) to appropriate \$37,685,024 for such purpose; and (e) to issue bonds in the amount of \$37,685,024, thus using all of the \$10,807,209 borrowing margin of the Township of Chesterfield previously available for other improvements and raising the net debt of the Township of Chesterfield to \$16,491,825 beyond such borrowing margin.

8. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The district operates under a cash management plan whereby public funds are deposited in public depositories protected from loss under the provisions of the Government Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with 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.

9. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to builder's risk, workman's compensation, general liability, and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10. **OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountant. The accounting firm of John J. Maley, Jr., C.P.A. was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the

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.

11. **ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Chesterfield Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,

Ellen J. McHenry
Superintendent

Geneva R. Moore
Interim Business Administrator/
Board Secretary

**CHESTERFIELD TOWNSHIP BOARD OF EDUCATION
CHESTERFIELD, NEW JERSEY**

Roster of Officials
June 30, 2012

Members of the Board of Education **Term Expires**

Brian Meincke, President	2013
Terran Brown	2012
Todd Campanella	2013
Craig Their	2014
Samuel Davis	2014

Other Officials

Ellen J. McHenry, Superintendent

Geneva R. Moore, Interim Business Administrator/Board Secretary

Janice L. Jones, Treasurer

Alan R. Schmoll, Attorney

**CHESTERFIELD TOWNSHIP BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

Audit Firm

John J. Maley, Jr.
Certified Public Accountant
6 E. Park Street
P. O. Box 614
Bordentown, New Jersey 08505

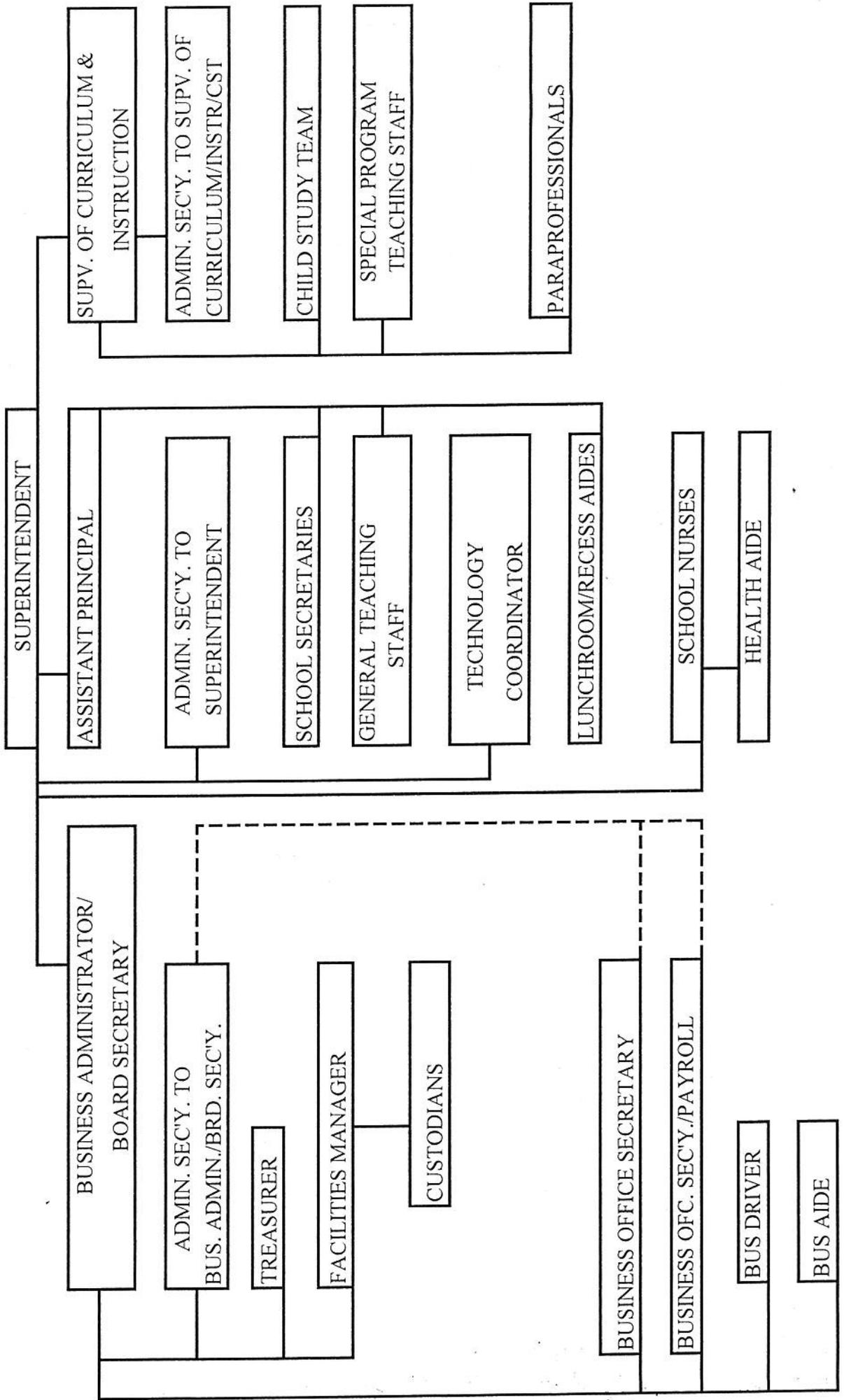
Attorney

Alan R. Schmoll
8000 Midlantic Drive
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Official Depository

Beneficial Bank
305 Bordentown-Chesterfield Road
Chesterfield, New Jersey 08515

Chesterfield Township Board of Education
2011-2012



FINANCIAL SECTION

JOHN J. MALEY, JR.

Certified Public Accountant

Registered Municipal Accountant

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FAX: (609) 298-1198

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Chesterfield Township School District
County of Burlington
Chesterfield, New Jersey 08515

I have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Chesterfield Township School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Chesterfield Township Board of Education's management. 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 audit requirements 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 includes examining, on a test basis, evidence supporting the amounts disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

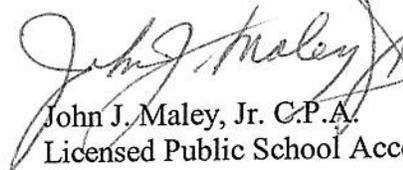
In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Chesterfield Township Board of Education, in the County of Burlington, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated September 27, 2012 on my consideration of the Chesterfield Township School District Board of Education's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing and internal control over financial reporting and compliance and 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 our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 20 and 48 through 51 be presented to supplement the basic financial statements. Such information, although not a required 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries 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.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Chesterfield Township School District Board of Education's basic financial statements. The accompanying combining and fund financial statements, the schedule of expenditure of federal awards required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the schedule of state financial assistance required by New Jersey Circular 04-04 OMB, *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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 standard generally accepted in the United States of America. In my opinion combining and fund financial statements and the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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.

Respectfully submitted,



John J. Maley, Jr. C.P.A.
Licensed Public School Accountant No. 454
Registered Municipal Accountant

September 27, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Chesterfield Township School District's annual financial report presents a discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2012. Please read it in conjunction with the Transmittal letter at the beginning of the report and with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS:

During this period there was a significant decrease in State Aid, therefore, the District's finances continue to depend primarily on property tax revenue.

Under the IDEA, Part B grant, the District expended a total of \$92,020 in Federal Funding in Fiscal Year 2011, and under the same grant in Fiscal Year 2012, the District expended \$112,528. This increase of \$20,508 was utilized for special education expenses.

Another valuable funding source was the award of a REAP Grant in the amount of \$52,371. This award extends through December 30, 2013. Funds from this grant were used for technology enhancements during the 2011-2012 school year and the remaining funds will be utilized during the following school year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements (A-1 and A-2) are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the district, and report the District's operations in more detail than the district-wide statements. For example, the District has one Enterprise Fund – Food Service. This fund is broken out in detail in the fund financial statements, but is combined into the overall District financial statements. The fund financial statements also show the changes in the Capital Projects fund.
- The Governmental Funds statements (B-1, B-2 and B-3) tell how basic services like regular and special education and overall operating expenses were financed for the school year, as well as an analysis of fund balance remaining for future spending or tax relief.
- Proprietary funds statements (B-4, B-5 and B-6) offer short and long-term financial information about the activities the district operates like businesses, in our case the Food Service mentioned above.
- Fiduciary funds statements (B-7 and B-8) provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others. In the Chesterfield Township School District, these include funds held for Unemployment Insurance, Student Activities, and Payroll Agency.
- The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The financial statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. The chart below shows how the various parts of this report are arranged and related to one another.

**ORGANIZATION OF CHESTERFIELD TOWNSHIP SCHOOL DISTRICT'S
ANNUAL FINANCIAL REPORT**

<i>Management's Discussion And Analysis</i>	Basic Financial Statements	Required Supplementary Information
District–Wide Financial Statements	Fund Financial Statements	<i>Notes to the Financial Statements</i>
Summary		Detail

**MAJOR FEATURES OF DISTRICT–WIDE
AND FUND FINANCIAL STATEMENTS**

	District–Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District Except Fiduciary funds	The activities of the district that are not proprietary or fiduciary such as special revenue and building maintenance	Activities the district operates similar to private businesses – Food Service	Instances in which the district administers resources on behalf of someone else such as UCI, agency and student activities monies.
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net assets • Statement of revenues, expenses, and changes in fund net assets • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus	Accrual Accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short–term and long term.	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long– term liabilities included	All assets and liabilities, both financial and capital, and short– term and long– term.	All assets and liabilities, both short–term and long–term.
Type of inflow/outflow information.	All revenues and expenses during the year regardless of when cash is received or paid.	Revenues for which cash are received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All revenues and expenses during the year, regardless of when cash is received or paid.

DISTRICT-WIDE STATEMENTS

The district-wide statements report information about the District as a whole, using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The district-wide statements report the District's net assets and how they have changed. Net assets – the difference between the District's assets and liabilities – are one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating.
- To assess the overall health of the District, you need to consider other non-financial factors, such as changes in the District's property tax base and the condition of the school building.

In the district-wide financial statements, the District's activities are divided into two categories:

- Governmental activities – Most of the district's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities, with property taxes being the largest percentage of the revenue base.
- Business-type activities – The District's food service is included here.

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. The District's funds are those recognized in Generally Accepted Accounting Practices (GAAP), and are prescribed by law.

The District has three kinds of funds:

- Governmental funds – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can be readily converted to cash flow in and out, and; (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information with the governmental funds statements, which explain the relationship (or differences) between them.

- Proprietary funds – Services for which the District charges a fee are reported in proprietary funds. In Chesterfield’s case, this includes an enterprise (food service) fund.
- Fiduciary funds include the Student Activity, and Payroll Agency funds – funds in which the district is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. These activities are excluded from the district-wide financial statements because the District cannot use their assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Assets

The District's combined net assets totaled (\$2,162,765) at June 30, 2012, compared to (\$1,280,086 at June 30, 2011).

TABLE 1 shows the District's net assets.

TABLE 1
Chesterfield Township Net Assets

	Governmental Activities		Business - type Activities		School District Total		Total % Change
	2011	2012	2011	2012	2011	2012	
Current and Other Assets	5,686,701	4,418,812	32,758	51,694	5,719,459	4,470,506	-21.8%
Capital Assets - Net	32,837,895	32,613,273	114,188	107,854	32,952,083	32,721,127	-0.7%
Total Assets	38,524,596	37,032,085	146,946	159,548	38,671,542	37,191,633	-3.8%
Long-term Debt Outstanding	38,547,718	38,014,238	-	-	38,547,718	38,014,238	-1.4%
Other Liabilities	1,256,964	1,180,612	3,076	2,908	1,260,040	1,183,520	-6.1%
Total Liabilities	39,804,682	39,194,850	3,076	2,908	39,807,758	39,197,758	-1.5%
Net Assets:							
Invested in capital assets, net of related debt	(2,814,350)	(3,044,034)	114,188	107,854	(2,700,162)	(2,936,180)	8.7%
Restricted	227,760	230,202	-	-	227,760	230,202	1.1%
Unrestricted	1,306,504	651,067	29,682	48,786	1,336,186	699,853	-47.6%
Total Net Assets	(1,280,086)	(2,162,765)	143,870	156,640	(1,136,216)	(2,006,125)	76.6%

Changes in Net Assets

At 84.5%, property taxes provide the highest percentage of the overall revenues. State Aid not restricted revenue decreased by \$110,723 over the 2010-2011 amounts.

TABLE 2 shows the changes in net assets for revenues and expenses, as well as total dollar and percentage changes.

TABLE 2
Change's in Chesterfield's Statement of Activities

	Governmental Activities		Business - type Activities		School District Total		Total % Change
	2011	2012	2011	2012	2011	2012	2011-12
REVENUES:							
Property Taxes	7,326,264	7,808,362	-	-	7,326,264	7,808,362	6.6%
Federal or State Aid	106,575	217,298	30,071	37,135	136,646	254,433	86.2%
Tuition received	36,153	37,450	-	-	36,153	37,450	100.0%
Interest Earnings	75,383	2,600	167	21	75,550	2,621	-96.5%
Other	181,262	85,487	243,224	139,010	424,486	224,497	-47.1%
Extraordinary Item- Fire Loss Impairment	(807,238)	(214,172)	-	-	(807,238)	(214,172)	100.0%
Special item - Route 528 school impaired	(1,375,294)	-	-	-	(1,375,294)	-	100.0%
Total Revenues	5,543,105	7,937,025	273,462	176,166	5,816,567	8,113,191	39.5%
EXPENSES:							
Instruction Related	3,267,739	3,652,137	-	-	3,267,739	3,652,137	11.8%
Tuition	31,065	8,320	-	-	31,065	8,320	-73.2%
Student & Inst. Related Services	1,041,013	1,084,913	-	-	1,041,013	1,084,913	4.2%
General & Business Administrative Services	840,064	876,622	-	-	840,064	876,622	4.4%
Maintenance	756,368	945,928	-	-	756,368	945,928	25.1%
Transportation	299,783	273,059	-	-	299,783	273,059	-8.9%
Education Jobs	-	12,997	-	-	-	12,997	100.0%
Interest on Debt	1,356,003	1,325,130	-	-	1,356,003	1,325,130	-2.3%
Other	1,060,216	640,598	182,867	163,396	1,243,083	803,994	-35.3%
Total Expenses	8,652,251	8,819,704	182,867	163,396	8,835,118	8,983,100	1.7%
OTHER:							
Prior period adjustment	-	-	-	-	-	-	100.0%
Total Other:	-	-	-	-	-	-	100.0%
Increase (decrease) in net assets	(3,109,146)	(882,679)	90,595	12,770	(3,018,551)	(869,909)	-71.2%

Business–Type Activities

The business type activities consist of one activity, the Food Service Fund. The Board of Education contracts with Nutri-Serve to provide and manage the school food service program. The General Fund did not make transfers to the Food Service Fund during 2011-2012.

TABLE 3 provides a summary of the cost of all governmental activities for the 2011–12 school year.

TABLE 3
Net Cost of Governmental Activities

	Total Cost of Services			% Change	Net Cost of Services			% Change
	2011	2012	2011-12		2011	2012	2011-12	
Instruction Related	3,428,523	3,804,629	11.0%		3,267,739	3,648,912	11.7%	
Tuition	31,065	8,320	-73.2%		31,065	8,320	-73.2%	
Student & Inst. Related Services	1,134,999	1,173,038	3.4%		1,041,013	1,084,913	4.2%	
Administrative Services	840,064	836,352	-0.4%		840,064	836,352	-0.4%	
Maintenance	770,171	943,205	22.5%		756,368	943,205	24.7%	
Transportation	299,783	273,059	-8.9%		299,783	273,059	-8.9%	
Unallocated Benefits	421,174	539,234	28.0%		-	-	0.0%	
Education Jobs	-	12,997	100.0%		-	12,997	100.0%	
Interest on Long-term debt	1,648,019	1,629,799	-1.1%		1,356,003	1,325,130	-2.3%	
Other	1,060,216	686,816	-35.2%		1,060,216	686,816	-35.2%	
Total	9,634,014	9,907,449	2.8%		8,652,251	8,819,704	1.9%	

Note: Totals may not add due to rounding

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

All of the District's governmental funds showed more revenues than expenditures at June 30, 2012, with the exception of Capital Projects Fund and Debt Service Fund. Unspent Special Revenue funds will be returned to the state, but those funds being returned are funds allocated to the District's non-public schools. The District ended the year with \$253,828 unassigned fund balance in the general fund, some of which will be used for tax relief in its 2012–13 budget, with a portion remaining to balance cash-flow and unforeseen emergencies that may arise.

GENERAL FUND BUDGETARY HIGHLIGHTS

General fund expenditures were \$335,798 below budget, and revenues were \$23,356 above expectation due to unanticipated miscellaneous revenue, leaving the district with a General Fund total budgetary fund balance of \$716,610. The revenue amount includes \$1,993 for unanticipated 11-12 special anti-bullying aid, which will go to fund balance.

It also includes \$3,828 for reimbursement of non public school transportation costs, which will be appropriated in the 2012-2013 budget for transportation expenses.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets include acquisitions budgeted in the capital outlay section of the operating budget along with Capital Project Fund expenditures if applicable.

The Capital Asset account of the District reflects the acquisition of several new assets associated with the new school, which were purchased during the school year.

Fixed Assets include land, site improvements, equipment purchases, facilities acquisition and construction services.

TABLE 4 provides information regarding Chesterfield’s capital assets.

TABLE 4
Chesterfield's Capital Assets
(Net of Depreciation)

	Governmental Activities		Business - type Activities		School District Total		Total % Change
	2011	2012	2011	2012	2011	2012	2011-12
Land	560,000	560,000	-	-	560,000	560,000	0.0%
Site Improvements	562,652	532,348	-	-	562,652	532,348	-5.4%
Buildings	31,433,237	31,244,918	-	-	31,433,237	31,244,918	-0.6%
Equipment and Furniture	282,006	276,007	114,188	107,854	396,194	383,861	-3.1%
Total	32,837,895	32,613,273	114,188	107,854	32,952,083	32,721,127	-0.7%

LONG TERM DEBT

At year-end the district had \$36,847,000 in general obligation and other long-term debt outstanding – a decrease of 1% from last year resulting from the payment of principal amounting to \$465,000. More detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements. The District's general obligation bonds carry a rating of AA, in accordance with the School Bond Reserve Act.

TABLE 5
Chesterfield's Outstanding Long-Term Debt

	School District Total		Total % Change
	2011	2012	2011-12
Bonds Payable	37,312,000	36,847,000	-1.2%
Unamortized Bond Premium	1,028,105	989,551	-3.8%
Compensated Absences	207,613	177,687	-14.4%
Total	38,547,718	38,014,238	-1.4%

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was unaware of any existing circumstances that could significantly affect its financial health in the future. There is no outstanding litigation that could affect the District's financial picture.

Chesterfield Township is in the middle of stages of a substantial multi-year increase in student enrollment. Based on two separate demographic studies, the increase in enrollment is projected to be as many as 100 additional students over the next several years. The increased enrollment will be a direct result of the approval of several major residential subdivisions, which will be constructed by established developers in the township's receiving area.

The number of new residential dwellings at "build out" is projected to result in 1,100-1,200 new dwelling units. Over half of these homes have been issued certificates of occupancy as of June 30, 2012. These dwelling units and the consequential additional students necessitated the expansion of the district's school facilities. A referendum was successfully passed in December 2007. A new school was constructed and opened in January 2011.

The former Chesterfield Elementary School is on the market for sale or lease.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, vendors, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the School Business Administrator, Chesterfield Township School District, 30 Saddle Way, Chesterfield, New Jersey, 08515, or call 609-298-0307.

BASIC FINANCIAL STATEMENTS

Chesterfield Township School
Statement of Net Assets
June 30, 2012

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 3,194,662	\$ 38,711	\$ 3,233,373
Receivables, net	121,474	995	122,469
Internal balances	(2,771)	2,780	9
Inventory	-	9,208	9,208
Restricted assets:			
Capital reserve account - cash	37,871	-	37,871
Unamortized debt issue costs	1,067,576	-	1,067,576
Capital assets, net (Note 4):	32,613,273	107,854	32,721,127
Total assets	<u>37,032,085</u>	<u>159,548</u>	<u>37,191,633</u>
LIABILITIES			
Accounts payable	98,021	-	98,021
Retainage payable	385,329	-	385,329
Accrued interest payable	691,008	-	691,008
Payable to state government	6,254	-	6,254
Deferred revenue	-	2,908	2,908
Noncurrent liabilities (Note 5):			
Due within one year	587,000	-	587,000
Due beyond one year	37,427,238	-	37,427,238
Total liabilities	<u>39,194,850</u>	<u>2,908</u>	<u>39,197,758</u>
NET ASSETS			
Invested in capital assets, net of related debt	(3,044,034)	107,854	(2,936,180)
Restricted for:			
Debt service	5,964	-	5,964
Capital projects	37,871	-	37,871
Other purposes	186,367	-	186,367
Unrestricted	651,067	48,786	699,853
Total net assets	<u>\$ (2,162,765)</u>	<u>\$ 156,640</u>	<u>\$ (2,006,125)</u>

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

Chesterfield Township School
Statement of Activities
For the Year Ended June 30, 2012

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 3,116,593		\$ 155,717		\$ (2,960,876)	\$ -	\$ (2,960,876)
Special education	489,239				(489,239)		(489,239)
Other special instruction	188,620				(188,620)		(188,620)
Other instruction	13,402				(13,402)		(13,402)
Support services:							
Tuition	8,320				(8,320)		(8,320)
Student & instruction related services	1,173,038		88,125		(1,084,913)		(1,084,913)
General administration	243,636				(243,636)		(243,636)
School administrative services	296,577				(296,577)		(296,577)
Central services	256,895				(256,895)		(256,895)
Administrative information technology	79,514				(79,514)		(79,514)
Plant operations and maintenance	945,928				(945,928)		(945,928)
Pupil transportation	273,059				(273,059)		(273,059)
Unallocated employee benefits	539,234		539,234		-		-
Education jobs	12,997				(12,997)		(12,997)
Interest on long-term debt	1,629,799		304,669		(1,325,130)		(1,325,130)
Amortization of debt issue costs	43,644				(43,644)		(43,644)
Unallocated depreciation	596,954				(596,954)		(596,954)
Total governmental activities	9,907,449		1,087,745		(8,819,704)		(8,819,704)
Business-type activities:							
Food Service	163,396	136,636	37,135		-	10,375	10,375
Total business-type activities	163,396	136,636	37,135		-	10,375	10,375
Total primary government	\$ 10,070,845	\$ 1,366,366	\$ 1,124,880	\$ -	\$ (8,819,704)	\$ 10,375	\$ (8,809,329)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					5,243,789	-	5,243,789
Taxes levied for debt service					2,564,573	-	2,564,573
Federal and State aid not restricted					217,298	-	217,298
Tuition received					37,450	-	37,450
Investment earnings					2,600	21	2,621
Miscellaneous income					56,237	-	56,237
Capital asset adjustment					29,250	2,374	31,624
Extraordinary item - Fire loss impairment net of insurance proceeds					(214,172)	-	(214,172)
Total general revenues, special items, extraordinary items and transfers					7,937,025	2,395	7,939,420
Change in Net Assets					(882,679)	12,770	(869,909)
Net Assets—beginning					(1,280,086)	143,870	(1,136,216)
Net Assets—ending					\$ (2,162,765)	\$ 156,640	\$ (2,006,125)

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

Chesterfield Township School
Balance Sheet
Governmental Funds
For the Year Ended June 30, 2012

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
ASSETS					
Cash and cash equivalents	\$ 630,089	\$ -	\$ 2,564,573	\$ -	\$ 3,194,662
Receivables, net	3,103	-	1,984	-	5,087
Due from other funds	76,720	-	-	11,331	88,051
Internal funds	9	-	-	-	9
Receivables from other governments	15,916	100,471	-	-	116,387
Restricted cash - capital reserve	37,871	-	-	-	37,871
Total assets	<u>\$ 763,708</u>	<u>\$ 100,471</u>	<u>\$ 2,566,557</u>	<u>\$ 11,331</u>	<u>\$ 3,442,067</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 44,318	\$ 22,864	\$ 30,839	\$ -	\$ 98,021
Retainage payable	-	-	385,329	-	385,329
Due to other funds	-	71,353	11,331	5,367	88,051
Due to food service fund	2,780	-	-	-	2,780
Payable to state government	-	6,254	-	-	6,254
Total liabilities	<u>47,098</u>	<u>100,471</u>	<u>427,499</u>	<u>5,367</u>	<u>580,435</u>
Fund balances:					
Restricted for:					
Excess Surplus - current year	94,664	-	-	-	94,664
Excess Surplus - prior year - designated for subsequent year's expenditures	91,703	-	-	-	91,703
Capital reserve	37,871	-	-	-	37,871
Committed to:					
Capital projects	-	-	1,552,058	-	1,552,058
Debt service - Designated by the BOE for subsequent year's expenditures	-	-	587,000	-	587,000
Assigned to:					
Debt service	-	-	-	5,423	5,423
Designated by the BOE for subsequent year's expenditures	238,544	-	-	541	239,085
Unassigned:					
General fund	253,828	-	-	-	253,828
Total fund balances	<u>716,610</u>	<u>-</u>	<u>2,139,058</u>	<u>5,964</u>	<u>2,861,632</u>
Total liabilities and fund balances	<u>\$ 763,708</u>	<u>\$ 100,471</u>	<u>\$ 2,566,557</u>	<u>\$ 11,331</u>	

Amounts reported for *governmental activities* in the statement of net assets (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 \$34,300,620 and the accumulated depreciation is \$1,687,347 (See Note 4). 32,613,273

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 5).

Bonds Payable	(36,847,000)
Compensated Absences	(177,687)
	<u>(37,024,687)</u>

Premium on Bonds (amortized as a credit to interest expense).

Deferred Charge	(1,156,618)
Less: Accumulated Amortization	167,067
	<u>(989,551)</u>

(See Note 5) (38,014,238)

Accrued interest payable is not due and payable in the current period and therefore is not reported as a liability in the funds.

Accrued interest payable (691,008)

Unamortized Debt Issue Costs are not current financial resources and are not reported as assets in the funds.

Debt Issuance Costs	1,276,642
Less: Accumulated Amortization	(209,066)
	<u>1,067,576</u>

Net assets of governmental activities \$ (2,162,765)

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

Chesterfield Township School
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
REVENUES					
Local sources:					
Local tax levy	\$ 6,470,600	\$ -	\$ -	\$ 1,337,762	\$ 7,808,362
Tuition charges	37,450	-	-	-	37,450
Transportation Fees from Other LEA's	188	-	-	-	188
Interest earned	1,252	-	1,331	-	2,583
Interest earned on capital reserve funds	17	-	-	-	17
Miscellaneous	52,049	-	-	4,000	56,049
Total - Local sources	6,561,556	-	1,331	1,341,762	7,904,649
State sources	756,532	42,841	-	304,669	1,104,042
Federal sources	-	201,001	-	-	201,001
Total revenues	7,318,088	243,842	1,331	1,646,431	9,209,692
EXPENDITURES					
Current:					
Regular instruction	2,283,435	155,717	-	-	2,439,152
Special education instruction	372,689	-	-	-	372,689
Other special instruction	142,616	-	-	-	142,616
Other instruction	11,909	-	-	-	11,909
Support services:					
Tuition	8,320	-	-	-	8,320
Student & instruction related services	846,947	88,125	-	-	935,072
General administration	173,107	-	-	-	173,107
School administrative services	226,337	-	-	-	226,337
Central services	211,947	-	-	-	211,947
Administrative information technology	79,514	-	-	-	79,514
Plant operations and maintenance	832,319	-	-	-	832,319
Pupil transportation	251,353	-	-	-	251,353
Employee benefits	1,923,405	-	-	-	1,923,405
Education jobs	12,997	-	-	-	12,997
Debt service:					
Principal	-	-	-	465,000	465,000
Interest and other charges	-	-	-	1,677,008	1,677,008
Capital outlay	6,806	-	382,517	-	389,323
Total expenditures	7,383,701	243,842	382,517	2,142,008	10,152,068
Excess (Deficiency) of revenues over expenditures	(65,613)	-	(381,186)	(495,577)	(942,376)
OTHER FINANCING SOURCES (USES)					
Capital leases (non-budgeted)	-	-	-	-	-
Transfers in	-	-	-	476,331	476,331
Transfers out	-	-	(476,331)	-	(476,331)
Total other financing sources and uses	-	-	(476,331)	476,331	-
EXTRAORDINARY ITEM					
Capital outlay - Fire Restoration Costs	-	-	(318,114)	-	(318,114)
Fire Insurance	-	-	103,942	-	103,942
Net change in fund balances	(65,613)	-	(1,071,689)	(19,246)	(1,156,548)
Fund balance—July 1	782,223	-	3,210,747	25,210	4,018,180
Fund balance—June 30	\$ 716,610	\$ -	\$ 2,139,058	\$ 5,964	\$ 2,861,632

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

**Chesterfield Township School
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2012**

Total net change in fund balances - governmental funds (from B-2) \$ (1,156,548)

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

Capital outlays are reported in governmental funds 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 depreciation exceeded capital outlays in the period.

	Depreciation expense	(648,791)	
	Capital outlays	424,169	
		(224,622)	(224,622)

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

	Payment of bond principal	465,000	
	Payment of capital leases	-	
		465,000	465,000

In the statement of activities, interest on long-term debt is accrued regardless of when due. In the governmental funds, interest is reported when due. 8,655

In the statement of activities, debt issue costs are capitalized and amortized over the life of the bonds. In the governmental funds, debt issue costs are expensed.

	Current year debt issuance cost	(43,644)	
	Prior year debt issuance cost adjustment	-	
		(43,644)	(43,644)

In the statement of activities, premium associated with the issuance of debt is capitalized and amortized the life of the bonds. In the governmental funds, bond premium is recognize as revenue when received. 38,554

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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). 29,926

Change in net assets of governmental activities \$ (882,679)

**Chesterfield Township School
Statement of Net Assets
Proprietary Funds
For the Year Ended June 30, 2012**

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 38,711	\$ 38,711
Accounts receivable:		
Federal	922	922
State	73	73
Inventories	9,208	9,208
Internal balance	2,780	2,780
Total current assets	51,694	51,694
Noncurrent assets:		
Furniture, machinery & equipment	135,775	135,775
Less accumulated depreciation	(27,921)	(27,921)
Total noncurrent assets	107,854	107,854
Total assets	159,548	159,548
LIABILITIES		
Current liabilities:		
Deferred Revenue	2,908	2,908
Total liabilities	2,908	2,908
NET ASSETS		
Invested in Capital Assets net of Related Debt	107,854	107,854
Unrestricted	48,786	48,786
Total net assets	\$ 156,640	\$ 156,640

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

Chesterfield Township School
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2012

	Business-type Activities - Enterprise Fund	
	Food Service	Total Enterprise
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ 93,547	\$ 93,547
Daily sales - non-reimbursable programs	43,089	43,089
Total operating revenues	<u>136,636</u>	<u>136,636</u>
Operating expenses:		
Cost of sales	79,029	79,029
Salaries	51,246	51,246
Employee benefits	9,673	9,673
Other purchased professional services	14,740	14,740
Depreciation	8,708	8,708
Total operating expenses	<u>163,396</u>	<u>163,396</u>
Operating income (loss)	<u>(26,760)</u>	<u>(26,760)</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	1,568	1,568
Federal sources:		
National school lunch program	19,624	19,624
Food distribution program	15,943	15,943
Interest revenue	21	21
Total nonoperating revenues (expenses)	<u>37,156</u>	<u>37,156</u>
Change in net assets	10,396	10,396
Total net assets—beginning	143,870	143,870
Fixed Asset Adjustment for New School	<u>2,374</u>	<u>2,374</u>
Total net assets—ending	<u>\$ 156,640</u>	<u>\$ 156,640</u>

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

**Chesterfield Township School
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2012**

	Business-type Activities - Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 136,568	\$ 136,568
Payments to employees	(51,246)	(51,246)
Payments for employee benefits	(9,673)	(9,673)
Payments to suppliers	(84,119)	(84,119)
Net cash provided by (used for) operating activities	<u>(8,470)</u>	<u>(8,470)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	1,392	1,392
Federal Sources	17,353	17,353
Net cash provided by (used for) non-capital financing activities	<u>18,745</u>	<u>18,745</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	-	-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	21	21
Net cash provided by (used for) investing activities	<u>21</u>	<u>21</u>
Net increase (decrease) in cash and cash equivalents	10,296	10,296
Balances—beginning of year	28,415	28,415
Balances—end of year	<u>\$ 38,711</u>	<u>\$ 38,711</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (26,760)	\$ (26,760)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and net amortization	8,708	8,708
Food distribution program	15,943	15,943
(Increase) decrease in accounts receivable, net	100	100
(Increase) decrease in inventories	(6,293)	(6,293)
Increase (decrease) in deferred revenue	(168)	(168)
Total adjustments	<u>18,290</u>	<u>18,290</u>
Net cash provided by (used for) operating activities	<u>\$ (8,470)</u>	<u>\$ (8,470)</u>

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

**Chesterfield Township School
Statement of Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2012**

	Unemployment Compensation Trust	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 36,471	\$ 124,122
Total assets	36,471	124,122
LIABILITIES		
Payable to student groups	-	6,793
Payroll deductions and withholdings	-	117,329
Total liabilities	-	\$ 124,122
NET ASSETS		
Held in trust for unemployment claims and other purposes	\$ 36,471	

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

Exhibit B-8

**Chesterfield Township School
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2012**

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Contributions:	
Plan members	\$ 11,065
Total contributions	<u>11,065</u>
Investment earnings:	
Interest	19
Net investment earnings	<u>19</u>
Total additions	<u>11,084</u>
DEDUCTIONS	
Quarterly contribution reports	2,210
Unemployment claims	<u>19,415</u>
Total deductions	<u>21,625</u>
Change in net assets	(10,541)
Net assets—beginning of the year	47,012
Net assets—end of the year	<u>\$ 36,471</u>

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

NOTES TO FINANCIAL STATEMENTS

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education of Chesterfield Township School District (the District) have been prepared in conformity with generally accepted accounting principles (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. School Districts are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the District has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. The more significant of the Board's accounting policies are described below.

In June 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. The District implemented the general provisions of GASB No. 34 in fiscal year ended June 30, 2004 and included the following provisions.

For the first time the financial statements included:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the District's activities, including infrastructure.
- A change in the fund financial statements to focus on the major funds.

A. Reporting Entity

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education consists of elected officials and is responsible for the fiscal control of the District. A Chief School Administrator is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the 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 District over which the Board exercises operating control. The District operates a single elementary school, grades K through 6. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Basic Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type the Food Service Program, is classified as business-type activities.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(Continued)

B. Government-Wide Statements

In the government-wide Statement of net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (regular education, special education, transportation, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, and charges, etc.). The Statement of Activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or business-type activity. Operating grants include operating-specific and discretionary grants while the capital grants column reflects capital-specific grants.

Total net costs by function or business-type activity are supported by general revenues such as property taxes, intergovernmental revenues, interest income, etc). This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

Net Assets

Net assets represent the difference between assets and liabilities. Net asset invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition construction or improvement of those assets. Assets restricted for capital projects include unexpended bond proceeds reduced by an equal amount of debt outstanding. Net asset are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include amounts resulting from the calculation of excess surplus in accordance with N.J.S.A. 18A:7F-7.

C. Fund Financial Statements

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Types

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund - The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital project(s) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Funds - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds and certificates of participation issued to finance major property acquisition, construction and improvement programs.

Proprietary Fund Type

The focus of the proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

Enterprise Funds - The enterprise funds account for all revenues and expenses pertaining to food services. These enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Fund Types

Trust and Agency Funds - The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Expendable Trust Fund - An expendable trust fund is used to account for assets held to be expended for specified purposes. Expendable Trust Funds include Unemployment Compensation and certain Scholarship accounts.

Agency Funds (Payroll and Student Activities Fund) - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

The term “enabling legislation” means legislation that authorizes a government to assess, levy, charge, or otherwise mandate payment of resources from external resource providers and includes a legally enforceable requirement that those resources be used only for the specific purposes defined in the legislation. Legal enforceability means that the government can be compelled by an external party—such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Board of Education. Those committed amounts cannot be used for any other purpose unless Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Education, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Education or a District official delegated that authority by resolution or policy of the Board.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, and Financial Statement Presentation

The basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statement are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types and expendable trust funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on long-term debt which are recorded when due.

Property Taxes

Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey 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 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 District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

E. Cash, Cash Equivalents and Investments

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

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

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash, Cash Equivalents and Investments (Continued)

Additionally, the District deposits public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey.

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 Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks ate 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.

F. Inventories and Prepaid Expenses

The cost of inventory items and prepaid expenses are recorded as expenditures in the governmental fund types. In the Enterprise fund, inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,000. During the year ended June 30, 1995 the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1993 are recorded at original cost. General capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received.

Capital assets are reflected as expenditures in the applicable governmental funds. Capital outlays which enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Capital assets in the proprietary funds are capitalized in the fund in which they are utilized.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20 - 50 years
Machinery and Equipment	5 - 20 years
Improvements	10 - 20 years
Other infrastructure	10 - 50 years

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Compensated Absences

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of retirement, an employee is reimbursed for accumulated sick leave. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee upon employment.

The non-current portion of the liability for vested compensated absences of the governmental fund types is maintained separately and is not recorded as a fund liability. The amount is recorded as a government wide liability and represents a reconciling item between the fund and government-wide presentations. The liability for compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

I. Deferred Revenue

In applying GASBS No.33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time and reimbursement requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

J. Long-Term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the Straight-Line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

K. Interfund Activity

Interfund activity is reported as either loan, services provided, reimbursements or transfers. Interfund receivables and payables are eliminated from the government-wide financial statements.

L. Comparative Data

Comparative total data for the prior year has not been presented in the government-wide or the fund financial statements.

Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each 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. 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgets/Budgetary Control (Continued)

and certain transfers must be approved by the County Superintendent of Schools. The 2011-2012 budget was amended during the year.

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting 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. Notes to the Required Supplemental Information provide a budget-to-GAAP reconciliation.

B. 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. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

Note 3: CASH AND INVESTMENTS

Deposits - Deposits are carried at cost, which approximates market value. The carrying amount of deposits is separately displayed on the balance sheets as Cash.

At June 30, 2012, the carrying value of cash of the District consisted of the following:

Interest Bearing Demand Deposits	\$ 3,393,966
N.J. Cash Management Fund	37,871
	<u>\$ 3,431,837</u>

Custodial Credit Risk Related to Deposits – Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposits might not be recovered. The District does not have a formal deposit policy for custodial credit risk but complies with N.J.S.A. 17:9-41 et seq. requiring governmental units to deposit public funds in public depositories protected from loss under the provisions GUDPA as explained in Note 1E.

The carrying amount of cash at June 30, 2012 was \$3,431,837 and the bank balance was \$3,702,243. Of the bank balance, \$250,000 was covered by federal depository insurance and \$3,414,371 was covered by a collateral pool maintained by the banks as required by New Jersey statutes (GUDPA). \$37,871 of the bank balance was deposited with the New Jersey Cash Management Fund (NJCMF). The NJCMF is a common trust fund administered by the New Jersey Department of Treasury. The NJCMF invests pooled monies from various state

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 3: CASH AND INVESTMENTS (Continued)

and other agencies in primarily short-term investments. Investments of the funds included: U.S. Treasuries, short-term Commercial Paper, U.S. agency Bonds, Corporate Bonds, and Certificate of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term interest rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty.

Reconciliation to Government-Wide Statement of Net Assets:

Unrestricted Cash	\$ 630,089
Restricted Cash	2,602,444
Agency Fund Cash	160,593
	\$ 3,393,126

Investments - New Jersey Statutes (N.J.S.A. 18A:20-37) establish the following securities as eligible for the investment of the Chesterfield Township School District's funds:

1. Bonds or other obligations of the United States or obligations guaranteed by the United States.
2. Government money market mutual funds.
3. Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the local unit or school districts of which the local unit is a part.
5. Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units.
6. Local government investment pools.
7. Deposits with the State of New Jersey Cash Management Fund.
8. Agreements for the repurchase of fully collateralized securities, subject to conditions.

The District had no investments at June 30, 2012. Throughout the year available cash is deposited in certificates of deposit or in the NJCMF to earn interest.

Credit Risk – Credit risk is that an issuer or other counterparty to an investment will not fulfill its obligations. The District limits its investments to those permitted by N.J.S.A. 18A:20-37.

Custodial Credit Risk – Custodial credit risk for investments is the risk that a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party if the counterparty to the transaction fails. Investments are exposed to custodial credit risk when they are uninsured, unregistered, and held by either a counterparty or the counterparty's trust department or agent but not in the government's name.

Investment Risk Policy – The District does not have a formal investment policy addressing credit risk, including custodial credit risk and concentrations of credit risk, or interest rate risk.

Concentration of Credit Risk – The District does not limit the amount that may be invested in any one issuer.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District has no policy addressing interest rate risk.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 4: CAPITAL ASSETS

The following schedule is a summarization of the changes in capital assets by source for the fiscal year ended June 30, 2012.

	Primary Government			
	Balance 6/30/11	Additions/ Adjustments	Deletions/ Adjustments	Balance 6/30/12
<u>Governmental Activities:</u>				
Capital Assets not being depreciated:				
Land	\$ 560,000	\$ -	\$ -	\$ 560,000
Construction in Progress	-	-	-	-
Total Capital Assets not being depreciated	560,000	-	-	560,000
Capital Assets being depreciated:				
Site Improvements	606,090	-	-	606,090
Buildings & Building Improvements	32,289,492	382,517	-	32,672,009
Machinery & Equipment	426,488	41,833	(5,800)	462,521
Total Capital Assets being depreciated	33,322,070	424,350	(5,800)	33,740,620
Total Capital Assets	33,882,070	424,350	(5,800)	34,300,620
Less Accumulated Depreciation for:				
Site Improvements	43,438	30,304	-	73,742
Buildings & Building Improvements	856,255	570,836	-	1,427,091
Machinery & Equipment	144,482	47,651	(5,619)	186,514
Total Accumulated Depreciation	1,044,175	648,791	(5,619)	1,687,347
Governmental Activities Capital Assets, Net	\$ 32,837,895	\$ (224,441)	\$ (181)	\$ 32,613,273

	Primary Government			
	Balance 6/30/11	Additions/ Adjustments	Deletions/ Adjustments	Balance 6/30/12
<u>Business-Type Activities:</u>				
Capital Assets being Depreciated:				
Machinery & Equipment	\$ 133,275	\$ 2,500	\$ -	\$ 135,775
Less Accumulated Depreciation for:				
Machinery & Equipment	(19,087)	(8,834)	-	(27,921)
Business-Type Activities Capital Assets, Net	\$ 114,188	\$ (6,334)	\$ -	\$ 107,854

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 4: CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

Instruction	\$	3,225
General Business Administrative Services		40,270
Pupil Transportation		-
Plant Operation and Maintenance		2,723
Unallocated Depreciation Expense - Net		596,954

Total Depreciation Expenses - Governmental Activities	\$	643,172
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Business-Type Activities:

Food Service Fund	\$	8,834
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Note 5: LONG-TERM DEBT

During the fiscal year ended June 30, 2012 the following changes occurred in liabilities reported in the long-term debt:

	Balance 6/30/11	Additions	Reductions	Balance 6/30/12	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 37,312,000	\$ -	\$ (465,000)	\$ 36,847,000	\$ 587,000
Unamortized Bond Premium	1,028,105	-	(38,554)	989,551	
Total Bonds	38,340,105	-	(503,554)	37,836,551	587,000
Compensated Absences Payable	207,613	574	(30,500)	177,687	-
Governmental Activities					
Long Term Liabilities	\$ 38,547,718	\$ 574	\$ (534,054)	\$ 38,014,238	\$ 587,000

A. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness.

General obligation bonds currently outstanding are as follows:

1997 General Obligation Bonds dated August 1, 1997 in the amount of \$987,000 due in annual installments through August 1, 2012 with interest at 4.85%.

2008 General Obligation Bonds dated February 28, 2008 in the amount of \$37,685,000 due in annual installments through February 1, 2038 with interest varying from 4.375% - 4.500%.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 5: LONG-TERM DEBT (Continued)

Annual debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	587,000	1,656,310	2,243,310
2014	625,000	1,631,700	2,256,700
2015	750,000	1,603,575	2,353,575
2016	875,000	1,569,825	2,444,825
2017	915,000	1,530,450	2,445,450
2018-2022	5,265,000	6,993,900	12,258,900
2023-2027	6,620,000	5,693,625	12,313,625
2028-2032	8,325,000	4,057,200	12,382,200
2033-2037	10,485,000	1,998,675	12,483,675
2038	2,400,000	108,000	2,508,000
	<u>\$ 36,847,000</u>	<u>\$ 26,843,260</u>	<u>\$ 63,690,260</u>

B. Bonds Authorized But Not Issued

As of June 30, 2012 there were no bonds or notes authorized but not issued.

Note 6: PENSION PLANS

Description of Plans - All required employees of the Board are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A: 66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 6: PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) - The Public Employees' retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years of service credit or they may elect deferred retirement after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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.

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Costs</u>
6/30/12	\$ 72,145
6/30/11	56,273
6/30/10	39,975

The normal contribution due in 2011-12 was \$24,048 and the accrued liability due was \$48,097, totaling \$72,145 paid by District. Additionally, the District paid the non-contributory group life insurance premium amount of \$4,597.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 6: PENSION PLANS (Continued)

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

Year Funding	Normal Costs	Additional Formula Cost	Accrued Liability	NCGI Premium	Post-Retirement Medical Benefits
6/30/12	\$ 22,919	\$ 4,156	\$ 60,655	\$ 9,414	\$ 195,283
6/30/11	-	-	-	8,091	171,853
6/30/10	-	-	-	8,145	152,971

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$246,807 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. These amounts have been included in the financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

Note 7: POST-EMPLOYMENT BENEFITS

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, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

Note 8: DEFERRED COMPENSATION

The Board offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 403 (b). The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employee until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows: Lincoln Investment Planning, Inc., Copeland Companies, Equitable and Dean Witter.

Note 9: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance- The District maintains commercial insurance 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.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 9: RISK MANAGEMENT (Continued)

New Jersey Unemployment Compensation Insurance- The District has elected to fund its New Jersey Unemployment Compensation Insurance under the Benefit Reimbursement Method. Under this plan, the 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 following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012	\$ 19	\$ 11,064	\$ 19,415	\$ 36,471
2010-2011	279	10,106	20,757	47,012
2009-2010	281	9,169	185	60,356

Note 10: CONTINGENT LIABILITIES

The Board of Education is the defendant in lawsuits arising principally in the normal course of operations and generally covered by insurance. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for losses has been provided.

Note 11: FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$716,610 General Fund fund balance at June 30, 2012, \$186,367 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$91,703 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2013; \$37,871 is reserved in the Capital Reserve Account; \$238,544 is unassigned and designated to be appropriated as anticipated revenue for the year ending June 30, 2013; \$253,828 is unassigned and undesignated.

During the fiscal year, surplus of \$3,132 was authorized and approved to be appropriated representing the amount of 2010-11 Non-Public School Transportation Aid.

Debt Service Fund- The fund balance in the Debt Service Fund at June 30, 2012 was \$5,965. Of that amount, \$541 was appropriated and included as anticipated revenue for the year ended June 30, 2013.

Capital Project Fund- The fund balance in the Capital Project Fund at June 30, 2012 was \$2,139,058. Of that amount, \$587,000 was approve to be transferred to the Debt Service Fund and was appropriated and included as anticipated revenue in the Debt Service Fund for the year ended June 30, 2013.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 12: CAPITAL RESERVE ACCOUNT

A capital reserve account was established in the general fund for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a 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 year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A 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-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The balance in the Capital Reserve Account increased from \$37,854 at June 30, 2011 to \$37,871 at June 30, 2012 representing interest earned. There were no transfers to or withdrawals from the capital reserve during the fiscal year.

Note 13: CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 is \$186,237. Of that amount, \$91,703 was appropriated in the 2012-13 budget and the balance of \$94,664 will be budgeted in the 2013-14 budget.

Note 14: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

New Jersey statute requires that interest earned on the investments in capital projects funds be credited to the general fund or debt service based on Board resolution. In accordance with Board resolution, interest earned on capital projects funds will be credited to the Debt Service Fund.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 14: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

Interfund balances consist of the following:

	Interfund Receivable	Interfund Payable
General Fund	\$ 76,720	\$ -
Special Revenue Fund	-	71,353
Debt Service Fund	11,331	5,367
Capital Projects Fund	-	11,331
	<u>\$ 88,051</u>	<u>\$ 88,051</u>

Note 15: SPECIAL AND EXTRAORDINARY ASSETS

IMPAIRED ASSETS:

During the construction of the new school building, a fire occurred damaging the building and HVAC equipment and delaying the school opening from September 2010 to January 2011. The restoration costs through June 30, 2011 totaled \$1,601,399, while realized and realizable insurance recoveries through June 30, 2011 amount to \$794,161. The net amount of \$807,238 was reported as an impairment loss in the government-wide financial statements as an extraordinary item in 2010-11. Additional restoration costs were incurred during 2011-12 amounting to \$318,114, and realized and realizable insurance recoveries during the year totaled \$103,942. The net amount of \$214,172 is reported as an impairment loss in the government-wide financial statements as an extraordinary item in 2011-12. The impairment is not reported on the fund financial statements.

Additionally, the elementary school located on Route 528, was replaced with the construction of a new school located on Saddle Way. The Route 528 school was abandoned and is offered for sale resulting in a permanent impairment. The carrying value of the Rt. 528 school of \$1,375,294 was written off during 2010-11 as a special item.

Note 16: DEFICIT NET ASSETS

The District has a deficit in net assets of \$2,162,765 as reported in the statement of net assets (accrual basis). This is a direct result of the investment in capital assets net of related debt deficit balance amounting to \$3,044,034. As debt is paid down the deficit in net assets will be eliminated. Also contributing to the deficit is fire restoration costs amounting to \$1,021,410, expected to be recovered through insurance. Additionally, the amount of compensated absences recorded on the accrual basis totaling \$177,687 adds to the deficit. While the compensated absence balance is reflected as a liability, the obligation will not be funded until a future date coincident with termination of services. Due to the resulting timing differences, the deficit does not alone indicate that the district is facing financial difficulties.

REQUIRED SUPPLEMENTARY INFORMATION - Part II

CHESTERFIELD TOWNSHIP SCHOOL
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 6,470,600	\$ -	\$ 6,470,600	\$ 6,470,600	\$ -
Tuition	42,000	-	42,000	37,450	(4,550)
Interest Earned on Investments	-	-	-	1,252	1,252
Interest Earned on Capital Reserve Funds	77	-	77	17	(60)
Miscellaneous	25,523	-	25,523	52,237	26,714
Total - Local Sources	<u>6,538,200</u>	<u>-</u>	<u>6,538,200</u>	<u>6,561,556</u>	<u>23,356</u>
State Sources:					
Catagorical Transportation Aid	-	-	-	46,434	46,434
Catagorical Spectial Ed Aid	103,055	-	103,055	103,055	-
Catagorical Security Aid	23,391	-	23,391	40,501	17,110
Educational Jobs 1/12	12,602	395	12,997	11,073	(1,924)
Special Anti Bullying	-	-	-	1,993	1,993
Extraordinary Aid	-	-	-	-	-
Reimbursed Non Public School Transportation Costs (Non-Budgeted)	-	-	-	3,828	3,828
TPAF - Post Retirement Medical Benefits (On-Behalf - Non-Budgeted)	-	-	-	195,283	195,283
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	97,144	97,144
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	246,807	246,807
Total State Sources	<u>139,048</u>	<u>395</u>	<u>139,443</u>	<u>746,118</u>	<u>606,675</u>
Total Revenues	<u>\$ 6,677,248</u>	<u>\$ 395</u>	<u>\$ 6,677,643</u>	<u>\$ 7,307,674</u>	<u>\$ 630,031</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	\$ 366,200	(53,200)	313,000	\$ 307,897	\$ 5,103
Grades 1-5 - Salaries of Teachers	1,572,600	44,747	1,617,347	1,608,349	8,998
Grades 6-8 - Salaries of Teachers	227,900	15,153	243,053	242,775	278
Regular Programs - Home Instruction:					
Salaries of Teachers	2,500	(1,975)	525	525	-
Purchased Prof. Ed. Services	2,500	3,607	6,107	4,671	1,436
Regular Programs - Undistributed Instruction					
Other Purchased Services (400-500 series)	3,200	2,500	5,700	5,180	520
General Supplies	118,100	7,981	126,081	98,378	27,703
Textbooks	15,500	160	15,660	15,660	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>2,308,500</u>	<u>18,973</u>	<u>2,327,473</u>	<u>2,283,435</u>	<u>44,038</u>
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center:					
Salaries of Teachers	337,700	(12,070)	325,630	316,033	9,597
General Supplies	5,800	665	6,465	4,181	2,284
Total Resource Room/Resource Center	<u>343,500</u>	<u>(11,405)</u>	<u>332,095</u>	<u>320,214</u>	<u>11,881</u>
Pre-School Disability Part Time					
Salaries of Teachers	31,100	1,750	32,850	32,652	198
Salaries of Paraprofessionals	20,700	-	20,700	19,622	1,078
General Supplies	2,000	-	2,000	201	1,799
Total Pre-School Disability Part Time	<u>53,800</u>	<u>1,750</u>	<u>55,550</u>	<u>52,475</u>	<u>3,075</u>
Total Special Education - Instruction	<u>397,300</u>	<u>(9,655)</u>	<u>387,645</u>	<u>372,689</u>	<u>14,956</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	141,700	-	141,700	141,025	675
General Supplies	2,400	-	2,400	1,591	809
Total Basic Skills/Remedial - Instruction	<u>144,100</u>	<u>-</u>	<u>144,100</u>	<u>142,616</u>	<u>1,484</u>
School-Sponsored Cocurricular Activities - Instruction					
Salaries	4,700	19	4,719	4,719	-
Other Purchased Services (400-500 series)	1,800	(19)	1,781	777	1,004
Supplies and Materials	3,000	-	3,000	2,063	937
Total School-Sponsored Cocurricular Activities - Instruction	<u>9,500</u>	<u>-</u>	<u>9,500</u>	<u>7,559</u>	<u>1,941</u>
Other Instructional Programs - Instruction					
Salaries	6,400	(600)	5,800	4,350	1,450
Total Other Instructional Programs - Instruction	<u>6,400</u>	<u>(600)</u>	<u>5,800</u>	<u>4,350</u>	<u>1,450</u>
TOTAL INSTRUCTION	<u>2,865,800</u>	<u>8,718</u>	<u>2,874,518</u>	<u>2,810,649</u>	<u>63,869</u>
Undistributed Expenditures - Instruction					
Tuition to Private Schools for the Disabled - Within State	45,100	(1,631)	43,469	8,320	35,149
Total Undistributed Expenditures - Instruction	<u>45,100</u>	<u>(1,631)</u>	<u>43,469</u>	<u>8,320</u>	<u>35,149</u>

CHESTERFIELD TOWNSHIP SCHOOL
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed Expenditures - Attendance & Social Work Services					
Salaries	12,700	100	12,800	12,788	12
Supplies and Materials	4,100	8,395	12,495	12,248	247
Total Undistributed Expenditures - Attendance & Social Work Services	<u>16,800</u>	<u>8,495</u>	<u>25,295</u>	<u>25,036</u>	<u>259</u>
Undistributed Expenditures - Health Services					
Salaries	132,100	1,013	133,113	132,831	282
Purchased Professional and Technical Services	2,200	-	2,200	1,525	675
Other Purchased Services (400-500 series)	300	-	300	-	300
Supplies and Materials	3,500	(1,013)	2,487	2,132	355
Total Undistributed Expenditures - Health Services	<u>138,100</u>	<u>-</u>	<u>138,100</u>	<u>136,488</u>	<u>1,612</u>
Undist. Expend. - Other Support Service Student-Related Services					
Salaries of Other Professional Staff	105,500	-	105,500	101,046	4,454
Purchased Professional - Educational Services	71,000	-	71,000	52,649	18,351
Supplies and Materials	800	-	800	239	561
Total Undist. Expend. - Other Support Service Student-Related Services	<u>177,300</u>	<u>-</u>	<u>177,300</u>	<u>153,934</u>	<u>23,366</u>
Undist. Expend. - Other Support Service Student-Extra Service					
Salaries of Other Professional Staff	78,400	1,166	79,566	79,566	-
Total Undist. Expend. - Other Support Service Student-Extra Service	<u>78,400</u>	<u>1,166</u>	<u>79,566</u>	<u>79,566</u>	<u>-</u>
Undist. Expend. - Other Support Service Students - Regular					
Salaries of Other Professional Staff	26,400	(1,256)	25,144	23,323	1,821
Other Purchased Prof. and Tech. Services	3,500	(835)	2,665	2,421	244
Supplies and Materials	4,500	1,235	5,735	3,689	2,046
Total Undist. Expend. - Other Support Service Students - Regular	<u>34,400</u>	<u>(856)</u>	<u>33,544</u>	<u>29,433</u>	<u>4,111</u>
Undist. Expend. - Other Support Service Students - Supplemental					
Salaries of Other Professional Staff	184,200	(1,016)	183,184	181,556	1,628
Salaries of Secretarial and Clerical Assistants	24,200	3,083	27,283	27,283	-
Purchased Professional - Educational Services	4,700	3,171	7,871	7,311	560
Other Purch. Prof. & Tech Services	3,700	(31)	3,669	3,669	-
Mis. Purchase Serv. (400-500 series other than Residential Costs)	1,300	(1,221)	79	79	-
Supplies and Materials	1,500	(250)	1,250	1,240	10
Other Objects	300	(26)	274	-	274
Total Undist. Expend. - Other Support Service Students - Supplemental	<u>219,900</u>	<u>3,710</u>	<u>223,610</u>	<u>221,138</u>	<u>2,472</u>
Undist. Expend. - Improvement of Instruction Services					
Salaries of Supervisor of Instruction	64,400	-	64,400	63,226	1,174
Salaries of Other Professional Staff	4,000	-	4,000	3,700	300
Salaries of Secretarial and Clerical Assistance	25,900	400	26,300	26,234	66
Other Objects	1,400	-	1,400	1,214	186
Total Undist. Expend. - Improvement of Instruction Services	<u>95,700</u>	<u>400</u>	<u>96,100</u>	<u>94,374</u>	<u>1,726</u>
Undist. Expend. - Educational Media Service/School Library					
Salaries	95,400	500	95,900	95,812	88
Purchased Prof. & Tech. Services	1,700	-	1,700	1,528	172
Supplies and Materials	4,500	-	4,500	4,283	217
Total Undist. Expend. - Educational Media Service/School Library	<u>101,600</u>	<u>500</u>	<u>102,100</u>	<u>101,623</u>	<u>477</u>
Undist. Expend. - Instructional Staff Training Services					
Salaries of Staff Prodev	1,900	-	1,900	900	1,000
Salaries of Other Professional Staff	1,500	-	1,500	1,275	225
Other Purchased Services (400-500 series)	7,400	-	7,400	3,136	4,264
Supplies and Materials	200	-	200	44	156
Total Undist. Expend. - Instructional Staff Training Services	<u>11,000</u>	<u>-</u>	<u>11,000</u>	<u>5,355</u>	<u>5,645</u>
Undist. Expend. - Support Service - General Administration					
Salaries	95,700	-	95,700	95,620	80
Legal Services	11,500	4,875	16,375	15,281	1,094
Audit Fees	14,000	3,325	17,325	17,325	-
Other Purchased Professional Services	7,800	3,300	11,100	7,170	3,930
Communications/Telephone	24,900	(5,000)	19,900	19,758	142
Other Purchased Services (400-500 series)	11,800	(50)	11,750	10,271	1,479
Supplies and Materials	2,100	-	2,100	1,334	766
BOE In-House Training/Meeting Supplies	200	(70)	130	-	130
Misc. Expenditures	5,200	-	5,200	3,113	2,087
BOE Membership Dues and Fees	3,400	570	3,970	3,235	735
Total Undist. Expend. - Support Service - General Administration	<u>176,600</u>	<u>6,950</u>	<u>183,550</u>	<u>173,107</u>	<u>10,443</u>
Undist. Expend. - Support Service - School Administration					
Salaries of Principals/Assistant Principals	153,800	3,964	157,764	157,764	-
Salaries of Secretarial and Clerical Assistants	70,900	(5,064)	65,836	64,200	1,636
Purchased Professional and Technical Services	1,300	50	1,350	1,350	-
Other Purchased Services (400-500 series)	2,600	-	2,600	1,152	1,448
Supplies and Materials	2,500	(50)	2,450	1,022	1,428
Other Objects	1,400	-	1,400	849	551
Total Undist. Expend. - Support Service - School Administration	<u>232,500</u>	<u>(1,100)</u>	<u>231,400</u>	<u>226,337</u>	<u>5,063</u>

CHESTERFIELD TOWNSHIP SCHOOL
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Support Service - Central Services					
Salaries	189,000	(4,317)	184,683	182,161	2,522
Purchased Professional Services	11,700	2,015	13,715	13,652	63
Miscellaneous Purchased Services	8,500	(359)	8,141	7,961	180
Supplies and Materials	1,500	2,318	3,818	3,794	24
Other Objects	4,100	279	4,379	4,379	-
Total Undist. Expend. - Support Service - Central Services	214,800	(64)	214,736	211,947	2,789
Undist. Expend. - Support Service - Administrative Information Technology					
Salaries	25,600	(14,696)	10,904	10,904	-
Other Pur Serv.	53,700	14,910	68,610	68,610	-
Total Undist. Expend. - Support Service - Administrative Information Technol	79,300	214	79,514	79,514	-
Undist. Expend. -Allowable Maintenance for School Facilities					
Salaries	70,600	(1,045)	69,555	69,555	-
Cleaning, Repair, and Maintenance Services	21,100	35,507	56,607	54,576	2,031
General Supplies	6,000	(6,000)	-	-	-
Total Undist. Expend. -Allowable Maintenance for School Facilities	97,700	28,462	126,162	124,131	2,031
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries	306,500	(11,597)	294,903	294,903	-
Purchased Professional and Technical Services	63,900	811	64,711	64,711	-
Cleaning, Repair and Maintenance Services	42,600	(18,037)	24,563	24,165	398
Insurance	38,800	(2,450)	36,350	36,310	40
Miscellaneous Purchased Services	25,500	(2,100)	23,400	20,921	2,479
General Supplies	30,000	1,480	31,480	30,950	530
Energy (Energy and Electricity)	250,900	(66,183)	184,717	171,415	13,302
Other Objects	4,600	25,140	29,740	29,741	(1)
Total Undist. Expend. - Other Operation & Maintenance of Plant	762,800	(72,936)	689,864	673,116	16,748
Total Undist. Expend. - Operation & Maintenance of Plant	860,500	(44,474)	816,026	797,247	18,779
Care and Upkeep of Grounds					
Salaries	2,900	-	2,900	2,885	15
Cleaning, Repair, and Maintenance Services	21,000	5,951	26,951	25,472	1,479
Other Objects	1,000	-	1,000	803	197
Total Care and Upkeep of Grounds	24,900	5,951	30,851	29,160	1,691
Security					
Cleaning, Repair, and Maintenance Services	1,000	2,965	3,965	3,490	475
General Supplies	500	1,922	2,422	2,422	-
Total Security	1,500	4,887	6,387	5,912	475
Undist. Expend. - Student Transportation Service					
Sal. For Pup.Trans. (Bet. Home and School) - Regular	17,300	-	17,300	17,290	10
Sal. For Pup.Trans. (Bet. Home and School) - Special	53,500	-	53,500	49,222	4,278
Sal. For Pub Trans. (Bet Home & School) - Non-Public	2,100	-	2,100	2,080	20
Management Fees - ESC & CTSA Transportation Programs	1,800	372	2,172	1,576	596
Cleaning, Repair and Maintenance Services	5,600	(128)	5,472	2,793	2,679
Contract Services - (Between Home and School) - Joint Agreements	146,500	-	146,500	137,614	8,886
Contr Serv (Spl. Ed. Students) - Joint Agrmt	15,800	1,112	16,912	13,601	3,311
Contr Serv. - Aid in Lieu Payments	17,800	1,776	19,576	19,576	-
Misc. Purchased Serv. - Transportation	3,500	550	4,050	3,624	426
Supplies and Materials	4,400	-	4,400	3,952	448
Miscellaneous Expenditures	100	-	100	25	75
Total Undist. Expend. - Student Transportation Service	268,400	3,682	272,082	251,353	20,729
UNALLOCATED BENEFITS					
Social Security Contributions	82,100	14,281	96,381	95,332	1,049
Other Retirement Contrib. - Regular	88,500	(9,120)	79,380	78,757	623
Workmen's Compensation	50,200	5,433	55,633	55,633	-
Health Benefits	1,194,700	(41,234)	1,153,466	1,108,869	44,597
Tuition Reimbursement	15,000	80	15,080	15,080	-
Other Employee Benefits	-	30,500	30,500	30,500	-
TOTAL UNALLOCATED BENEFITS	1,430,500	(60)	1,430,440	1,384,171	46,269
TPAF - Post Retirement Medical Benefits (On-Behalf - Non-Budgeted)	-	-	-	195,283	(195,283)
TPAF Pension Contributions (non-budgeted)	-	-	-	97,144	(97,144)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	246,807	(246,807)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	539,234	(539,234)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	1,430,500	(60)	1,430,440	1,923,405	(492,965)
TOTAL UNDISTRIBUTED EXPENDITURES	4,207,300	(12,230)	4,195,070	4,553,249	(358,179)
TOTAL GENERAL CURRENT EXPENSE	7,073,100	(3,512)	7,069,588	7,363,898	(294,310)
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures: Non-Instructional Services					
Non-Instructional Services	100	6,783	6,883	6,806	77
Total Equipment	100	6,783	6,883	6,806	77
TOTAL CAPITAL OUTLAY	100	6,783	6,883	6,806	77

CHESTERFIELD TOWNSHIP SCHOOL
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
EDUCATION JOBS					
Benefits	2,100	-	2,100	2,100	
Salaries of Teachers	10,502	395	10,897	10,897	-
TOTAL EDUCATION JOBS	<u>12,602</u>	<u>395</u>	<u>12,997</u>	<u>12,997</u>	<u>-</u>
TOTAL EXPENDITURES	<u>7,085,802</u>	<u>3,666</u>	<u>7,089,468</u>	<u>7,383,701</u>	<u>(294,233)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(408,554)</u>	<u>(3,271)</u>	<u>(411,825)</u>	<u>(76,027)</u>	<u>335,798</u>
Other Financing Sources:					
Operating Transfer Out:					
Transfer to Food Service Fund	-	-	-	-	-
Capital Reserve - Transfer to Debt Service Fd	-	-	-	-	-
Capital Reserve - Transfer to Capital Projects Fund	-	-	-	-	-
Capital Leases (non-budgeted)	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(408,554)</u>	<u>(3,271)</u>	<u>(411,825)</u>	<u>(76,027)</u>	<u>335,798</u>
Fund Balance, July 1	<u>792,637</u>	<u>-</u>	<u>792,637</u>	<u>792,637</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 384,083</u>	<u>\$ (3,271)</u>	<u>\$ 380,812</u>	<u>\$ 716,610</u>	<u>\$ 335,798</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				37,871	
Excess Surplus - Prior Year, Designated for Subsequent Year's Expenditures				91,703	
Excess Surplus - Current Year				94,664	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				238,544	
Year end encumbrances				-	
Unassigned Fund Balance				<u>253,828</u>	
			Budgetary Fund Balance	<u>716,610</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid payment not recognized on GAAP basis - C-3				-	
Extraordinary Aid payment not recognized on GAAP basis - C-3				-	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 716,610</u>	

Chesterfield Township School
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 38,651	\$ 13,952	\$ 52,603	\$ 42,841	\$ (9,762)
Federal Sources	126,608	138,021	264,629	201,001	(63,628)
Total Revenues	165,259	151,973	317,232	243,842	(73,390)
EXPENDITURES:					
Instruction					
Salaries	18,000	-	18,000	18,000	-
Purchased Professional and Technical Services	1,700	-	1,700	1,700	-
Purchased Professional - Educational Services	32,716	3,351	36,067	29,841	6,226
Other Purchased Services (400-500 series)	30,600	-	30,600	30,600	-
General Supplies	10,500	105,327	115,827	73,158	42,669
Textbooks	2,444	-	2,444	2,418	26
Total Instruction	95,960	108,678	204,638	155,717	48,921
Support Services					
Salaries	21,300	2,400	23,700	23,700	-
Personal Services - Employee Benefits	7,860	5,279	13,139	12,218	921
Purchased Professional and Technical Services	17,323	13,611	30,934	18,617	12,317
Purchased Professional - Educational Services	3,491	-	3,491	3,491	-
Other purchased Services (400-500 series)	8,700	80	8,780	7,530	1,250
Supplies & Materials	10,625	21,925	32,550	22,569	9,981
Total Support Services	69,299	43,295	112,594	88,125	24,469
Facilities Acquisition and Construction Services:					
Instructional Equipment	-	-	-	-	-
Total Facilities Acquisition and Construction Services	-	-	-	-	-
Total Expenditures	165,259	151,973	317,232	243,842	73,390
Other Financing Sources (Uses)					
Transfer in from General Fund	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Total Outflows	165,259	151,973	317,232	243,842	73,390
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION

Chesterfield Township School
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2012

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 7,307,674	[C-2]	\$ 243,842
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 the current year, previously recognized for budgetary purposes	945			
State aid payment recognized for budgetary purposes, not recognized for GAAP statements	-	945		-
Extraordinary State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	9,469			
Extraordinary aid payments recognized for budgetary purposes, not recognized for GAAP statements	-	9,469		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 7,318,088	[B-2]	\$ 243,842
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 7,383,701	[C-2]	\$ 243,842
Differences - budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		-		-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		-		-
Net transfers (outflows) from general fund		-		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 7,383,701	[B-2]	\$ 243,842

SECTION - E

SPECIAL REVENUE FUND

DETAIL STATEMENTS

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

Chesterfield Township School
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	Total Brought Forward (Ex. E-1a)	I.D.E.A. Part B		Title II, Part A		Title III, Immigrant 10/11 Summer	Totals 2012
		Basic 2011-2012	Basic 10/11 Summer	Preschool 2011-2012	Teacher & Principal Training & Recruiting 2011-2012		
REVENUES							
State Sources	\$ 42,841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,841
Federal Sources	74,263	99,731	7,089	5,708	6,817	7,374	201,001
Total Revenues	117,104	99,731	7,089	5,708	6,817	7,374	243,842
EXPENDITURES:							
Instruction:							
Salaries	4,000	14,000	-	-	-	-	18,000
Purchased Professional and Technical Services	-	1,700	-	-	-	-	1,700
Purchased Professional - Educational Services	29,841	-	-	-	-	-	29,841
Other Purchased Services (400-500 series)	-	30,600	-	-	-	-	30,600
General Supplies	64,897	8,261	-	-	-	-	73,158
Textbooks	2,418	-	-	-	-	-	2,418
Total instruction	101,156	54,561	-	-	-	-	155,717
Support services:							
Salaries	-	16,800	-	4,500	2,400	-	23,700
Personal Services - Employee Benefits	1,386	5,239	4,509	900	184	-	12,218
Purchased Professional - Technical Services	518	15,790	2,309	-	-	-	18,617
Purchased Professional - Educational Services	3,491	-	-	-	-	-	3,491
Other Purchased Services (400-500 series)	942	2,613	-	-	3,975	-	7,530
Supplies & Materials	9,611	4,728	271	308	258	7,374	22,569
Total support services	15,948	45,170	7,089	5,708	6,817	7,374	88,125
Facilities acquisition and construction services:							
Instructional Equipment	-	-	-	-	-	-	-
Total facilities acquisition and construction services	-	-	-	-	-	-	-
Total Expenditures	117,104	99,731	7,089	5,708	6,817	7,374	243,842
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Chesterfield Township School
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	Total Brought Forward (Ex. E-1b)	Title I, Part A Improving Basic Programs Operated By LEA's		Title VI, Part B Small Rural School Achiev. (SRS/REAP)		N.J. Nonpublic Handicapped Services Ch. 193		Total Carried Forward
		2011-2012	10/11 Summer	2011-2012	10/11 Summer	Supplemental Instruction	Examination & Classification	
REVENUES								
State Sources	\$ 33,571	\$ -	\$ -	\$ -	\$ -	\$ 3,508	\$ 3,866	\$ 42,841
Federal Sources	12,506	10,043	588	5,915	45,211	-	-	74,263
Total Revenues	46,077	10,043	588	5,915	45,211	3,508	3,866	71,305
EXPENDITURES:								
Instruction:								
Salaries	-	4,000	-	-	-	-	-	4,000
Purchased Professional - Educational Services	20,571	-	-	-	-	3,508	3,866	29,841
General Supplies	10,769	3,000	2	5,915	45,211	-	-	64,897
Textbooks	2,418	-	-	-	-	-	-	2,418
Total instruction	33,758	7,000	2	5,915	45,211	3,508	3,866	55,943
Support services:								
Personal Services - Employee Benefits	-	800	586	-	-	-	-	1,386
Purchased Professional - Technical Services	518	-	-	-	-	-	-	518
Purchased Professional - Educational Services	3,491	-	-	-	-	-	-	3,491
Other Purchased Services (400-500 series)	-	942	-	-	-	-	-	942
Supplies & Materials	8,310	1,301	-	-	-	-	-	9,611
Total support services	12,319	3,043	586	-	-	-	-	15,362
Facilities acquisition and const. serv.:								
Instructional Equipment	-	-	-	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-	-
Total Expenditures	46,077	10,043	588	5,915	45,211	3,508	3,866	71,305
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Chesterfield Township School
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	Total Brought Forward (Ex. E-1c)	N.J. Nonpublic Auxiliary Services Ch. 192		N.J. Nonpublic Textbook Aid	N.J. Nonpublic Nursing Aid	Total Carried Forward
		Compensatory Education	English as a Second Language			
REVENUES						
State Sources	\$ 7,091	\$ 19,019	\$ 1,552	\$ 2,418	\$ 3,491	\$ 33,571
Federal Sources	12,506	-	-	-	-	12,506
Total Revenues	19,597	19,019	1,552	2,418	3,491	46,077
EXPENDITURES						
Instruction:						
Purchased Professional - Educational Services	-	19,019	1,552	-	-	20,571
General Supplies	10,769	-	-	-	-	10,769
Textbooks	-	-	-	2,418	-	2,418
Total instruction	10,769	19,019	1,552	2,418	-	33,758
Support services:						
Purchased Professional - Technical Services	518	-	-	-	-	518
Purchased Professional - Educational Services	-	-	-	-	3,491	3,491
Supplies & Materials	8,310	-	-	-	-	8,310
Total support services	8,828	-	-	-	3,491	12,319
Facilities acquisition and const. serv.:						
Instructional Equipment	-	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-	-
Total Expenditures	19,597	19,019	1,552	2,418	3,491	46,077
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Chesterfield Township School
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2012

	ARRA IDEA, Part B 2010-2012	ARRA IDEA, Preschool 2010-2012	Insurance Safety Grant 2011-2012	Grow Healthy Grant 2011-2012	Total Carried Forward
REVENUES					
State Sources	\$ -	\$ -	\$ 3,264	\$ 3,827	\$ 7,091
Federal Sources	12,453	53	-	-	12,506
Total Revenues	12,453	53	3,264	3,827	19,597
EXPENDITURES					
Instruction:					
General Supplies	6,889	53	-	3,827	10,769
Total instruction	6,889	53	-	3,827	10,769
Support services:					
Purchased Professional - Technical Services	518	-	-	-	518
Supplies & Materials	5,046	-	3,264	-	8,310
Total support services	5,564	-	3,264	-	8,828
Facilities acquisition and const. serv.:					
Instructional Equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-
Total Expenditures	12,453	53	3,264	3,827	19,597
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

SECTION - F

CAPITAL PROJECTS

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

Chesterfield Township School
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2012

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations 6/30/2011</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Construction of New Elementary School \$37,685,000 Bonds Issued dated 2/28/08	12/11/2007	\$ 36,935,000	\$ 33,392,014	\$ 382,517	\$ 3,160,469
Transfers to Debt Service Fund		750,000	275,000	475,000	-
Unreimbursed Fire Expenses		-	807,238	214,172	(1,021,410)
Totals		<u>\$ 37,685,000</u>	<u>\$ 34,474,252</u>	<u>\$ 1,071,689</u>	<u>\$ 2,139,059</u>

Analysis:

Unexpended Appropriations	\$ 2,139,059
Less: Reserve for Encumbrances	-
Unencumbered Balance - Budgetary Fund Balance	<u>\$ 2,139,059</u>

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Chesterfield Township School

F-2

Capital Projects Fund

Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary

For the Fiscal Year Ended June 30, 2012

Revenues and Other Financing Sources:

Bond proceeds and transfers	\$	-
Contirbution from private source		-
Transfer from capital reserve		-
Transfer from capital outlay		-
Total revenues		-

Expenditures and Other Financing Uses:

Legal/Accounting services		26,485
Purchased professional and technical services		64,580
Land and improvements		-
Construction services		198,626
Other objects		92,826
Fire Expense (Net)		214,172
Other		-
Transfer to debt service fund		475,000
Total expenditures		1,071,689

Excess (Deficiency) of revenues over (under) expenditures	\$	(1,071,689)
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**Chesterfield Township School
Capital Projects Fund**

F-2a

**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
Construction of New Elementary School
From Inception and For the Year Ended June 30, 2012**

	Prior Periods	Current Period	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Bond proceeds and transfers	\$ 37,685,000	\$ -	\$ 37,685,000	\$ 37,685,000
Contribution from private source	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>37,685,000</u>	<u>-</u>	<u>37,685,000</u>	<u>37,685,000</u>
Expenditures and Other Financing Uses:				
Legal/Accounting services	120,331	26,485	146,816	160,000
Purchased professional and technical services	3,049,342	64,580	3,113,922	3,118,640
Land and improvements	1	-	1	2,775,000
Construction services	27,444,122	198,626	27,642,748	30,427,400
Other objects	2,230,715	92,826	2,323,541	1,203,960
Fire expense (net)	807,238	214,172	1,021,410	-
Other	547,503	-	547,503	-
Transfer to debt service fund	275,000	475,000	750,000	-
Total expenditures	<u>34,474,252</u>	<u>1,071,689</u>	<u>35,545,941</u>	<u>37,685,000</u>
Excess (Deficiency) of revenues over (under) expenses	<u>\$ 3,210,748</u>	<u>\$ (1,071,689)</u>	<u>\$ 2,139,059</u>	<u>\$ -</u>

Additional project information:

Project Number	NJDOE#0830-N02-07-1000
Bond Authorization Date	12/11/2007
Bonds Authorized	\$ 37,685,000
Bonds Issued	\$ 37,685,000
Original Authorized Cost	\$ 37,685,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 37,685,000

Percentage Increase over Original

Authorized Cost	0%
Percentage completion	6%
Original target completion date	9/1/2010
Revised target completion date	12/17/2010

SECTION - G

ENTERPRISE FUNDS - DETAIL STATEMENTS

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 district's board is that the costs of providing good or services be financed through user charges.

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

**CHESTERFIELD TOWNSHIP SCHOOL
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2012
(With comparative totals for June 30, 2011)**

	Food Service Fund	2012	2011
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 38,711	\$ 38,711	\$ 28,415
Accounts Receivable:			
Federal	922	922	1,227
State	73	73	101
Other	-	-	100
Interfund	2,780	2,780	-
Inventories	9,208	9,208	2,915
Total Current Assets	<u>51,694</u>	<u>51,694</u>	<u>32,758</u>
Fixed Assets:			
Equipment	135,775	135,775	133,275
Accumulated Depreciation	<u>(27,921)</u>	<u>(27,921)</u>	<u>(19,087)</u>
Total Fixed Assets	<u>107,854</u>	<u>107,854</u>	<u>114,188</u>
Total Assets	<u>159,548</u>	<u>159,548</u>	<u>146,946</u>
LIABILITIES			
Current Liabilities:			
Deferred Revenue	<u>2,908</u>	<u>2,908</u>	<u>3,076</u>
Total Liabilities	<u>2,908</u>	<u>2,908</u>	<u>3,076</u>
NET ASSETS			
Invested in Capital Assets net of Related Debt	107,854	107,854	114,188
Unrestricted	<u>48,786</u>	<u>48,786</u>	<u>29,682</u>
Total Net Assets	<u>\$ 156,640</u>	<u>\$ 156,640</u>	<u>\$ 143,870</u>

**CHESTERFIELD TOWNSHIP SCHOOL
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With comparative totals for the fiscal year ended June 30, 2011)**

	Food Service Fund	2012	2011
OPERATING REVENUES:			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 93,547	93,547	\$ 88,137
Daily Sales - Non-Reimbursable Programs	<u>43,089</u>	<u>43,089</u>	<u>28,112</u>
Total Operating Revenue	<u>136,636</u>	<u>136,636</u>	<u>116,249</u>
OPERATING EXPENSES:			
Salaries	51,246	51,246	43,446
Employee Benefits	9,673	9,673	8,012
Depreciation	8,708	8,708	17,074
Professional Services	14,740	14,740	14,500
Cost of Sales	<u>79,029</u>	<u>79,029</u>	<u>74,538</u>
Total Operating Expenses	<u>163,396</u>	<u>163,396</u>	<u>157,570</u>
Operating Income (Loss)	<u>(26,760)</u>	<u>(26,760)</u>	<u>(41,321)</u>
NON-OPERATING REVENUES:			
State Sources:			
State School Lunch Program	1,568	1,568	1,515
Federal Sources:			
National School Lunch Program	19,624	19,624	18,973
Food Distribution Program	15,943	15,943	9,583
Lunch Subsidy	-	-	100
Interest Revenue	<u>21</u>	<u>21</u>	<u>167</u>
Total Nonoperating Income	<u>37,156</u>	<u>37,156</u>	<u>30,338</u>
Net Income (Loss) Before Operating Transfers	<u>10,396</u>	<u>10,396</u>	<u>(10,983)</u>
OPERATING TRANSFERS:			
Special Item - Route 528 School Impaired	<u>-</u>	<u>-</u>	<u>(25,297)</u>
Change in Net Assets	10,396	10,396	(36,280)
Total Net Assets - July 1	143,870	143,870	53,275
Fixed Assets Adjustment for New School	<u>2,374</u>	<u>2,374</u>	<u>126,875</u>
Total Net Assets - June 30	<u>\$ 156,640</u>	<u>\$ 156,640</u>	<u>\$ 143,870</u>

**CHESTERFIELD TOWNSHIP SCHOOL
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With comparative totals for the fiscal year ended June 30, 2011)**

	Food Service Fund	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 136,568	\$ 136,568	\$ 116,778
Payments to employees	(51,246)	(51,246)	(43,446)
Payments for employee benefits	(9,673)	(9,673)	(8,012)
Payments to suppliers	(84,119)	(84,119)	(78,955)
Net cash provided by (used for) operating activities	<u>(8,470)</u>	<u>(8,470)</u>	<u>(13,635)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	1,392	1,392	1,536
Federal Sources	17,353	17,353	19,156
Net cash provided by (used for) non-capital financing activities	<u>18,745</u>	<u>18,745</u>	<u>20,692</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	21	21	167
Net cash provided by (used for) investing activities	<u>21</u>	<u>21</u>	<u>167</u>
Net increase (decrease) in cash and cash equivalents	10,296	10,296	7,224
Balances—beginning of year	28,415	28,415	21,191
Balances—end of year	<u>\$ 38,711</u>	<u>\$ 38,711</u>	<u>\$ 28,415</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (26,760)	\$ (26,760)	\$ (41,321)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	8,708	8,708	17,073
Food distribution program	15,943	15,943	9,583
(Increase) decrease in accounts receivable, net	100	100	-
(Increase) decrease in inventories	(6,293)	(6,293)	500
Increase (decrease) in deferred revenue	(168)	(168)	530
Total adjustments	<u>18,290</u>	<u>18,290</u>	<u>27,686</u>
Net cash provided by (used for) operating activities	<u>\$ (8,470)</u>	<u>\$ (8,470)</u>	<u>\$ (13,635)</u>

SECTION - H

TRUST AND AGENCY FUNDS - DETAIL STATEMENTS

Trust funds are used to account for gifts and bequests to the school district for a specific purpose.

Unemployment Compensation Fund - this is an expendable trust fund used to account for deductions from employees' salaries which are utilized to pay unemployment compensation insurance claims as they arise.

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

Student Activity Fund - This agency fund is used to account for student funds held at the school.

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

CHESTERFIELD TOWNSHIP SCHOOL
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 JUNE 30, 2012

	Trust		Agency		
	Unemployment Compensation	Total Trust Fund	Student Activity	Payroll	Total Agency Fund
ASSETS:					
Cash and Cash Equivalents	\$ 36,471	\$ 36,471	\$ 6,793	\$ 117,329	\$ 124,122
Total Assets	<u>36,471</u>	<u>36,471</u>	<u>6,793</u>	<u>117,329</u>	<u>124,122</u>
LIABILITIES:					
Payroll Deductions and Withholdings Due to Student Groups	-	-	-	117,329	117,329
	<u>-</u>	<u>-</u>	<u>6,793</u>	<u>-</u>	<u>6,793</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>6,793</u>	<u>117,329</u>	<u>124,122</u>
NET ASSETS					
Held in trust for unemployment claims	<u>\$ 36,471</u>	<u>\$ 36,471</u>			

CHESTERFIELD TOWNSHIP SCHOOL
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2012

	<u>Unemployment Insurance Expendable Trust Fund</u>
ADDITIONS	
Local Sources:	
Payroll Withholding	11,065
Interest and Investment Income	<u>19</u>
Total Additions	<u>11,084</u>
DEDUCTIONS	
Quarterly Contribution Reports	2,210
Unemployment Claims	<u>19,415</u>
Total Deductions	<u>21,625</u>
Change in Net Assets	(10,541)
Net Assets, July 1	<u>47,012</u>
Net Assets, June 30	<u><u>\$ 36,471</u></u>

EXHIBIT H-3

CHESTERFIELD TOWNSHIP SCHOOL
 STUDENT ACTIVITY AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Cash Receipts	Cash Disbursements	Adjustments	Accounts Payable June 30, 2012	Balance June 30, 2012
\$	7,297	\$ 14,869	\$ 15,373	\$ -	\$ -	\$ 6,793
	7,297	14,869	15,373	-	-	6,793
\$	7,297	\$ 14,869	\$ 15,373	\$ -	\$ -	\$ 6,793

ELEMENTARY SCHOOLS:

Chesterfield Township
 Elementary School

Total Elementary Schools

Total All Schools

CHESTERFIELD TOWNSHIP SCHOOL
 PAYROLL AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Cash Receipts	Cash Disbursements	Balance June 30, 2012
ASSETS:				
Cash and Cash Equivalents	\$ 77,553	\$ 4,636,376	\$ 4,596,600	\$ 117,329
Total Assets	<u>\$ 27,976</u>	<u>\$ 4,636,376</u>	<u>\$ 4,596,600</u>	<u>\$ 117,329</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 77,553	\$ 4,636,376	\$ 4,596,600	\$ 117,329
Total Liabilities	<u>\$ 77,553</u>	<u>\$ 4,636,376</u>	<u>\$ 4,596,600</u>	<u>\$ 117,329</u>

SECTION - I

LONG TERM DEBT

This section includes serial bonds outstanding, the outstanding principal balance on capital leases and the non-current liability for compensated absences. Also included in this section is a debt service budgetary comparison schedule.

CHESTERFIELD TOWNSHIP SCHOOL
GENERAL LONG-TERM DEBT ACCOUNT GROUP
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance	
						June 30, 2011	June 30, 2012
Additions and Alterations to the Chesterfield Elementary School	8/1/1997	\$ 987,000	8/1/2012	87,000 Total Series 1997	4.85%	\$ 177,000	\$ 90,000
New Elementary School	2/28/2008	\$ 37,685,000	2/1/2013	500,000	4.500%		
			2/1/2014	625,000	4.500%		
			2/1/2015	750,000	4.500%		
			2/1/2016	875,000	4.500%		
			2/1/2017	915,000	4.500%		
			2/1/2018	960,000	4.500%		
			2/1/2019	1,005,000	4.500%		
			2/1/2020	1,050,000	4.500%		
			2/1/2021	1,100,000	4.500%		
			2/1/2022	1,150,000	4.500%		
			2/1/2023	1,205,000	4.500%		
			2/1/2024	1,260,000	4.500%		
			2/1/2025	1,320,000	4.500%		
			2/1/2026	1,385,000	4.500%		
			2/1/2027	1,450,000	4.500%		
			2/1/2028	1,515,000	4.500%		
			2/1/2029	1,590,000	4.500%		
			2/1/2030	1,660,000	4.500%		
			2/1/2031	1,740,000	4.500%		
			2/1/2032	1,820,000	4.500%		
		2/1/2033	1,910,000	4.500%			
		2/1/2034	2,000,000	4.500%			
		2/1/2035	2,090,000	4.500%			
		2/1/2036	2,190,000	4.500%			
		2/1/2037	2,295,000	4.500%			
		2/1/2038	2,400,000	4.500%			
			Total Series 2008			37,135,000	375,000
						\$ 37,312,000	\$ 465,000
						\$ -	\$ 90,000
						\$ -	\$ 87,000

Chesterfield Township School
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,337,762	\$ -	\$ 1,337,762	\$ 1,337,762	\$ -
NJ Smart Start Rebate	-	-	-	4,000	4,000
Total - Local Sources	1,337,762	-	1,337,762	1,341,762	4,000
State Sources:					
Debt Service Aid Type II	304,669	-	304,669	304,669	-
Total - State Sources	304,669	-	304,669	304,669	-
Total Revenues	1,642,431	-	1,642,431	1,646,431	4,000
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	1,677,100	-	1,677,100	1,677,008	(92)
Redemption of Principal	465,000	-	465,000	465,000	-
Total Regular Debt Service	2,142,100	-	2,142,100	2,142,008	(92)
Total expenditures	2,142,100	-	2,142,100	2,142,008	(92)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(499,669)	-	(499,669)	(495,577)	4,092
Other Financing Sources:					
Operating Transfers In:					
Capital Projects Fund - Interest	-	-	-	1,331	1,331
Capital Projects Fund - Unexpended Bond Proceeds	475,000	-	475,000	475,000	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(24,669)	-	(24,669)	(19,246)	5,423
Fund Balance, July 1	25,210	-	25,210	25,210	-
Fund Balance, June 30	\$ 541	\$ -	\$ 541	\$ 5,964	\$ 5,423
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (24,669)	\$ -	\$ (24,669)	\$ (19,246)	\$ 5,423
Budgeted Fund Balance					

SECTION - J

STATISTICAL SECTION

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

Exhibit J-1

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities								
Invested in capital assets, net of related debt	\$ 794,165	\$ 1,066,754	\$ 1,084,441	\$ (34,490,820)	\$ (30,819,547)	\$ 2,160,907	\$ (2,814,350)	\$ (3,044,034)
Restricted	27,710	48,231	173,044	37,106,857	33,513,318	14,839,120	227,760	230,202
Unrestricted	478,540	75,407	87,716	(470,922)	(595,406)	(15,170,967)	1,306,504	651,067
Total governmental activities net assets	\$ 1,300,415	\$ 1,190,392	\$ 1,345,201	\$ 2,145,115	\$ 2,098,365	\$ 1,829,060	\$ (1,280,086)	\$ (2,162,765)
Business-type activities								
Invested in capital assets, net of related debt	\$ 16,631	\$ 24,310	\$ -	\$ -	\$ -	\$ -	\$ 114,188	\$ 107,854
Restricted	-	-	-	-	-	-	-	-
Unrestricted	7,224	10,701	45,104	47,197	59,536	53,275	29,682	48,786
Total business-type activities net assets	\$ 23,855	\$ 35,011	\$ 45,104	\$ 47,197	\$ 59,536	\$ 53,275	\$ 143,870	\$ 156,640
District-wide								
Invested in capital assets, net of related debt	\$ 810,796	\$ 1,091,064	\$ 1,084,441	\$ (34,490,820)	\$ (30,819,547)	\$ 2,160,907	\$ (2,700,162)	\$ (2,936,180)
Restricted	27,710	48,231	173,044	37,106,857	33,513,318	14,839,120	227,760	230,202
Unrestricted	485,764	86,108	132,820	(423,725)	(535,870)	(15,117,692)	1,336,186	699,853
Total district net assets	\$ 1,324,270	\$ 1,225,403	\$ 1,390,305	\$ 2,192,312	\$ 2,157,901	\$ 1,882,335	\$ (1,136,216)	\$ (2,006,125)

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

Exhibit J-2

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
Expenses								
Governmental activities								
Instruction								
Regular	\$ 1,512,753	\$ 1,609,227	\$ 1,893,380	\$ 2,260,357	\$ 2,411,829	\$ 2,714,457	\$ 2,754,097	\$ 3,116,593
Special education	189,704	241,570	263,194	316,935	371,341	385,893	481,159	489,239
Other special education	92,979	68,790	87,178	75,317	108,051	166,301	185,778	188,620
Other instruction	16,070	13,703	19,622	39,716	27,921	22,445	7,489	13,402
Support services:								
Tuition	69,903	101,274	91,362	31,241	46,377	120,524	31,065	8,320
Student & instruction related services	613,322	676,938	763,510	885,903	962,572	1,012,979	1,134,999	1,173,038
School administrative services	115,872	120,341	199,692	162,350	211,981	193,328	298,312	296,577
General administration	330,025	167,453	125,849	197,645	196,078	274,594	208,266	243,636
Central services	-	179,490	197,161	227,266	240,278	254,595	269,388	256,895
Plant operations and maintenance	327,528	356,457	393,845	538,609	644,845	61,130	770,171	945,928
Administrative information technology	-	6,313	6,312	150	41,164	641,621	64,098	79,514
Pupil transportation	201,982	230,565	249,313	342,986	415,871	423,474	299,783	273,059
Employee benefits	211,274	267,948	411,252	441,222	343,026	389,796	421,174	539,234
Special schools	5,296	7,729	4,521	5,684	7,131	-	-	-
Education jobs	-	-	-	-	-	-	-	12,997
Interest on long-term debt	32,128	28,752	25,136	584,611	1,676,335	1,664,395	1,648,019	1,629,799
Unallocated depreciation	66,997	69,478	69,973	15,940	76,528	121,773	1,016,567	596,954
Amortization of debt issue costs	2,052	2,052	2,052	70,070	43,716	58,487	43,649	43,644
Total governmental activities expenses	3,787,885	4,148,080	4,803,352	6,196,002	7,825,044	8,505,792	9,634,014	9,907,449
Business-type activities:								
Food service	100,300	100,150	119,767	144,550	137,406	148,196	182,867	163,396
Total business-type activities expense	100,300	100,150	119,767	144,550	137,406	148,196	182,867	163,396
Total district expenses	\$ 3,888,185	\$ 4,248,230	\$ 4,923,119	\$ 6,340,552	\$ 7,962,450	\$ 8,653,988	\$ 9,816,881	\$ 10,070,845
Program Revenues								
Governmental activities:								
Operating grants and contributions	\$ 353,849	\$ 412,531	\$ 576,213	\$ 604,529	\$ 819,239	\$ 910,942	\$ 981,763	\$ 1,087,745
Total governmental activities program revenues	353,849	412,531	576,213	604,529	819,239	910,942	981,763	1,087,745
Business-type activities:								
Charges for services								
Food service	65,575	56,763	83,260	92,822	107,798	114,747	116,249	136,636
Operating grants and contributions	14,501	17,043	19,231	26,884	27,578	31,242	30,071	37,135
Total business type activities program revenues	80,076	73,806	102,491	119,706	135,376	145,989	146,320	173,771
Total district program revenues	\$ 433,925	\$ 486,337	\$ 678,704	\$ 724,235	\$ 954,615	\$ 1,056,931	\$ 1,128,083	\$ 1,261,516

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

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expense)/Revenue								
Governmental activities	\$ (3,434,036)	\$ (3,735,549)	\$ (4,227,139)	\$ (5,591,473)	\$ (7,005,805)	\$ (7,594,850)	\$ (8,652,251)	\$ (8,819,704)
Business-type activities	(20,224)	(26,344)	(17,276)	(24,844)	(2,030)	(2,207)	(36,547)	10,375
Total district-wide net expense	\$ (3,454,260)	\$ (3,761,893)	\$ (4,244,415)	\$ (5,616,317)	\$ (7,007,835)	\$ (7,597,057)	\$ (8,688,798)	\$ (8,809,329)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Property taxes levied for general purposes, net	\$ 3,137,936	\$ 3,230,432	\$ 3,911,199	\$ 4,845,926	\$ 5,289,387	\$ 5,410,410	\$ 6,298,785	\$ 5,243,789
Taxes levied for debt service	92,340	93,181	95,351	96,516	504,293	1,293,188	1,027,479	2,564,573
Unrestricted grants and contributions	317,193	322,281	316,997	343,209	340,275	272,181	106,575	217,298
Tuition received	-	343	11,698	2,430	-	-	36,153	37,450
Investment earnings	20,897	38,570	55,708	369,150	722,557	343,164	75,383	2,600
Miscellaneous income	1,645	2,112	3,395	14,826	13,552	6,602	408,218	56,237
Capital asset adjustment	(1,048)	(23,893)	-	-	88,991	-	(100,081)	29,250
Cancelled grants	-	-	-	-	-	-	-	-
Extraordinary item - Fire loss impairment, net	-	-	-	-	-	-	(807,238)	(214,172)
Special item - Value of donated property	-	-	-	738,530	-	-	(1,375,294)	-
Special item - Route 528 school impaired	-	-	-	-	-	-	(126,875)	-
Transfers	(19,300)	(37,500)	(12,400)	(19,200)	-	-	-	-
Total governmental activities	\$ 3,549,663	\$ 3,625,526	\$ 4,381,948	\$ 6,391,387	\$ 6,959,055	\$ 7,325,545	\$ 5,543,105	\$ 7,937,025
Business-type activities:								
Investment earnings	-	-	969	737	176	146	167	21
Miscellaneous income	214	-	14,000	-	-	-	100	-
Other	-	-	-	7,000	14,193	(4,200)	-	2,374
Transfers	19,300	37,500	12,400	19,200	-	-	126,875	-
Total business-type activities	\$ 19,514	\$ 37,500	\$ 27,369	\$ 26,937	\$ 14,369	\$ (4,054)	\$ 127,142	\$ 2,395
Total district-wide	\$ 3,569,177	\$ 3,663,026	\$ 4,409,317	\$ 6,418,324	\$ 6,973,424	\$ 7,321,491	\$ 5,670,247	\$ 7,939,420
Change in Net Assets								
Governmental activities	\$ 115,627	\$ (110,023)	\$ 154,809	\$ 799,914	\$ (46,750)	\$ (269,305)	\$ (3,109,146)	\$ (882,679)
Business-type activities	(710)	11,156	10,093	2,093	12,339	(6,261)	90,595	12,770
Total district	\$ 114,917	\$ (98,867)	\$ 164,902	\$ 802,007	\$ (34,411)	\$ (275,566)	\$ (3,018,551)	\$ (869,909)

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

Exhibit J-3

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
General Fund								
Reserved	\$ 121,066	\$ 48,231	\$ 39,576	\$ 153,838	\$ 290,108	\$ 310,997	\$ -	\$ -
Unreserved	283,132	213,780	374,361	525,835	612,115	219,830	-	-
Restricted	-	-	-	-	-	-	202,550	224,238
Assigned	-	-	-	-	-	-	335,701	238,544
Unassigned	-	-	-	-	-	-	243,972	253,828
Total general fund	\$ 404,198	\$ 262,011	\$ 413,937	\$ 679,673	\$ 902,223	\$ 530,827	\$ 782,223	\$ 716,610
All Other Governmental Funds								
Reserved	\$ -	\$ -	\$ -	\$ 795,200	\$ 24,534,768	\$ 9,677,132	\$ -	\$ -
Committed, reported in:								
Capital projects fund	-	-	-	-	-	-	-	2,139,058
Unreserved, reported in:								
Capital projects fund	-	-	-	35,578,213	8,153,022	4,837,382	-	-
Debt Service fund	778	-	-	319,709	135,928	14,568	-	-
Assigned	-	-	-	-	-	-	25,210	5,964
Debt Service fund	-	-	-	-	-	-	3,210,747	-
Capital Projects fund	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 778	\$ -	\$ -	\$ 36,693,122	\$ 32,823,718	\$ 14,529,082	\$ 3,235,957	\$ 2,145,022

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues										
Tax levy	7,808,362	7,326,264	6,703,598	5,793,680	4,942,442	4,006,550	3,323,613	3,230,276	2,987,562	2,638,534
Tuition charges	37,450	36,153	-	2,430	11,698	343	-	-	10,397	25,054
Interest earnings	2,600	75,383	343,164	722,557	369,150	55,708	38,570	20,897	7,053	7,577
Miscellaneous	56,237	408,218	6,602	13,552	14,826	3,395	2,112	1,645	5,538	4,895
State sources	1,104,042	863,226	1,051,880	994,310	830,605	776,675	628,906	568,871	553,798	480,312
Federal sources	201,001	225,112	131,243	165,204	117,043	116,535	105,906	102,171	94,125	78,890
Total revenue	9,309,692	8,934,356	8,226,487	7,689,303	6,276,586	4,970,561	4,099,450	3,923,860	3,658,472	3,233,262
Expenditures										
Instruction										
Regular instruction	2,439,152	2,203,448	2,190,083	1,979,548	1,880,779	1,554,643	1,341,865	1,279,456	1,171,438	1,017,376
Special instruction	372,689	373,572	303,656	298,986	258,057	211,827	195,236	177,749	138,091	248,567
Other instruction	154,525	142,826	148,479	109,957	92,051	89,100	66,672	65,819	55,470	65,331
Support Services										
Tuition	8,320	31,065	120,524	46,377	31,241	91,362	101,274	69,905	35,119	2,797
Student and instructional related services	935,072	930,354	842,167	829,266	754,186	643,061	563,345	525,311	434,287	300,484
General administration	173,107	181,464	168,155	161,417	194,938	181,972	152,585	-	-	108,764
School administrative services	226,337	226,659	212,278	161,149	156,596	102,662	99,669	93,517	121,644	112,763
Central services	211,947	206,891	199,713	199,391	189,562	161,820	148,005	-	-	-
Administrative information technology	79,514	64,098	61,130	41,164	150	700	800	283,312	279,095	-
Plant operations and maintenance	832,319	655,852	565,627	583,117	499,487	350,501	318,069	291,951	271,782	264,235
Pupil transportation	251,353	279,374	400,651	393,158	328,699	237,012	221,553	216,481	149,568	140,495
Other support services	1,923,405	1,601,477	1,425,091	1,165,201	1,170,017	1,051,221	809,883	692,139	628,696	202,769
Employee benefits	-	-	-	7,131	5,684	4,521	7,180	4,920	-	5,391
Special Schools	12,997	-	-	-	-	-	-	-	-	-
Education Jobs	318,114	1,601,399	-	-	-	-	-	-	-	-
Capital Outlay - Fire Restoration	389,323	10,213,362	18,195,286	3,693,714	1,319,189	24,182	78,612	13,131	68,865	80,819
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	465,000	365,000	80,000	80,000	80,000	75,000	70,000	65,000	65,000	60,000
Interest and other charges	1,677,008	1,693,405	1,709,679	1,586,581	22,892	26,651	30,167	33,441	36,594	39,624
Total expenditures	10,470,182	20,770,246	26,902,519	11,376,157	6,983,528	4,806,335	4,204,915	3,814,130	3,455,643	3,216,335
Excess (Deficiency) of revenues over (under) expenditures	(1,260,490)	(11,835,890)	(18,666,032)	(3,646,854)	(706,942)	164,326	(105,465)	109,730	202,824	18,927
Other Financing sources (uses)										
Bond proceeds	-	-	-	-	37,685,000	-	-	-	-	-
Bond premium	-	-	-	-	1,156,618	-	-	-	-	-
Costs of issuing bonds	-	-	-	-	(1,156,618)	-	-	-	-	-
Cancelled grant	-	-	-	-	-	-	-	(1,048)	-	-
Transfers in	-	344,714	331,567	702,277	319,709	-	-	777	7,110	-
Transfers out	-	(344,714)	(331,567)	(702,277)	(338,909)	(12,400)	(37,500)	(20,077)	(26,411)	(8,300)
Total other financing sources (uses)	-	-	-	-	37,665,800	(12,400)	(37,500)	(20,348)	(19,301)	(8,300)
Extraordinary item - Fire restoration costs	103,942	794,161	-	-	-	-	-	-	-	-
Net change in fund balances	(1,156,548)	(11,041,729)	(18,666,032)	(3,646,854)	\$ 36,958,858	\$ 151,926	\$ (142,965)	\$ 80,382	\$ 185,523	\$ 10,627
Debt service as a percentage of noncapital expenditures	21.25%	19.50%	23.77%	21.81%	1.82%	2.13%	2.43%	2.50%	3.00%	3.18%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2006.

Prior to June 30, 2006, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

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

Exhibit J-5

Fiscal Year Ending June 30,	Tuition	Interest Income	E-Rate	Solar SRECS	Expense Reimbursements	Sale of Furniture	Other	Total Miscellaneous
2003	\$ -	\$ 7,577	\$ -	\$ -	\$ 1,799	\$ -	\$ 3,096	\$ 12,472
2004	-	7,053	-	-	1,663	-	3,875	12,591
2005	-	20,897	-	-	412	-	1,233	22,542
2006	343	38,570	-	-	1,888	-	224	41,025
2007	11,698	55,708	-	-	737	-	2,658	70,801
2008	2,430	369,150	-	-	514	-	14,312	386,406
2009	-	722,557	-	-	-	-	13,552	736,109
2010	-	343,164	-	-	-	-	6,602	349,766
2011	36,153	5,669	10,135	-	-	-	15,255	67,212
2012	37,450	1,269	13,286	15,560	30	10,408	12,936	90,939

Source: District records

Chesterfield 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	Less Tax-Exempt Property	Add. Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total District School Tax Rate ^b	Total Regional School Tax Rate ^b
2003	2,910,500	182,418,100	25,913,400	6,057,000	20,108,500	-	161,700	237,569,200	-	830,807	238,400,007	289,346,221	1.253	1.116
2004	6,171,900	189,408,800	26,181,700	6,017,000	19,999,000	-	161,700	247,940,100	-	675,204	248,615,304	345,767,571	1.300	1.103
2005	19,989,000	192,059,500	25,595,000	5,905,600	19,985,700	-	161,700	263,696,500	-	593,012	264,289,512	400,025,757	1.258	1.063
2006	16,617,100	215,877,000	25,557,500	5,910,385	20,145,700	-	161,700	284,269,385	-	535,021	284,804,406	467,524,506	1.407	1.020
2007	82,590,600	496,199,700	53,793,300	9,730,800	29,990,500	-	336,700	672,641,600	-	936,696	673,598,296	603,060,976	0.734	0.408
2008	61,646,900	565,665,600	55,031,700	6,407,900	32,209,000	-	336,700	720,697,800	-	1,090,910	721,788,710	646,960,178	0.803	0.446
2009	41,851,975	603,223,800	74,378,100	6,317,500	31,673,300	-	336,700	757,781,375	-	1,090,910	758,872,285	758,872,285	0.883	0.461
2010	28,535,250	646,753,950	74,048,800	6,365,000	29,487,200	-	336,700	785,526,900	-	1,473,969	787,000,869	732,060,744	0.931	0.501
2011	17,452,700	595,722,000	64,404,000	6,406,500	28,426,700	-	311,900	712,723,800	-	1,414,385	714,138,185	664,289,943	1.094	0.544
2012	16,999,100	605,978,600	63,921,400	6,399,100	26,821,788	-	311,900	720,431,888	-	1,428,088	721,859,976	N/A	1.124	0.597

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.

^a Property values were reassessed effective for 2007.

^b Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

^c Tax rates are per \$100

Chesterfield Board of Education
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Exhibit J-7

Fiscal Year Ended June 30,	Chesterfield School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Municipality of Chesterfield Township	Burlington County	Northern Burlington Regional School Tax	
2003	1.214	0.039	1.253	0.098	0.619	1.116	3.086
2004	1.262	0.038	1.300	0.078	0.653	1.103	3.134
2005	1.223	0.035	1.258	0.089	0.694	1.063	3.104
2006	1.374	0.033	1.407	0.099	0.724	1.020	3.250
2007 *	0.698	0.036	0.734	0.042	0.376	0.408	1.560
2008	0.789	0.014	0.803	0.041	0.348	0.446	1.638
2009	0.813	0.070	0.883	0.041	0.354	0.461	1.739
2010	0.761	0.170	0.931	0.041	0.362	0.501	1.835
2011	0.906	0.188	1.094	0.053	0.388	0.544	2.079
2012	0.938	0.186	1.124	0.295	0.392	0.597	2.408

Source: Municipal Tax Collector

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

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

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

Chesterfield Township School District
Principal Property Taxpayers,
Current Year and Ten Years Ago

Exhibit J-8

Taxpayer	2010			2000		
	Taxable Assessed Value	Rank	District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Acacia Credit Fund	\$ 10,371,300	1	1.32%	-	N/A	N/A
Historical Old York Country Club	7,200,000	2	0.91%	4,995,400	1	2.25%
Colonial Pipeline Co.	4,279,200	3	0.54%	3,441,500	2	1.55%
Public Service Electric & Gas Company	2,743,000	4	0.35%	-	N/A	N/A
Mekwin LLC.	2,066,700	5	0.26%	-	N/A	N/A
Magical Acres LLC.	1,981,600	6	0.25%	-	N/A	N/A
Taxpayer 1	1,858,300	7	0.24%	2,099,600	3	0.94%
M&M at Chesterfield	1,638,000	8	0.21%	-	N/A	N/A
NJ Turnpike Authority	1,555,100	9	0.20%	-	N/A	N/A
Taxpayer 2	1,516,500	10	0.19%	1,829,700	4	0.82%
Taxpayer 11	-	N/A	N/A	1,380,400	5	0.62%
Taxpayer 12	-	N/A	N/A	1,063,200	6	0.48%
Taxpayer 13	-	N/A	N/A	973,000	7	0.44%
Taxpayer 14	-	N/A	N/A	855,300	8	0.38%
Taxpayer 15	-	N/A	N/A	790,700	9	0.36%
Taxpayer 16	-	N/A	N/A	724,500	10	0.33%
Total	\$ 35,209,700		4.47%	\$ 18,790,400		8.75%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$ 7,990,194.00	\$ 7,820,565.00	97.88%	\$ 163,724
2004	8,227,660	8,074,691	98.14%	142,928
2005	9,219,929	8,856,600	96.06%	315,589
2006	12,009,321	11,794,291	98.21%	168,720
2007	11,645,348	11,277,634	96.84%	237,358
2008	13,091,448	12,656,448	96.68%	368,506
2009	14,247,769	13,845,963	97.18%	272,917
2010	15,297,862	14,963,940	97.82%	246,820
2011	15,636,762	15,331,418	98.05%	-
2012	N/A	N/A	N/A	N/A

Source: District records including the Certificate and Report of School Taxes (A4F form)

^a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

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

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities			Bond		Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Anticipation Notes (BANs)	Capital Leases	Total District			
2003	787,000	-	36,672	-	-	823,672	0.37%	136	
2004	722,000	-	28,370	-	-	750,370	0.32%	123	
2005	657,000	-	-	-	-	657,000	0.29%	105	
2006	587,000	-	-	-	-	587,000	0.24%	90	
2007	512,000	-	-	-	-	512,000	0.23%	73	
2008	38,117,000	-	-	-	-	38,117,000	0.22%	5,136	
2009	38,037,000	-	-	-	-	38,037,000	0.21%	4,992	
2010	37,677,000	-	-	-	-	37,677,000	0.21%	4,891	
2011	37,312,000	-	-	-	-	37,312,000	N/A	4,841	
2012	36,847,000	-	-	-	-	36,847,000	N/A	N/A	

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

^a See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

^b Includes Early Retirement Incentive Plan (ERIP) refunding.

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

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2003	787,000	-	787,000	0.33%	136
2004	722,000	-	722,000	0.29%	123
2005	657,000	-	657,000	0.25%	106
2006	587,000	-	587,000	0.21%	91
2007	512,000	-	512,000	0.08%	73
2008	38,117,000	-	38,117,000	5.29%	5,136
2009	38,037,000	-	38,037,000	5.02%	4,992
2010	37,677,000	-	37,677,000	4.80%	4,891
2011	37,312,000	-	37,312,000	5.24%	4,841
2012	36,847,000	-	36,847,000	5.17%	N/A

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

^a See Exhibit J-6 for property tax data.

^b Population data can be found in Exhibit J-14.

Chesterfield Township School District
Direct and Overlapping Governmental Activities Debt
As of June 30, 2012

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Chesterfield Township Outstanding Debt - December 31, 2011:			
Issued debt	\$ 691,000		
Authorized but not issued debt	<u>5,143,817</u>		
	\$ 5,834,817	100.000%	\$ 5,834,817
Burlington County Gross Debt at December 31, 2011 - Issued and Authorized But Not Issued - Net Debt of the County	375,374,050	1.232%	4,622,974
Other debt			
Chesterfield Township Sewer Utility Debt Outstanding - December 31, 2011	3,403,972		
Chesterfield Township Sewer Utility Debt authorized but not issued debt	<u>58,360</u>		
	\$ 3,462,332	100.000%	\$ 3,462,332
Subtotal, overlapping debt			<u>36,847,000</u>
Chesterfield Township District Direct Debt			<u>36,847,000</u>
Total direct and overlapping debt			<u>\$ 50,767,123</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation.
Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Chesterfield. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

^a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Chesterfield Township School District
 Legal Debt Margin Information
 Last Ten Fiscal Years

Exhibit J-13

Legal Debt Margin Calculation

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 6,373,461	\$ 7,154,237	\$ 8,183,592	\$ 9,458,154	\$ 10,817,990	\$ 12,708,115	\$ 14,697,365	\$ 16,591,365	\$ 17,517,608	\$ 17,781,208
Total net debt applicable to limit	787,000	722,000	657,000	587,000	512,000	38,117,900	38,037,000	37,677,000	37,312,000	36,847,000
Legal debt margin	\$ 5,586,461	\$ 6,432,237	\$ 7,526,592	\$ 8,871,154	\$ 10,305,990	\$ (25,408,885)	\$ (23,339,635)	\$ (21,085,635)	\$ (19,794,392)	\$ (19,065,792)
Total net debt applicable to the limit as a percentage of debt limit	12.35%	10.09%	8.03%	6.21%	4.73%	299.94%	258.80%	227.09%	213.00%	207.22%

Average equalized valuation of taxable property
 Debt limit (2.5% of average equalization value)
 Total Net Debt Applicable to Limit
 Excess Borrowing

Equalized valuation basis	2011	2010	2009
	\$ 712,723,800	712,043,963	719,777,142
[A]	\$ 2,144,544,905		
[A/3]	\$ 714,848,302		
[B]	17,871,208		
[C]	36,847,000		
[B-C]	\$ (18,975,792)		

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

- a. Limit set by NJS A 18A-24-19 for a K through 6 district; other % limits would be applicable for other district types.
- b. An extension of credit was approved by the State of New Jersey Local Finance Board.

**Chesterfield Township School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

Exhibit J-14

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2003	6,042	229,342,236	37,958	1.80%
2004	6,096	240,889,536	39,516	1.60%
2005	6,277	255,386,022	40,686	3.60%
2006	6,543	283,737,195	43,365	3.90%
2007	6,973	316,713,660	45,420	3.50%
2008	7,421	353,781,333	47,673	4.80%
2009	7,620	354,299,520	46,496	8.30%
2010	7,703	365,052,873	47,391	8.90%
2011	7,707	N/A	N/A	8.60%
2012	N/A	N/A	N/A	N/A

Source:

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

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

^c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

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

**Chesterfield Township School District
Principal Employers,
Current Year**

Exhibit J-15

2012			
Employer	Employees	Rank [Optional]	Percentage of Total Municipal Employment
Albert C. Wagner Youth Correctional Facility	578	1	39.2%
Garden State Youth Correctional Cntr.	521	2	35.4%
Chesterfield Twp. School District	96	3	6.5%
Olde York Country Club & Restaurant Services	51	4	3.5%
Townsend Machine Inc.	37	5	2.5%
James Durr Wholesale Florist	38	6	2.6%
Chesterfield Twp. Municipal Government	30	7	2.0%
Rapleyea Nursery & Central Jersey Landscaping	24	8	1.6%
Chesterfield Inn	20	9	1.4%
Fernbrook Nursery	20	10	1.4%
Meadow View Junior Academy	15	11	1.0%
	<u>1,430</u>		<u>97.1%</u>
Total Municipal Employment			<u>1,473</u>

Source: District Personnel

**Chesterfield Township School District
Full-Time Equivalent District Employees by Function/Program
Last Seven Fiscal Years**

Exhibit 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>
Instruction							
Regular	20	25	27	28	32	33	34
Special education	4	4	5	5	5	6	6
Other special education	1	1	2	2	2	2	2
Vocational	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-
Support Services:							
Student & instruction related services	9	10	11	11	14	15	15
General administration	1	1	1	1	1	1	1
School administrative services	2	2	2	3	3	3	3
Other administrative services	-	-	-	-	-	-	-
Central services	3	3	3	3	3	4	4
Administrative Information Technology	-	-	-	-	-	-	-
Plant operations and maintenance	5	5	6	8	8	10	10
Pupil transportation	1	2	1	1	1	2	2
Other support services	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-
Total	46	53	58	62	69	76	77

Source: District Personnel Records

Chesterfield Township School District
 Operating Statistics
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2003	267	\$ 3,039,803	\$ 11,385	8.20%	26	10.27:1	266.6	255.7	2.93%	95.91%
2004	273	3,285,190	12,034	5.70%	29	9.41:1	272.8	259.9	2.33%	95.27%
2005	279	3,721,859	13,340	10.86%	30	9.30:1	277.5	265.9	1.72%	95.82%
2006	300	4,026,136	13,420	0.60%	33	9.09:1	297.2	283.8	7.10%	95.49%
2007	362	4,680,402	12,929	-3.66%	38	9.16:1	354.8	339.0	19.38%	95.55%
2008	413	5,561,447	13,466	4.15%	39	10.1:1	404.7	387.7	14.06%	95.80%
2009	447	5,975,862	13,369	-0.72%	38	11.76:1	440.2	421.6	8.77%	95.77%
2010	493	6,637,554	13,464	0.71%	42	11.73:1	487.8	466.5	10.81%	95.63%
2011	563	6,897,080	12,251	-9.01%	46	11.73:1	554.1	522.1	13.59%	94.22%
2012	590	7,620,737	12,917	5.44%	49	11.3:1	582.6	553.7	5.14%	95.04%

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay. (Ex. B-2)

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).

Chesterfield Township School District
 School Building Information
 Last Ten Fiscal Years

Exhibit J-18

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>District Building (NOT IN SERVICE EFFECTIVE 1/1/11)</u>										
<u>Elementary</u>										
Chesterfield Elementary School (1964)	39,740	39,740	39,740	39,740	39,740	39,740	39,740	39,740	-	-
Square Feet	306	306	306	306	306	306	306	306	-	-
Capacity (students)	267	273	279	300	362	413	447	493	-	-
Enrollment										
<u>District Building</u>										
<u>Elementary</u>										
Chesterfield Elementary School (2011)	-	-	-	-	-	-	-	-	116,000	116,000
Square Feet	-	-	-	-	-	-	-	-	918	918
Capacity (students)	-	-	-	-	-	-	-	-	563	590
Enrollment										

Number of Schools at June 30, 2012

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

Source: District Staff

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

**Chesterfield Township School District
 Schedule of Required Maintenance
 Last Ten Fiscal Years**

Exhibit J-19

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

* School Facilities	Chesterfield Elementary	Total
Project # (s)	N/A	
2003	\$ 43,836	\$ 43,836
2004	37,974	37,974
2005	44,177	44,177
2006	43,970	43,970
2007	45,449	45,449
2008	34,345	34,345
2009	48,318	48,318
2010	47,752	47,752
2011	50,837	50,837
2012	114,893	114,893
	<u>114,893</u>	<u>114,893</u>
Total School Facilities	<u>\$ 511,551</u>	<u>\$ 511,551</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

**Chesterfield Township School District
Insurance Schedule
June 30, 2012**

Exhibit J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
Building and Contents (All Locations)	\$ 35,102,697	\$ 5,000
Equipment Breakdown/Boiler	100,000,000	5,000
General Liability & Auto Liability	6,000,000	-
School Board Legal Liability	1,000,000	5,000
Excess Liability	Included	-
Workers' Compensation	Statutory	-
Student Accident Insurance (1)	5,000,000	-
Catastrophic Cash	1,000,000	-
Surety Bonds (1)		
Treasurer	215,000	1,000
Board Secretary/Business Administrator	75,000	500

(1) New Jersey School Boards Association Insurance Group

Source: District records

SECTION - K
SINGLE AUDIT SECTION

Certified Public Accountant

Registered Municipal Accountant

P.O. Box 614

BORDENTOWN, NEW JERSEY 08505

PHONE: (609) 298-8639

FAX: (609) 298-1198

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable President and
Members of the Board of Education
Chesterfield Township School District
County of Burlington
Chesterfield, New Jersey 08515

I have audited the financial statements of the Board of Education of the Chesterfield Township School District, in the County of Burlington, State of New Jersey, as of and for the year ended June 30, 2012, and have issued my report thereon dated September 27, 2012. 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 audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered Chesterfield Township School District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Florence's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Chesterfield Township Board of Education's internal control over financial reporting.

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

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined previously. However, I identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses as 2012-01 and, 2012-02 that I consider to be significant deficiencies in internal control over financial reporting. 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.

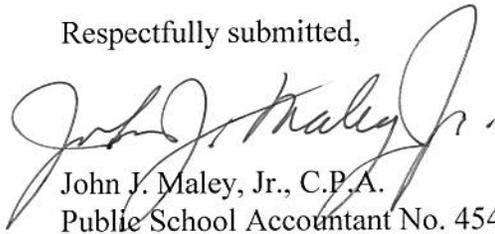
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Chesterfield 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 grants, 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 Division of Finance, Department of Education, State of New Jersey.

I noted certain matters that I have reported to management of the Bordentown Regional School District Board of Education in a separate *Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* dated September 27, 2012.

This report is intended solely for the information of the management of the Chesterfield Township School District Board of Education, the New Jersey State Department of Education (the cognizant audit agency) and other state and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



John J. Maley, Jr., C.P.A.
Public School Accountant No. 454
Registered Municipal Accountant

September 27, 2012

JOHN J. MALEY, JR.

Certified Public Accountant

Registered Municipal Accountant

P.O. Box 614

BORDENTOWN, NEW JERSEY 08505

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EXHIBIT K-2

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable President and
Members of the Board of Education
Chesterfield Township School District
County of Burlington
Chesterfield, New Jersey 08505

Compliance

I have audited the compliance of the Board of Education of the Chesterfield Township School District, in the County of Burlington, State of New Jersey, with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that are applicable to each of its major state programs for the year ended June 30, 2012. Chesterfield Township 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Chesterfield Township School District's management. My responsibility is to express an opinion on the Chesterfield Township School District's compliance based on my audit.

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; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and New Jersey Circular 04-04 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey Circular 04-04 OMB, require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Chesterfield Township 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. My audit does not provide a legal determination on Chesterfield Township School District's compliance with those requirements.

In my opinion, the Board of Education of the Chesterfield Township School District, in the County of Burlington, State of New Jersey, complied, in all material respects, with the requirements referred to above that could have an effect on each of its major state programs for the fiscal year ended June 30, 2012.

Internal Control Over Compliance

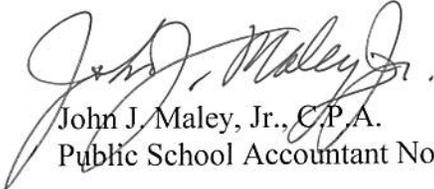
The management of the Board of Education of the Chesterfield Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing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

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

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 deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended for the information of the management of the Chesterfield Township School District Board of Education, the New Jersey State Department of Education (the cognizant audit agency) and other state and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



John J. Maley, Jr., C.P.A.
Public School Accountant No. 454

September 27, 2012

CHESTERFIELD TOWNSHIP SCHOOL
NOTES TO THE SCHEDULES OF EXPENDITURE OF AWARDS AND
FINANCIAL ASSISTANCE
JUNE 30, 2012

Note 1: GENERAL

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

Note 2: BASIS OF ACCOUNTING

The accompanying schedules of 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 Notes 1(C) and 1(D) to the District's basic financial statements.

Note 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 expenditures have been made.

The general fund is presented in the accompanying schedules on the modified 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 \$10,414 for the general fund and \$-0- for the special revenue fund. See Note 1 (Notes to the 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 District's basic financial statements on GAAP basis as presented below.

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 0	\$ 756,532	\$ 756,532
Special Revenue Fund	201,001	42,841	243,842
Capital Projects Fund	0	0	0
Debt Service Fund	0	304,669	304,669
Food Service Fund	<u>35,567</u>	<u>1,568</u>	<u>37,135</u>
Total Financial Assistance	<u>\$236,568</u>	<u>\$ 1,105,610</u>	<u>\$1,342,178</u>

CHESTERFIELD TOWNSHIP SCHOOL
NOTES TO THE SCHEDULES OF EXPENDITURE AWARDS AND
FINANCIAL ASSISTANCE
JUNE 30, 2012

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 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 Board of Education for the year ended June 30, 2012. TPAF Social Security Contributions represent the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Section I - Summary of Auditor's Results

Financial Statements

[Reference – Section .510 and .520 of Circular OMB-133]

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? X yes no

Noncompliance material to basic financial statements noted? yes X no

Federal Awards N/A

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:

1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04? yes X no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

12-495-034-5120-017

Debt Service Aid Type II

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

Section II - 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. See paragraphs 13.15 and 13.35.]

FINANCIAL STATEMENT FINDINGS

Finding 2012-01

Criteria:

Purchase orders must be properly classified and reported as outstanding encumbrances or accounts payable.

Condition:

Year end purchase orders totaling \$38,267 were incorrectly reported as accounts payable rather than outstanding encumbrances

Effect:

Total expenditures are overstated.

Cause:

Management oversight.

Recommendation:

The year-end review of purchase orders to determine proper classification as outstanding encumbrances or accounts payable should be performed accurately.

Views of responsible officials and planned corrective action:

Management agrees with the finding.

Finding 2012-02

Criteria:

Payments for claims made should be accurate.

Condition:

The prescription plan provider was overpaid \$10,000 at year-end but the condition was not detected by employees in the normal course of performing their assigned functions.

Effect:

Misstated assets.

Cause:

Noncompliance with control procedures.

Recommendation:

Supporting documentation should be more closely examined prior to the payment of claims.

Views of responsible officials and planned corrective action:

Management agrees with the finding.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

Section III - 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 NJ Circular 04-04 OMB.]

STATE FINANCIAL ASSISTANCE

No matters were reported

FEDERAL AWARDS

Not applicable

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Status of Prior Year Findings

Finding 2011-01

Criteria:

Expenditures which exceed the bid threshold must be made in accordance with the requirements of the Public School Contracts Law (N.J.S.A.18A:18A et.seq.)

Condition:

A change order was approved to install a solar panel array on the roof of the school at a cost of \$362,500 without first advertising for bids. It appears that this change is more than a minor modification to the project and bids should have been solicited.

Effect:

Noncompliance with the Public School Contracts Law. Further, the New Jersey Department of Education is planning to withhold \$26,100 of debt service state aid associated with this purchase and two other minor purchase exceptions.

Cause:

Management's interpretation of the law permitted the purchase without bidding.

Recommendation:

Where questions arise as to whether any contract or agreement might result in violation of the Public School Contracts Law, the Solicitors opinion should be obtained.

Current Year Review

The finding has been resolved and there are no similar findings during 2011-2012.