

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
BURLINGTON COUNTY, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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, 2013

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INTRODUCTORY SECTION

Chesterfield Township Board of Education

*30 Saddle Way
Chesterfield, New Jersey 08515*



DR. LEIGH BYRON
Interim Superintendent
lbyron@chesterfield.nj.k12us.com
T: 609-298-6900 F: 609-291-0620

MR. JOHN SNUFFIN
Business Administrator
jnuffin@chesterfield.nj.k12us.com
T: 609-298-0307 F: 609-291-0620

August 23, 2013

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, 2013, 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 K through 6. These include regular as well as special education for handicapped youngsters. The District completed the 2012-2013 fiscal year with an enrollment of 644 students, which is 54 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>
2008-2009	447	+ 8%
2009-2010	489	+ 9%
2010-2011	563	+15%
2011-2012	590	+ 5%
2012-2013	644	+ 9%

2. **ECONOMIC CONDITION AND OUTLOOK:** Chesterfield Township is experiencing and will continue to experience substantial residential expansion. Approximately 732 new residential dwellings have been occupied over the past few years and as many as 400 additional dwellings are anticipated in the receiving area during the next 2 to 3 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 cancelled 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, 2013.

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, 2013, and the amount and percentage of increases in relation to prior year revenues on a GAAP basis.

<u>Revenue</u>	<u>2012-2013 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2012-2013</u>	<u>Percentage of Increase (Decrease)</u>
Local Sources	\$8,203,588	83.5%	298,939	3.4 %
State Sources	1,403,428	14.3%	299,386	27.1 %
Federal Sources	<u>215,827</u>	<u>2.2%</u>	<u>14,826</u>	7.4 %
Total	\$9,822,843	100%	613,151	

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, 2013.

<u>Expenditures</u>	<u>2012-2013 Amount</u>	<u>Percent of Total</u>	
		<u>2012-13</u>	<u>2011-12</u>
Current expense:			
Instruction	\$2,987,014	28.6%	26.8%
Undistributed Expenditures	4,924,871	47.1%	43.6%
Capital Outlay	32	0%	0.1%
Capital Projects	35,093	0.3%	6.7%
Special Schools	0	0%	0.0%
Special Revenue Fund	260,345	2.5%	2.3%
<u>Debt Service Fund</u>	<u>2,243,310</u>	<u>21.5%</u>	<u>20.5%</u>
Total	\$10,450,665	100.0%	100.0%

7. **DEBT ADMINISTRATION:** At June 30, 2013, the District's outstanding debt issue was for a bond for a new elementary school in the amount of \$37,685,000, which was issued on February 13, 2008. The proceeds of this bond issue was placed in the District's capital projects fund for use to provide funds for capital improvements to the District's building.

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.

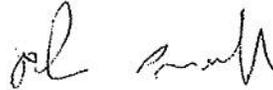
11. ACKNOWLEDGMENTS:

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,



Dr. Leigh Byron
Interim Superintendent



John Snuffin
Business Administrator/Board Secretary

CHESTERFIELD TOWNSHIP BOARD OF EDUCATION
TRENTON, NEW JERSEY

Roster of Officials
June 30, 2013

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Brian Meincke, President	2013
Craig Thier, Vice President	2014
Terran Brown	2012
Samuel Davis	2014
Jennifer Marinello	2016

Other Officials

Ellen J. McHenry, Superintendent

Geneva Moore, Interim Business Administrator/Board Secretary
John Snuffin, Business Administrator/Board Secretary

Janice L. Jones, Treasurer

Alan R. Schmoll, Attorney

**CHESTERFIELD TOWNSHIOP 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
Suite 300
Mt. Laurel, New Jersey 08054

Official Depository

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

FINANCIAL SECTION

JOHN J. MALEY, JR.

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

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion 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, and 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not

for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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, 2013, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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 us with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming an opinion 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

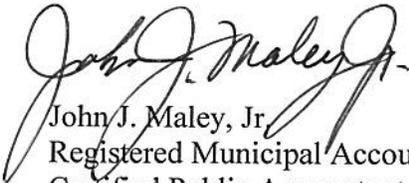
accordance with auditing standard generally accepted in the United States of America. In my opinion combining and fund financial statements and the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the financial statements 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued a report dated August 23, 2013 on my consideration of the Chesterfield Township School District Board of Education's internal control structure over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,



John J. Maley, Jr.
Registered Municipal Accountant
Certified Public Accountant

August 23, 2013

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, 2013. 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 \$112,528 in Federal Funding in Fiscal Year 2012, and under the same grant in Fiscal Year 2013, the District expended \$113,274. This increase of \$746 was utilized for special education expenses.

Another valuable funding source was the award of a REAP Grant in the amount of \$52,232. This award extends through September 30, 2013. Funds from this grant were used for technology enhancements during the 2012-2013 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 Position

The District's combined net position totaled (\$2,959,975) at June 30, 2013, compared to (\$2,162,765) at June 30, 2012.

TABLE 1 shows the District's net position.

**TABLE 1
Chesterfield Township Net Position**

	Governmental Activities		Business - type Activities		School District Total		Total % Change
	2012	2013	2012	2013	2012	2013	2012-13
Current and Other Assets	4,418,812	3,610,594	51,694	63,424	4,470,506	3,674,018	-17.8%
Capital Assets - Net	32,613,273	31,962,784	107,854	99,146	32,721,127	32,061,930	-2.0%
Total Assets	37,032,085	35,573,378	159,548	162,570	37,191,633	35,735,948	-3.9%
Long-term Debt Outstanding	38,014,238	37,539,868	-	-	38,014,238	37,539,868	-1.2%
Other Liabilities	1,180,612	993,485	2,908	3,174	1,183,520	996,659	-15.8%
Total Liabilities	39,194,850	38,533,353	2,908	3,174	39,197,758	38,536,527	-1.7%
Net Position:							
Invested in capital assets, net of related debt	(3,044,034)	(3,693,237)	107,854	99,146	(2,936,180)	(3,594,091)	22.4%
Restricted	230,202	139,875	-	-	230,202	139,875	-39.2%
Unrestricted	651,067	593,387	48,786	60,250	699,853	653,637	-6.6%
Total Net Position	(2,162,765)	(2,959,975)	156,640	159,396	(2,006,125)	(2,800,579)	39.6%

Changes in Net Position

At 93.0%, property taxes provide the highest percentage of the overall revenues. State Aid not restricted revenue increased by \$100,582 over the 2011-2012 amounts.

TABLE 2 shows the changes in net position 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
	2012	2013	2012	2013	2012	2013	2012-13
REVENUES:							
Property Taxes	7,808,362	8,099,591	-	-	7,808,362	8,099,591	3.7%
Federal or State Aid	217,298	317,880	37,135	38,258	254,433	356,138	40.0%
Tuition received	37,450	43,950	-	-	37,450	43,950	100.0%
Interest Earnings	2,600	3,186	21	54	2,621	3,240	23.6%
Other	85,487	54,877	139,010	142,587	224,497	197,464	-12.0%
Extraordinary Item- Fire Loss Impairment	(214,172)	-	-	-	(214,172)	-	100.0%
Special item - Route 528 school impaired	-	-	-	-	-	-	100.0%
Total Revenues	7,937,025	8,519,484	176,166	180,899	8,113,191	8,700,383	7.2%
EXPENSES:							
Instruction Related	3,652,137	3,933,471	-	-	3,652,137	3,933,471	7.7%
Tuition	8,320	65,914	-	-	8,320	65,914	692.2%
Student & Inst. Related Services	1,084,913	1,197,811	-	-	1,084,913	1,197,811	10.4%
General & Business Administrative Services	876,622	894,620	-	-	876,622	894,620	2.1%
Maintenance	945,928	979,579	-	-	945,928	979,579	3.6%
Transportation	273,059	313,597	-	-	273,059	313,597	14.8%
Education Jobs	12,997	-	-	-	12,997	-	100.0%
Interest on Debt	1,325,130	1,286,434	-	-	1,325,130	1,286,434	-2.9%
Other	640,598	645,268	163,396	178,143	803,994	823,411	2.4%
Total Expenses	8,819,704	9,316,694	163,396	178,143	8,983,100	9,494,837	5.7%
OTHER:							
Prior period adjustment	-	-	-	-	-	-	100.0%
Total Other:	-	-	-	-	-	-	100.0%
Increase (decrease) in net position	(882,679)	(797,210)	12,770	2,756	(869,909)	(794,454)	-8.7%

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 2012-2013.

TABLE 3 provides a summary of the cost of all governmental activities for the 2012–13 school year.

TABLE 3
Net Cost of Governmental Activities

	Total Cost of Services	% Change		Net Cost of Services	% Change	
	2012	2013	2012-13	2012	2013	2012-13
Instruction Related	3,807,854	4,088,537	7.4%	3,652,137	3,933,471	7.7%
Tuition	8,320	65,914	692.2%	8,320	65,914	692.2%
Student & Inst. Related Services	1,173,038	1,303,090	11.1%	1,084,913	1,197,811	10.4%
Administrative Services	876,622	894,620	2.1%	876,622	894,620	2.1%
Maintenance	945,928	979,579	3.6%	945,928	979,579	3.6%
Transportation	273,059	313,597	14.8%	273,059	313,597	14.8%
Unallocated Benefits	539,234	720,841	33.7%	-	-	0.0%
Education Jobs	12,997	-	100.0%	12,997	-	100.0%
Interest on Long-term debt	1,629,799	1,606,623	-1.4%	1,325,130	1,286,434	-2.9%
Other	640,598	645,268	0.7%	640,598	645,268	0.7%
Total	9,907,449	10,618,069	7.2%	8,819,704	9,316,694	5.6%

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, 2013, 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 \$241,999 unassigned fund balance in the general fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

General fund expenditures were \$1,118 below budget, and revenues were \$5,754 above expectation due to unanticipated miscellaneous revenue, leaving the district with a General Fund total budgetary fund balance of \$717,728. The revenue amount includes \$5,394 for reimbursement of non public school transportation costs, which will be appropriated in the 2013-2014 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
	2012	2013	2012	2013	2012	2013	
Land	560,000	560,000	-	-	560,000	560,000	0.0%
Site Improvements	532,348	502,043	-	-	532,348	502,043	-5.7%
Buildings	31,244,918	30,669,995	-	-	31,244,918	30,669,995	-1.8%
Equipment and Furniture	276,007	230,745	107,854	99,146	383,861	329,891	-14.1%
Total	32,613,273	31,962,783	107,854	99,146	32,721,127	32,061,929	-2.0%

LONG TERM DEBT

At year-end the district had \$36,260,000 in general obligation and other long-term debt outstanding – a decrease of 1% from last year resulting from the payment of principal amounting to \$587,000. 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
	2012	2013	
Bonds Payable	36,847,000	36,260,000	-1.6%
Unamortized Bond Premium	989,551	950,997	-3.9%
Compensated Absences	177,687	328,871	85.1%
Total	38,014,238	37,539,868	-1.2%

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, 2013. 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 Positions
June 30, 2013

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 2,436,075	\$ 55,845	\$ 2,491,920
Receivables, net	110,645	2,037	112,682
Internal balances	-	-	-
Inventory	-	5,542	5,542
Restricted assets:			
Capital reserve account - cash	37,895	-	37,895
Unamortized debt issue costs	1,025,979	-	1,025,979
Capital assets, net (Note 4):	31,962,784	99,146	32,061,930
Total assets	<u>35,573,378</u>	<u>162,570</u>	<u>35,735,948</u>
LIABILITIES			
Accounts payable	65,799	-	65,799
Retainage payable	232,989	-	232,989
Accrued interest payable	679,875	-	679,875
Payable to state government	14,566	-	14,566
Payable to federal government	256	-	256
Deferred revenue	-	3,174	3,174
Noncurrent liabilities (Note 5):			
Due within one year	625,000	-	625,000
Due beyond one year	36,914,868	-	36,914,868
Total liabilities	<u>38,533,353</u>	<u>3,174</u>	<u>38,536,527</u>
NET ASSETS			
Net investment in capital assets	(3,693,237)	99,146	(3,594,091)
Restricted for:			
Debt service	7,316	-	7,316
Capital projects	37,895	-	37,895
Other purposes	94,664	-	94,664
Unrestricted	593,387	60,250	653,637
Total net assets	<u>\$ (2,959,975)</u>	<u>\$ 159,396</u>	<u>\$ (2,800,579)</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, 2013

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	\$ 3,333,123		\$ 155,066		\$ (3,178,057)		\$ (3,178,057)
Special education	586,367				(586,367)		(586,367)
Other special instruction	158,061				(158,061)		(158,061)
Other instruction	10,986				(10,986)		(10,986)
Support services:							
Tuition	65,914				(65,914)		(65,914)
Student & instruction related services	1,303,090		105,279		(1,197,811)		(1,197,811)
General administration	257,191				(257,191)		(257,191)
School administrative services	305,387				(305,387)		(305,387)
Central services	250,252				(250,252)		(250,252)
Administrative information technology	81,790				(81,790)		(81,790)
Plant operations and maintenance	979,579				(979,579)		(979,579)
Pupil transportation	313,597				(313,597)		(313,597)
Unallocated employee benefits	720,841		720,841		-		-
Education jobs	-				-		-
Interest on long-term debt	1,606,623		320,189		(1,286,434)		(1,286,434)
Amortization of debt issue costs	41,597				(41,597)		(41,597)
Unallocated depreciation	603,671				(603,671)		(603,671)
Total governmental activities	10,618,069		1,301,375		(9,316,694)		(9,316,694)
Business-type activities:							
Food Service	178,143	142,587	38,258		-	2,702	2,702
Total business-type activities	178,143	142,587	38,258		-	2,702	2,702
Total primary government	\$ 10,796,212	\$ 142,587	\$ 1,339,633		\$ (9,316,694)	\$ 2,702	\$ (9,313,992)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					6,764,011		6,764,011
Taxes levied for debt service					1,335,580		1,335,580
Federal and State aid not restricted					317,880		317,880
Tuition received					43,950		43,950
Investment earnings					3,186	54	3,240
Miscellaneous income					54,877		54,877
Total general revenues, special items, extraordinary items and transfers					8,519,484	54	8,519,538
Change in Net Assets					(797,210)	2,756	(794,454)
Net Assets—beginning					(2,162,765)	156,640	(2,006,125)
Net Assets—ending					\$ (2,959,975)	\$ 159,396	\$ (2,800,579)

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, 2013

Exhibit B-1

	Major Funds				
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 640,794	\$ -	\$ 1,787,965	\$ 7,316	\$ 2,436,075
Receivables, net	-	3,065	-	-	3,065
Due from other funds	64,260	-	-	-	64,260
Receivables from other governments	18,375	89,205	-	-	107,580
Restricted cash - capital reserve	37,895	-	-	-	37,895
Total assets	<u>\$ 761,324</u>	<u>\$ 92,270</u>	<u>\$ 1,787,965</u>	<u>\$ 7,316</u>	<u>\$ 2,648,875</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 51,795	\$ 13,188	\$ 816	\$ -	\$ 65,799
Retainage payable	-	-	232,989	-	232,989
Due to other funds	-	64,260	-	-	64,260
Payable to state government	-	14,566	-	-	14,566
Payable to federal government	-	256	-	-	256
Total liabilities	<u>51,795</u>	<u>92,270</u>	<u>233,805</u>	<u>-</u>	<u>377,870</u>
Fund balances:					
Restricted for:					
Excess Surplus - current year	-	-	-	-	-
Excess Surplus - prior year - designated for subsequent year's expenditures	94,664	-	-	-	94,664
Capital reserve	37,895	-	-	-	37,895
Committed to:					
Capital projects	-	-	929,160	-	929,160
Debt service - Designated by the BOE for subsequent year's expenditures	-	-	625,000	-	625,000
Assigned to:					
Debt service	-	-	-	1,352	1,352
Designated by the BOE for subsequent year's expenditures	334,971	-	-	5,964	340,935
Unassigned:					
General fund	<u>241,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>241,999</u>
Total fund balances	<u>709,529</u>	<u>-</u>	<u>1,554,160</u>	<u>7,316</u>	<u>2,271,005</u>
Total liabilities and fund balances	<u>\$ 761,324</u>	<u>\$ 92,270</u>	<u>\$ 1,787,965</u>	<u>\$ 7,316</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$34,302,161 and the accumulated depreciation is \$2,339,377 (See Note 4). 31,962,784

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	(36,260,000)
Compensated Absences	(328,871)
	<u>(36,588,871)</u>

Premium on Bonds (amortized as a credit to interest expense).	
Deferred Charge	(1,156,618)
Less: Accumulated Amortization	205,621
	<u>(950,997)</u>
(See Note 5)	(37,539,868)

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	(679,875)
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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	(250,663)
	<u>1,025,979</u>

Net position of governmental activities	<u>\$ (2,959,975)</u>
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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, 2013

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
REVENUES					
Local sources:					
Local tax levy	\$ 6,764,011	\$ -	\$ -	\$ 1,335,580	\$ 8,099,591
Tuition charges	43,950	-	-	-	43,950
Advertising Fees - School Buses	22	-	-	-	22
Interest earned	1,269	-	1,893	-	3,162
Interest earned on capital reserve funds	24	-	-	-	24
Miscellaneous	46,839	10,000	-	-	56,839
Total - Local sources	6,856,115	10,000	1,893	1,335,580	8,203,588
State sources	1,046,798	36,441	-	320,189	1,403,428
Federal sources	1,923	213,904	-	-	215,827
Total revenues	7,904,836	260,345	1,893	1,655,769	9,822,843
EXPENDITURES					
Current:					
Regular instruction	2,415,958	155,066	-	-	2,571,024
Special education instruction	453,890	-	-	-	453,890
Other special instruction	108,615	-	-	-	108,615
Other instruction	8,551	-	-	-	8,551
Support services:					
Tuition	65,914	-	-	-	65,914
Student & instruction related services	931,502	105,279	-	-	1,036,781
General administration	180,790	-	-	-	180,790
School administrative services	233,685	-	-	-	233,685
Central services	184,340	-	-	-	184,340
Administrative information technology	81,790	-	-	-	81,790
Plant operations and maintenance	828,386	-	-	-	828,386
Pupil transportation	279,568	-	-	-	279,568
Employee benefits	2,138,896	-	-	-	2,138,896
Debt service:					
Principal	-	-	-	587,000	587,000
Interest and other charges	-	-	-	1,656,310	1,656,310
Capital outlay	32	-	35,093	-	35,125
Total expenditures	7,911,917	260,345	35,093	2,243,310	10,450,665
Excess (Deficiency) of revenues over expenditures	(7,081)	-	(33,200)	(587,541)	(627,822)
OTHER FINANCING SOURCES (USES)					
Prior year accounts payable/retainage payable cancelled	-	-	39,179	-	39,179
Prior year accounts receivable cancelled	-	-	(1,984)	-	(1,984)
Transfers in	-	-	-	588,893	588,893
Transfers out	-	-	(588,893)	-	(588,893)
Total other financing sources and uses	-	-	(551,698)	588,893	37,195
Net change in fund balances	(7,081)	-	(584,898)	1,352	(590,627)
Fund balance—July 1	716,610	-	2,139,058	5,964	2,861,632
Fund balance—June 30	\$ 709,529	\$ -	\$ 1,554,160	\$ 7,316	\$ 2,271,005

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, 2013

Total net change in fund balances - governmental funds (from B-2) \$ (590,627)

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	(652,487)	
Capital outlays	<u>1,998</u>	(650,489)

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 position and is not reported in the statement of activities.

Payment of bond principal	587,000	
Payment of capital leases	<u>-</u>	587,000

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. 11,133

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 expended.

Current year debt issuance cost	(41,597)	
Prior year debt issuance cost adjustment	<u>-</u>	(41,597)

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 (+). (151,184)

Change in net position of governmental activities \$ (797,210)

**Chesterfield Township School
Statement of Net Position
Proprietary Funds
For the Year Ended June 30, 2013**

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 55,845	\$ 55,845
Accounts receivable:		
Federal	1,624	1,624
State	203	203
Other	210	210
Inventories	5,542	5,542
Total current assets	63,424	63,424
Noncurrent assets:		
Furniture, machinery & equipment	135,775	135,775
Less accumulated depreciation	(36,629)	(36,629)
Total noncurrent assets	99,146	99,146
Total assets	162,570	162,570
LIABILITIES		
Current liabilities:		
Deferred Revenue	3,174	3,174
Total liabilities	3,174	3,174
NET POSITION		
Invested in Capital Assets net of Related Debt	99,146	99,146
Unrestricted	60,250	60,250
Total net position	\$ 159,396	\$ 159,396

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 Position
Proprietary Funds
For the Year Ended June 30, 2013

	Business-type Activities - Enterprise Fund	
	Food Service	Total Enterprise
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ 91,517	\$ 91,517
Daily sales - non-reimbursable programs	46,672	46,672
Special functions	4,398	4,398
Total operating revenues	142,587	142,587
 Operating expenses:		
Cost of sales	94,111	94,111
Salaries	50,444	50,444
Employee benefits	9,840	9,840
Other purchased professional services	15,040	15,040
Depreciation	8,708	8,708
Total operating expenses	178,143	178,143
Operating income (loss)	(35,556)	(35,556)
 Nonoperating revenues (expenses):		
State sources:		
State school lunch program	1,674	1,674
Federal sources:		
National school lunch program	25,138	25,138
Food distribution program	11,446	11,446
Interest revenue	54	54
Total nonoperating revenues (expenses)	38,312	38,312
Change in net position	2,756	2,756
 Total net position—beginning	156,640	156,640
 Total net position—ending	\$ 159,396	\$ 159,396

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, 2013**

	Business-type Activities - Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 142,644	\$ 142,644
Payments to employees	(50,444)	(50,444)
Payments for employee benefits	(9,840)	(9,840)
Payments to suppliers	(94,040)	(94,040)
Net cash provided by (used for) operating activities	<u>(11,680)</u>	<u>(11,680)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	1,748	1,748
Federal Sources	27,012	27,012
Net cash provided by (used for) non-capital financing activities	<u>28,760</u>	<u>28,760</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	54	54
Net cash provided by (used for) investing activities	<u>54</u>	<u>54</u>
Net increase (decrease) in cash and cash equivalents	17,134	17,134
Balances—beginning of year	38,711	38,711
Balances—end of year	<u>\$ 55,845</u>	<u>\$ 55,845</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (35,556)	\$ (35,556)
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	11,446	11,446
(Increase) decrease in accounts receivable, net	(210)	(210)
(Increase) decrease in inventories	3,666	3,666
Increase (decrease) in deferred revenue	266	266
Total adjustments	<u>23,876</u>	<u>23,876</u>
Net cash provided by (used for) operating activities	<u>\$ (11,680)</u>	<u>\$ (11,680)</u>

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

Chesterfield Township School
Statement of Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2013

	<u>Unemployment Compensation Trust</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 41,676	\$ 160,581
Total assets	<u>41,676</u>	<u>160,581</u>
LIABILITIES		
Payable to student groups	-	7,599
Payroll deductions and withholdings	<u>1,180</u>	<u>152,982</u>
Total liabilities	<u>1,180</u>	<u>\$ 160,581</u>
NET POSITION		
Held in trust for unemployment claims and other purposes	<u>\$ 40,496</u>	

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 Position
Fiduciary Funds
For the Year Ended June 30, 2013**

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Contributions:	
Plan members	\$ 11,708
Total contributions	<u>11,708</u>
Investment earnings:	
Interest	<u>36</u>
Net investment earnings	<u>36</u>
Total additions	<u>11,744</u>
DEDUCTIONS	
Quarterly contribution reports	4,487
Unemployment claims	<u>3,232</u>
Total deductions	<u>7,719</u>
Net increase (decrease)	4,025
Net position restricted for Unemployment:	
Net position—beginning of the year	<u>36,471</u>
Net position—end of the year	<u>\$ 40,496</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, 2013

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.

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. As a result, this Statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance by codifying all sources of generally accepted accounting principles for state and local governments into a single source. The adoption of the Codification, which became effective July 1, 2012, did not have a significant effect on the District's financial statements.

Effective July 1, 2012 the District implemented the general provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources and Net Position*. This statement amends the net asset reporting requirements in Statement No. 34 and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

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 a Management Discussion and Analysis section, financial statements prepared using full accrual accounting for all of the District's activities, including infrastructure, and a change in the fund financial statements to focus on the major funds.

The more significant of the Board's accounting policies are described below.

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.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(Continued)

Basic Financial Statements

Financial Statement Presentation

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.

B. Government-Wide Statements

The government-wide financial statements (statement of position and statement of activity) are highly aggregated financial statements that present financial information for all assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position along with revenues and expenses of the District and its component units except for fiduciary funds.

In the government-wide statement of net position, 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 position is reported in three parts: net investment in capital assets; restricted net position; and unrestricted net position. 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. The District does not allocate indirect costs among other functions.

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 position resulting from the current year's activities.

Net Position

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets, 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 position is reported as restricted when there are limitations imposed on its 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 position restricted for other purposes includes amounts resulting from the calculation of excess surplus in accordance with N.J.S.A. 18A:7F-7.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Fund statements present the financial information of each major fund in a separate column. The New Jersey Department of Education requires all governmental funds to be treated as major funds. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

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.

The transaction of the food service operations are reported and accounted for as an enterprise fund. Operating revenues are defined as charges for sales of food. All other revenues such as interest income and grants are presented as nonoperating revenue.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

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.

D. Measurement Focus, and Basis of Accounting

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. The District considers property tax revenue available if collected within sixty days of the end of the fiscal year. All other revenue is available if collected within ninety days of the end of the fiscal year. 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, 2013

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, 2013

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. Internal balances reported on the statement of net position represent unpaid interfunds between the government-wide financial statements and the business-type activities.

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, 2013

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 2012-2013 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, 2013, the carrying value of cash of the District consisted of the following:

Interest Bearing Demand Deposits	\$ 2,694,178
N.J. Cash Management Fund	<u>37,895</u>
	<u>\$ 2,732,073</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, 2013 was \$2,732,073 and the bank balance was \$2,895,318. Of the bank balance, \$250,000 was covered by federal depository insurance and \$2,645,318 was covered by a collateral pool maintained by the banks as required by New Jersey statutes (GUDPA). \$37,895 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, 2013

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	\$ 648,110
Restricted Cash	1,825,861
Agency Fund Cash	202,257
	\$ 2,676,228

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, 2013. 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, 2013

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, 2013.

	Primary Government			
	Balance 6/30/12	Additions/ Adjustments	Deletions/ Adjustments	Balance 6/30/13
<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	32,672,009	-	(4,086)	32,667,923
Machinery & Equipment	462,521	9,600	(3,973)	468,148
Total Capital Assets being depreciated	33,740,620	9,600	(8,059)	33,742,161
Total Capital Assets	34,300,620	9,600	(8,059)	34,302,161
Less Accumulated Depreciation for:				
Site Improvements	73,742	30,305	-	104,047
Buildings & Building Improvements	1,427,091	570,837	-	1,997,928
Machinery & Equipment	186,514	52,876	(1,987)	237,403
Total Accumulated Depreciation	1,687,347	654,018	(1,987)	2,339,378
Governmental Activities Capital Assets, Net	\$ 32,613,273	\$ (644,418)	\$ (6,072)	\$ 31,962,783

	Primary Government			
	Balance 6/30/12	Additions/ Adjustments	Deletions/ Adjustments	Balance 6/30/13
<u>Business-Type Activities:</u>				
Capital Assets being Depreciated:				
Machinery & Equipment	\$ 135,775	\$ -	\$ -	\$ 135,775
Less Accumulated Depreciation for:				
Machinery & Equipment	(27,921)	(8,708)	-	(36,629)
Business-Type Activities Capital Assets, Net	\$ 107,854	\$ (8,708)	\$ -	\$ 99,146

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 4: CAPITAL ASSETS (Continued)

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

Governmental Activities:	
Instruction	\$ 2,554
General Business Administrative Services	44,156
Pupil Transportation	-
Plant Operation and Maintenance	3,636
Unallocated Depreciation Expense - Net	<u>603,671</u>
 Total Depreciation Expenses - Governmental Activities	 <u>\$ 654,017</u>
 Business-Type Activities:	
Food Service Fund	<u>\$ 8,708</u>

Note 5: LONG-TERM DEBT

During the fiscal year ended June 30, 2013 the following changes occurred in liabilities reported in the long-term debt:

	Balance 6/30/12	Additions	Reductions	Balance 6/30/13	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 36,847,000	\$ -	\$ (587,000)	\$ 36,260,000	\$ 625,000
Unamortized Bond Premium	989,551	-	(38,554)	950,997	
Total Bonds	<u>37,836,551</u>	-	<u>(625,554)</u>	<u>37,210,997</u>	<u>625,000</u>
Compensated Absences Payable	177,687	165,464	(14,280)	328,871	-
 Governmental Activities					
Long Term Liabilities	<u>\$ 38,014,238</u>	<u>\$ 165,464</u>	<u>\$ (639,834)</u>	<u>\$ 37,539,868</u>	<u>\$ 625,000</u>

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, 2013

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>
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	960,000	1,489,275	2,449,275
2019-2023	5,510,000	6,756,975	12,266,975
2024-2028	6,930,000	5,395,725	12,325,725
2029-2033	8,720,000	3,682,575	12,402,575
2034-2038	10,975,000	1,526,850	12,501,850
	<u>\$ 36,260,000</u>	<u>\$ 25,186,950</u>	<u>\$ 61,446,950</u>

B. Bonds Authorized But Not Issued

As of June 30, 2013 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, 2013

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

Year Funding	Annual Pension Costs
6/30/13	\$ 81,884
6/30/12	72,145
6/30/11	56,273

The normal contribution due in 2012-13 was \$24,147 and the accrued liability due was \$57,737, totaling \$81,884 paid by District. Additionally, the District paid the non-contributory group life insurance premium amount of \$4,873.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

Note 6: PENSION PLANS (Continued)

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

<u>Year</u> <u>Funding</u>	Normal Costs	Additional Formula Cost	Accrued Liability	NCGI Premium	Post-Retirement Medical Benefits
6/30/13	\$ 44,316	\$ 7,712	\$ 150,830	\$ 10,673	\$ 241,450
6/30/12	22,919	4,156	60,655	9,414	195,283
6/30/11	-	-	-	8,091	171,853

On-Behalf Payments:

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$265,860 during the year ended June 30, 2013 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The State of New Jersey also paid retirement costs on-behalf of the District amounting to \$454,981. These amounts have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 24. The on-behalf payments are not budgeted.

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, 2012, there were 97,661 retirees receiving 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 \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

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, 2013

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>
2012-2013	\$ 36	\$ 8,401	\$ 3,232	\$ 41,676
2011-2012	19	8,855	19,415	36,471
2010-2011	279	10,106	20,757	47,012

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 \$709,529 General Fund fund balance at June 30, 2013, \$94,664 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 and is designated to be appropriated as anticipated revenue for the year ending June 30, 2014. An additional \$334,971 is assigned and designated to be appropriated as anticipated revenue for the year ending June 30, 2014; \$37,895 is reserved in the Capital Reserve Account and \$241,999 is unassigned and undesignated.

During the fiscal year, surplus of \$3,828 was authorized and approved to be appropriated representing the amount of 2011-12 Non-Public School Transportation Aid.

Debt Service Fund- The fund balance in the Debt Service Fund at June 30, 2013 was \$7,316. Of that amount, \$5,964 was appropriated and included as anticipated revenue for the year ended June 30, 2014.

Capital Project Fund- The fund balance in the Capital Project Fund at June 30, 2013 was \$1,554,160. Of that amount, \$625,000 was approve to be transferred to the Debt Service Fund and is appropriated and included as anticipated revenue in the Debt Service Fund for the year ended June 30, 2014.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

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 \$37,871 at June 30, 2012 to \$37,895 at June 30, 2013 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, 2013 is \$94,664 and is appropriated 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 and transferred to the Debt Service Fund.

The transfer to the Debt Service fund from the Capital Project Fund amounting to \$588,893 represents \$587,000 of unexpended bond proceeds used to pay debt service principal and \$1,893 interest earned in the Capital Project Fund.

The interfund loan balances resulted from loans made between funds for cash flow purposes. The loans will be repaid within a reasonable time following the date of the loans.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

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

Interfund loan balances consist of the following:

	Interfund Receivable	Interfund Payable
General Fund	\$ 64,260	
Special Revenue Fund		\$ 64,260
	\$ 64,260	\$ 64,260

Note 15: IMPAIRED ASSET

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 was reported as an impairment loss in the government-wide financial statements as an extraordinary item in 2011-12.

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. The school remains unsold.

Note 16: DEFICIT NET ASSETS

The District has a deficit in net position of \$2,959,975 as reported in the statement of net position (accrual basis). This is a direct result of the investment in capital assets deficit balance amounting to \$3,693,237. As debt is paid down the deficit in net position 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 \$328,871 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, 2013

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 6,764,011	\$ -	\$ 6,764,011	\$ 6,764,011	\$ -
Tuition	42,000	-	42,000	43,950	1,950
Interest Earned on Investments	12,300	-	12,300	1,269	(11,031)
Interest Earned on Capital Reserve Funds	50	-	50	24	(26)
Miscellaneous	32,000	-	32,000	46,861	14,861
Total - Local Sources	<u>6,850,361</u>	<u>-</u>	<u>6,850,361</u>	<u>6,856,115</u>	<u>5,754</u>
State Sources:					
Catagorical Transportation Aid	64,418	-	64,418	64,418	-
Catagorical Spectial Ed Aid	137,832	-	137,832	137,832	-
Catagorical Security Aid	41,000	-	41,000	41,000	-
Supplemental Enrollment Growth Aid	-	85,512	85,512	85,512	-
Reimbursed Non Public School Transportation Costs (Non-Budgeted)	-	-	-	5,394	5,394
TPAF - Post Retirement Medical Benefits (On-Behalf - Non-Budgeted)	-	-	-	241,450	241,450
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	213,531	213,531
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	265,860	265,860
Total State Sources	<u>243,250</u>	<u>85,512</u>	<u>328,762</u>	<u>1,054,997</u>	<u>726,235</u>
Federal Sources:					
Educational Jobs	-	-	-	1,923	1,923
Total Federal Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,923</u>	<u>1,923</u>
Total Revenues	<u>\$ 7,093,611</u>	<u>\$ 85,512</u>	<u>\$ 7,179,123</u>	<u>\$ 7,913,035</u>	<u>\$ 733,912</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	\$ 344,849	33,442	378,291	\$ 378,234	\$ 57
Grades 1-5 - Salaries of Teachers	1,707,496	69,174	1,776,670	1,691,158	85,512
Grades 6-8 - Salaries of Teachers	233,270	683	233,953	233,901	52
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000	10,240	15,240	15,240	-
Purchased Professional-Educational Services	2,500	25,000	27,500	2,341	25,159
Regular Programs - Undistributed Instruction					
Other Purchased Services (400-500 series)	5,700	100	5,800	5,800	-
General Supplies	105,786	5,080	110,866	79,802	31,064
Textbooks	-	9,907	9,907	9,482	425
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>2,404,601</u>	<u>153,626</u>	<u>2,558,227</u>	<u>2,415,958</u>	<u>142,269</u>
Resource Room/Resource Center:					
Salaries of Teachers	363,107	37,349	400,456	400,361	95
Purchased Professional-Educational Services	6,465	(5,934)	531	178	-
Total Resource Room/Resource Center	<u>369,572</u>	<u>31,415</u>	<u>400,987</u>	<u>400,539</u>	<u>448</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	36,700	(5,608)	31,092	31,077	15
Other Salaries for Instruction	21,192	27	21,219	21,219	-
General Supplies	2,000	(874)	1,126	1,055	71
Total Preschool Disabilities - Part-Time	<u>59,892</u>	<u>(6,455)</u>	<u>53,437</u>	<u>53,351</u>	<u>86</u>
Total Special Education - Instruction	<u>429,464</u>	<u>24,960</u>	<u>454,424</u>	<u>453,890</u>	<u>534</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	146,700	(442)	146,258	108,163	38,095
General Supplies	2,400	-	2,400	452	1,948
Total Basic Skills/Remedial - Instruction	<u>149,100</u>	<u>(442)</u>	<u>148,658</u>	<u>108,615</u>	<u>40,043</u>
School-Sponsored Cocurricular Activities - Instruction					
Salaries	3,700	(913)	2,787	2,787	-
Other Purchased Services (400-500 series)	-	83	83	83	-
Supplies and Materials	3,000	(83)	2,917	481	2,436
Total School-Sponsored Cocurricular Activities - Instruction	<u>6,700</u>	<u>(913)</u>	<u>5,787</u>	<u>3,351</u>	<u>2,436</u>
Other Instructional Programs - Instruction					
Salaries	5,200	-	5,200	5,200	-
Total Other Instructional Programs - Instruction	<u>5,200</u>	<u>-</u>	<u>5,200</u>	<u>5,200</u>	<u>-</u>
TOTAL INSTRUCTION	<u>2,995,065</u>	<u>177,231</u>	<u>3,172,296</u>	<u>2,987,014</u>	<u>185,282</u>
Undistributed Expenditures - Instruction					
Tuition to CSSD & Regional Day Schools	37,822	(14,353)	23,469	23,469	-
Tuition to Private Schools for the Disabled - Within State	-	41,137	41,137	41,137	-
Tuition - Other	-	1,308	1,308	1,308	-
Total Undistributed Expenditures - Instruction	<u>37,822</u>	<u>28,092</u>	<u>65,914</u>	<u>65,914</u>	<u>-</u>

CHESTERFIELD TOWNSHIP SCHOOL
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed Expenditures - Attendance & Social Work Services					
Salaries	12,876		13,358	13,358	-
Supplies and Materials	4,000	(3,925)	75	75	-
Total Undistributed Expenditures - Attendance & Social Work Services	16,876	(3,443)	13,433	13,433	-
Undistributed Expenditures - Health Services					
Salaries	128,251	(8)	128,243	127,783	460
Purchased Professional and Technical Services	2,200	(667)	1,533	1,500	33
Other Purchased Services (400-500 series)	674	(279)	395	344	51
Supplies and Materials	3,500	(500)	3,000	2,879	121
Total Undistributed Expenditures - Health Services	134,625	(1,454)	133,171	132,506	665
Undist. Expend. - Other Support Service Student-Related Services					
Salaries of Other Professional Staff	108,800	(1,580)	107,220	107,199	21
Purchased Professional - Educational Services	82,220	(20,564)	61,656	61,413	243
Supplies and Materials	700	(313)	387	386	1
Total Undist. Expend. - Other Support Service Student-Related Services	191,720	(22,457)	169,263	168,998	265
Undist. Expend. - Other Support Service Student-Extra Service					
Salaries of Other Professional Staff	82,724	5,921	88,645	88,556	89
Purchased Professional - Educational Services	-	78,407	78,407	78,407	-
Total Undist. Expend. - Other Support Service Student-Extra Service	82,724	84,328	167,052	166,963	89
Undist. Expend. - Other Support Service Students - Regular					
Salaries of Other Professional Staff	18,819	(4,653)	14,166	14,166	-
Salaries of Secretarial and Clerical Assistants	8,001	362	8,363	8,363	-
Other Purchased Prof. and Tech. Services	3,500	(185)	3,315	3,315	-
Supplies and Materials	4,400	1,769	6,169	6,086	83
Total Undist. Expend. - Other Support Service Students - Regular	34,720	(2,707)	32,013	31,930	83
Undist. Expend. - Other Support Service Students - Supplemental					
Salaries of Other Professional Staff	219,789	(11,948)	207,841	207,441	400
Salaries of Secretarial and Clerical Assistants	25,720	2,183	27,903	27,903	-
Purchased Professional - Educational Services	4,935	2,539	7,474	7,474	-
Residential Costs	3,700	(3,700)	-	-	-
Mis. Purchase Serv. (400-500 series other than Residential Costs)	1,300	(500)	800	349	451
Supplies and Materials	2,500	(1,017)	1,483	999	484
Other Objects	300	1,069	1,369	889	480
Total Undist. Expend. - Other Support Service Students - Supplemental	258,244	(11,374)	246,870	245,055	1,815
Undist. Expend. - Improvement of Instruction Services					
Salaries of Supervisor of Instruction	65,000	-	65,000	64,980	20
Salaries of Secretarial and Clerical Assistance	26,766	520	27,286	27,286	-
Other Objects	1,400	-	1,400	360	1,040
Total Undist. Expend. - Improvement of Instruction Services	93,166	520	93,686	92,626	1,060
Undist. Expend. - Educational Media Service/School Library					
Salaries	64,264	4,563	68,827	68,234	593
Purchased Professional and Technical Services	1,700	-	1,700	1,528	172
Supplies and Materials	4,500	-	4,500	3,901	599
Total Undist. Expend. - Educational Media Service/School Library	70,464	4,563	75,027	73,663	1,364
Undist. Expend. - Instructional Staff Training Services					
Salaries of Other Professional Staff	2,024	-	2,024	1,170	854
Purchased Professional - Educational Services	1,500	(461)	1,039	-	1,039
Other Purchased Services (400-500 series)	7,400	461	7,861	5,158	2,703
Supplies and Materials	200	-	200	-	200
Total Undist. Expend. - Instructional Staff Training Services	11,124	-	11,124	6,328	4,796
Undist. Expend. - Support Service - General Administration					
Salaries	97,164	-	97,164	97,153	11
Legal Services	16,500	15,819	32,319	31,736	583
Audit Fees	15,500	(741)	14,759	14,200	559
Architectural/Engineering Services	6,000	(5,128)	872	-	872
Other Purchased Professional Services	11,300	(7,685)	3,615	3,170	445
Communications/Telephone	25,400	(10,577)	14,823	11,019	3,804
BOE Other Purchased Prof Svc	-	1,730	1,730	1,020	710
Other Purchased Services (400-500 series)	13,250	(930)	12,320	12,320	-
Supplies and Materials	2,100	(870)	1,230	1,050	180
BOE In-House Training/Meeting Supplies	200	(111)	89	29	60
Misc. Expenditures	6,600	(394)	6,206	6,019	187
BOE Membership Dues and Fees	-	3,325	3,325	3,074	251
Total Undist. Expend. - Support Service - General Administration	194,014	(5,562)	188,452	180,790	7,662
Undist. Expend. - Support Service - School Administration					
Salaries of Principals/Assistant Principals	160,539	617	161,156	161,156	-
Salaries of Secretarial and Clerical Assistants	61,370	6,262	67,632	67,329	303
Purchased Professional and Technical Services	3,637	(2,137)	1,500	1,325	175
Other Purchased Services (400-500 series)	2,600	-	2,600	1,927	673
Supplies and Materials	2,450	-	2,450	1,099	1,351
Other Objects	1,400	-	1,400	849	551
Total Undist. Expend. - Support Service - School Administration	231,996	4,742	236,738	233,685	3,053

CHESTERFIELD TOWNSHIP SCHOOL
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Support Service - Central Services					
Salaries	183,560	(23,720)	159,840	157,394	2,446
Purchased Professional Services	13,800	(1,630)	12,170	12,170	-
Miscellaneous Purchased Services	8,001	(204)	7,797	7,567	230
Supplies and Materials	1,500	426	1,926	1,926	-
Other Objects	4,450	836	5,286	5,283	3
Total Undist. Expend. - Support Service - Central Services	211,311	(24,292)	187,019	184,340	2,679
Undist. Expend. - Support Service - Administrative Information Technology					
Salaries	16,480	(190)	16,290	13,284	3,006
Purchased Technical Services	48,500	997	49,497	49,497	-
Other Pur Serv.	19,200	-	19,200	19,009	191
Total Undist. Expend. - Support Service - Administrative Information Technology	84,180	807	84,987	81,790	3,197
Undist. Expend. -Allowable Maintenance for School Facilities					
Salaries	86,067	(4,869)	81,198	81,198	-
Cleaning, Repair, and Maintenance Services	36,010	15,896	51,906	50,729	1,177
General Supplies	4,000	(2,360)	1,640	1,565	75
Total Undist. Expend. -Allowable Maintenance for School Facilities	126,077	8,667	134,744	133,492	1,252
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries	315,665	(13,846)	301,819	301,819	-
Salaries of Non-Instructional Aides	65,338	5,978	71,316	71,316	-
Cleaning, Repair and Maintenance Services	41,900	(10,171)	31,729	27,676	4,053
Other Purchased Property Services	24,800	(3,153)	21,647	21,565	82
Insurance	36,350	6,434	42,784	42,784	-
Miscellaneous Purchased Services	700	-	700	552	148
General Supplies	30,650	(3,216)	27,434	25,776	1,658
Energy (Energy and Electricity)	251,828	(71,423)	180,405	180,050	355
Other Objects	4,000	-	4,000	3,089	911
Total Undist. Expend. - Other Operation & Maintenance of Plant	771,231	(89,397)	681,834	674,627	7,207
Total Undist. Expend. - Operation & Maintenance of Plant	897,308	(80,730)	816,578	808,119	8,459
Care and Upkeep of Grounds					
Salaries	2,989	-	2,989	2,989	-
Cleaning, Repair, and Maintenance Services	21,000	(1,972)	19,028	14,275	4,753
General Supplies	1,000	1,972	2,972	2,972	-
Total Care and Upkeep of Grounds	24,989	-	24,989	20,236	4,753
Security					
Cleaning, Repair, and Maintenance Services	1,000	-	1,000	-	1,000
General Supplies	500	-	500	31	469
Total Security	1,500	-	1,500	31	1,469
Undist. Expend. - Student Transportation Service					
Salaries of Non-Instructional Aides	13,820	522	14,342	14,336	6
Sal. For Pup.Trans. (Bet. Home and School) - Regular	17,751	206	17,957	17,957	-
Sal. For Pup.Trans. (Bet. Home and School) - Special	37,451	5,013	42,464	42,283	181
Sal. For Pub.Trans. (Bet Home & School) - Non-Public	2,175	-	2,175	2,155	20
Management Fees - ESC & CTSA Transportation Programs	1,854	(12)	1,842	1,830	12
Cleaning, Repair and Maintenance Services	5,768	(2,670)	3,098	952	2,146
Contract Services (Other than Between Home & School) - Vendors	-	103	103	-	103
Contract Services - (Between Home and School) - Joint Agreements	152,230	(7,613)	144,617	144,550	67
Contr Serv (Spl. Ed. Students) - Joint Agrmt	19,312	1,303	20,615	20,615	-
Contr Serv. - Aid in Lieu Payments	19,448	7,956	27,404	27,404	-
Misc. Purchased Serv. - Transportation	4,253	205	4,458	4,458	-
Supplies and Materials	4,620	-	4,620	2,923	1,697
Miscellaneous Expenditures	105	-	105	105	-
Total Undist. Expend. - Student Transportation Service	278,787	5,013	283,800	279,568	4,232
UNALLOCATED BENEFITS					
Social Security Contributions	85,648	6,903	92,551	92,551	-
Other Retirement Contributions - Regular	94,830	(4,304)	90,526	90,097	429
Workmen's Compensation	56,650	(2,599)	54,051	42,400	11,651
Health Benefits	1,301,045	(67,765)	1,233,280	1,163,727	69,553
Tuition Reimbursement	15,000	-	15,000	15,000	-
Other Employee Benefits	20,000	-	20,000	14,280	5,720
TOTAL UNALLOCATED BENEFITS	1,573,173	(67,765)	1,505,408	1,418,055	87,353
TPAF - Post Retirement Medical Benefits (On-Behalf - Non-Budgeted)	-	-	-	241,450	(241,450)
TPAF Pension Contributions (non-budgeted)	-	-	-	213,531	(213,531)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	265,860	(265,860)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	720,841	(720,841)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	1,573,173	(67,765)	1,505,408	2,138,896	(633,488)
TOTAL UNDISTRIBUTED EXPENDITURES	4,428,743	(91,719)	4,337,024	4,924,871	(587,847)
TOTAL GENERAL CURRENT EXPENSE	7,423,808	85,512	7,509,320	7,911,885	(402,565)

CHESTERFIELD TOWNSHIP SCHOOL
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Other Objects	-	50	50	32	18
Total Facilities Acquisition and Construction Services	-	50	50	32	18
Assets Acquired Under Capital Leases (non-budgeted)					
Interest Deposit to Capital Reserve	50	(50)	-	-	-
TOTAL CAPITAL OUTLAY	50	-	50	32	18
TOTAL EXPENDITURES	7,423,858	85,512	7,509,370	7,911,917	(402,547)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(330,247)	-	(330,247)	1,118	331,365
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	(330,247)	-	(330,247)	1,118	331,365
Fund Balance, July 1	716,610	-	716,610	716,610	-
Fund Balance, June 30	\$ 386,363	\$ -	\$ 386,363	\$ 717,728	\$ 331,365
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				37,895	
Excess Surplus - Prior Year, Designated for Subsequent Year's Expenditures				94,664	
Excess Surplus - Current Year				-	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				334,971	
Year end encumbrances					
Unassigned Fund Balance					
				250,198	
				717,728	
				Budgetary Fund Balance	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid payment not recognized on GAAP basis - C-3				(8,199)	
Extraordinary Aid payment not recognized on GAAP basis - C-3				-	
Fund Balance per Governmental Funds (GAAP)				\$ 709,529	

Chesterfield Township School
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 27,900	\$ 23,108	\$ 51,008	\$ 36,441	\$ (14,567)
Local Sources	-	10,000	10,000	10,000	-
Federal Sources	126,299	115,992	242,291	213,904	(28,387)
Total Revenues	154,199	149,100	303,299	260,345	(42,954)
EXPENDITURES:					
Instruction					
Salaries	18,432	41,463	59,895	59,895	-
Purchased Professional and Technical Services	1,700	-	1,700	1,700	-
Purchased Professional - Educational Services	23,300	16,056	39,356	25,482	13,874
Tuition to Other LEA's Within the State - Special	37,822	-	37,822	37,822	-
Other Purchased Services (400-500 series)	-	10,674	10,674	10,674	-
General Supplies	11,300	19,368	30,668	17,726	12,942
Textbooks	2,100	(303)	1,797	1,767	30
Total Instruction	94,654	87,258	181,912	155,066	26,846
Support Services					
Personal Services - Employee Benefits	1,700	11,346	13,046	13,045	1
Purchased Professional and Technical Services	41,561	29,418	70,979	63,400	7,579
Purchased Professional - Educational Services	2,500	(6)	2,494	2,494	-
Other purchased Services (400-500 series)	5,447	1,524	6,971	4,882	2,089
Supplies & Materials	8,000	19,560	27,560	21,458	6,102
Other Objects	337	-	337	-	337
Total Support Services	59,545	61,842	121,387	105,279	16,108
Facilities Acquisition and Construction Services:					
Instructional Equipment	-	-	-	-	-
Total Facilities Acquisition and Construction Services	-	-	-	-	-
Total Expenditures	154,199	149,100	303,299	260,345	42,954
Total Outflows	154,199	149,100	303,299	260,345	42,954
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Chesterfield Township School
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For the Fiscal Year Ended June 30, 2013

**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]	\$ 7,913,035	[C-2]	\$ 260,345
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	-			
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		(8,199)		-
		(8,199)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 7,904,836	[B-2]	\$ 260,345
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 7,911,917	[C-2]	\$ 260,345
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]	\$ 7,911,917	[B-2]	\$ 260,345

OTHER SUPPLEMENTARY INFORMATION

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, 2013

	Total Brought Forward (Ex. E-1a)	I.D.E.A. Part B				Title II, Part A		Totals 2013
		Basic		Preschool		Teacher & Principal Training & Recruiting		
		2012-2013	11/12 Summer	2012-2013	11/12 Summer	2012-2013	11/12 Summer	
REVENUES								
State Sources	\$ 36,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,441	
Local Sources	10,000						10,000	
Federal Sources	94,699	95,637	11,877	5,735	25	5,500	213,904	
Total Revenues	141,140	95,637	11,877	5,735	25	5,500	260,345	
EXPENDITURES:								
Instruction:								
Salaries	55,395	-	-	4,500	-	-	59,895	
Purchased Professional and Technical Services	-	1,700	-	-	-	-	1,700	
Purchased Professional - Educational Services	25,482	-	-	-	-	-	25,482	
Tuition to Other LEAs Within the State - Special	-	37,822	-	-	-	-	37,822	
Other Purchased Services (400-500 series)	10,674	-	-	-	-	-	10,674	
General Supplies	16,365	1,361	-	-	-	-	17,726	
Textbooks	1,767	-	-	-	-	-	1,767	
Total instruction	109,683	40,883	-	4,500	-	-	155,066	
Support services:								
Personal Services - Employee Benefits	12,126	-	-	919	-	-	13,045	
Purchased Professional - Technical Services	-	50,786	8,114	-	-	4,500	63,400	
Purchased Professional - Educational Services	2,494	-	-	-	-	-	2,494	
Other Purchased Services (400-500 series)	139	1,200	2,238	-	-	1,000	305	
Supplies & Materials	16,698	2,768	1,525	316	25	-	17,226	
Total support services	31,457	54,754	11,877	1,235	25	5,500	105,279	
Facilities acquisition and construction services:								
Instructional Equipment	-	-	-	-	-	-	-	
Total facilities acquisition and construction services	-	-	-	-	-	-	-	
Total Expenditures	141,140	95,637	11,877	5,735	25	5,500	260,345	
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, 2013

	Title I, Part A		Title VI, Part B		N.J. Nonpublic Handicapped Services Ch. 193		Total Carried Forward
	Improving Basic Programs Operated By LEA's	Small Rural School Achiev. (SRSA/REAP)	Supplemental Instruction	Examination & Classification	Corrective Speech		
(Ex. E-1b)	2012-2013	11/12 Summer	2012-2013	11/12 Summer			
REVENUES							
State Sources	\$ 29,952	\$ -	\$ -	\$ -	\$ 2,082	\$ 2,655	\$ 36,441
Local Sources	10,000						10,000
Federal Sources	-	5,468	58	46,455	-	-	94,699
Total Revenues	39,952	5,468	58	46,455	2,082	2,655	94,627
EXPENDITURES:							
Instruction:							
Salaries	4,000		35,047	16,348			55,395
Purchased Professional - Educational Services	18,993				2,082	2,655	25,482
Other Purchased Services (400-500 series)	-			10,674			10,674
General Supplies	511			15,854			16,365
Textbooks	1,767						1,767
Total instruction	20,760	4,511	35,047	42,876	2,082	2,655	66,807
Support services:							
Personal Services - Employee Benefits	-	876	7,671	3,579			12,126
Purchased Professional - Educational Services	2,494						2,494
Other Purchased Services (400-500 series)	-	81					139
Supplies & Materials	16,698						16,698
Total support services	19,192	957	7,671	3,579	-	-	27,820
Facilities acquisition and const. serv.:							
Instructional Equipment	-						-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-
Total Expenditures	39,952	5,468	58	46,455	2,082	2,655	94,627
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, 2013

	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	\$ 6,698	\$ 18,225	\$ 768	\$ 1,767	\$ 2,494	\$ 29,952
Local Sources	10,000	-	-	-	-	10,000
Federal Sources	-	-	-	-	-	-
Total Revenues	16,698	18,225	768	1,767	2,494	39,952
EXPENDITURES						
Instruction:						
Purchased Professional - Educational Services	-	18,225	768	-	-	18,993
Textbooks	-	-	-	1,767	-	1,767
Total instruction	-	18,225	768	1,767	-	20,760
Support services:						
Purchased Professional - Educational Services	-	-	-	-	2,494	2,494
Supplies & Materials	16,698	-	-	-	-	16,698
Total support services	16,698	-	-	-	2,494	19,192
Facilities acquisition and const. serv.:						
Instructional Equipment	-	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-	-
Total Expenditures	16,698	18,225	768	1,767	2,494	39,952
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, 2013

	Insurance Safety Grant 2012-2013	Grow Healthy Grant 2012-2013	Monsanto Fund Grant 2012-2013	Total Carried Forward
REVENUES				
State Sources	\$ 3,471	\$ 3,227	\$ -	\$ 6,698
Local Sources			10,000	10,000
Federal Sources	-	-	-	-
Total Revenues	3,471	3,227	10,000	16,698
EXPENDITURES				
Support services:				
Supplies & Materials	3,471	3,227	10,000	16,698
Total support services	3,471	3,227	10,000	16,698
Facilities acquisition and const. serv.:				
Instructional Equipment	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-
Total Expenditures	3,471	3,227	10,000	16,698
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, 2013

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 6/30/2013
			Prior Years	Current Year	
Construction of New Elementary School \$37,685,000 Bonds Issued dated 2/28/08	12/11/2007	\$ 36,348,000	\$ 33,774,531	\$ (2,101)	\$ 2,575,570
Transfers to Debt Service Fund		1,337,000	750,000	587,000	-
Unreimbursed Fire Expenses		-	1,021,410	-	(1,021,410)
Totals		\$ 37,685,000	\$ 35,545,941	\$ 584,899	\$ 1,554,160

Analysis:

Unexpended Appropriations	\$ 1,554,160
Less: Reserve for Encumbrances	-
Unencumbered Balance - Budgetary Fund Balance	<u>\$ 1,554,160</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, 2013

Revenues and Other Financing Sources:	
Bond proceeds and transfers	\$ -
Contribution from private source	-
Transfer from capital reserve	-
Transfer from capital outlay	-
Total revenues	-
 Expenditures and Other Financing Uses:	
Legal/Accounting services	(3,482)
Purchased professional and technical services	-
Land and improvements	-
Construction services	-
Other objects	-
Fire Expense (Net)	(604)
Other	1,985
Transfer to debt service fund	587,000
Total expenditures	584,899
 Excess (Deficiency) of revenues over (under) expenditures	 \$ (584,899)

**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, 2013**

	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	37,685,000	-	37,685,000	37,685,000
Expenditures and Other Financing Uses:				
Legal/Accounting services	146,816	(3,482)	143,334	160,000
Purchased professional and technical services	3,113,922		3,113,922	3,118,640
Land and improvements	1		1	2,775,000
Construction services	27,642,748		27,642,748	30,427,400
Other objects	2,323,541		2,323,541	1,203,960
Fire expense (net)	1,021,410	(604)	1,020,806	-
Other	547,503	1,985	549,488	-
Transfer to debt service fund	750,000	587,000	1,337,000	-
Total expenditures	35,545,941	584,899	36,130,840	37,685,000
Excess (Deficiency) of revenues over (under) expenses	\$ 2,139,059	\$ (584,899)	\$ 1,554,160	\$ -

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	96%
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 POSITION
AS OF JUNE 30, 2013
(With comparative totals for June 30, 2012)**

	Food Service Fund	2013	2012
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 55,845	\$ 55,845	\$ 38,711
Accounts Receivable:			
Federal	1,624	1,624	922
State	203	203	73
Other	210	210	-
Interfund	-	-	2,780
Inventories	5,542	5,542	9,208
Total Current Assets	<u>63,424</u>	<u>63,424</u>	<u>51,694</u>
Fixed Assets:			
Equipment	135,775	135,775	135,775
Accumulated Depreciation	<u>(36,629)</u>	<u>(36,629)</u>	<u>(27,921)</u>
Total Fixed Assets	<u>99,146</u>	<u>99,146</u>	<u>107,854</u>
Total Assets	<u>162,570</u>	<u>162,570</u>	<u>159,548</u>
LIABILITIES			
Current Liabilities:			
Deferred Revenue	<u>3,174</u>	<u>3,174</u>	<u>2,908</u>
Total Liabilities	<u>3,174</u>	<u>3,174</u>	<u>2,908</u>
NET POSITION			
Invested in Capital Assets net of Related Debt	99,146	99,146	107,854
Unrestricted	<u>60,250</u>	<u>60,250</u>	<u>48,786</u>
Total Net Position	<u>\$ 159,396</u>	<u>\$ 159,396</u>	<u>\$ 156,640</u>

**CHESTERFIELD TOWNSHIP SCHOOL
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With comparative totals for the fiscal year ended June 30, 2012)**

	Food Service Fund	2013	2012
OPERATING REVENUES:			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 91,517	91,517	\$ 93,547
Daily Sales - Non-Reimbursable Programs	46,672	46,672	43,089
Special Functions	4,398	4,398	-
Total Operating Revenue	<u>142,587</u>	<u>142,587</u>	<u>136,636</u>
OPERATING EXPENSES:			
Salaries	50,444	50,444	51,246
Employee Benefits	9,840	9,840	9,673
Depreciation	8,708	8,708	8,708
Professional Services	15,040	15,040	14,740
Cost of Sales	94,111	94,111	79,029
Total Operating Expenses	<u>178,143</u>	<u>178,143</u>	<u>163,396</u>
Operating Income (Loss)	<u>(35,556)</u>	<u>(35,556)</u>	<u>(26,760)</u>
NON-OPERATING REVENUES:			
State Sources:			
State School Lunch Program	1,674	1,674	1,568
Federal Sources:			
National School Lunch Program	25,138	25,138	19,624
Food Distribution Program	11,446	11,446	15,943
Interest Revenue	54	54	21
Total Nonoperating Income	<u>38,312</u>	<u>38,312</u>	<u>37,156</u>
Change in Net Position	2,756	2,756	10,396
Total Net Position - July 1	156,640	156,640	143,870
Fixed Assets Adjustment	-	-	2,374
Total Net Position - June 30	<u>\$ 159,396</u>	<u>\$ 159,396</u>	<u>\$ 156,640</u>

**CHESTERFIELD TOWNSHIP SCHOOL
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With comparative totals for the fiscal year ended June 30, 2012)**

	Food Service Fund	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 142,644	\$ 142,644	\$ 136,568
Payments to employees	(50,444)	(50,444)	(51,246)
Payments for employee benefits	(9,840)	(9,840)	(9,673)
Payments to suppliers	(94,040)	(94,040)	(84,119)
Net cash provided by (used for) operating activities	<u>(11,680)</u>	<u>(11,680)</u>	<u>(8,470)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	1,748	1,748	1,392
Federal Sources	27,012	27,012	17,353
Net cash provided by (used for) non-capital financing activities	<u>28,760</u>	<u>28,760</u>	<u>18,745</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	54	54	21
Net cash provided by (used for) investing activities	<u>54</u>	<u>54</u>	<u>21</u>
Net increase (decrease) in cash and cash equivalents	17,134	17,134	10,296
Balances—beginning of year	38,711	38,711	28,415
Balances—end of year	<u>\$ 55,845</u>	<u>\$ 55,845</u>	<u>\$ 38,711</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (35,556)	\$ (35,556)	\$ (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	8,708
Food distribution program	11,446	11,446	15,943
(Increase) decrease in accounts receivable, net	(210)	(210)	100
(Increase) decrease in inventories	3,666	3,666	(6,293)
Increase (decrease) in deferred revenue	266	266	(168)
Total adjustments	<u>23,876</u>	<u>23,876</u>	<u>18,290</u>
Net cash provided by (used for) operating activities	<u>\$ (11,680)</u>	<u>\$ (11,680)</u>	<u>\$ (8,470)</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 POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2013

	Trust		Agency		
	Unemployment Compensation	Total Trust Fund	Student Activity	Payroll	Total Agency Fund
ASSETS:					
Cash and Cash Equivalents	\$ 41,676	\$ 41,676	\$ 7,599	\$ 152,982	\$ 160,581
Total Assets	<u>41,676</u>	<u>41,676</u>	<u>7,599</u>	<u>152,982</u>	<u>160,581</u>
LIABILITIES:					
Payroll Deductions and Withholdings Due to Student Groups	1,180	1,180	-	152,982	152,982
	<u>-</u>	<u>-</u>	<u>7,599</u>	<u>-</u>	<u>7,599</u>
Total Liabilities	<u>1,180</u>	<u>1,180</u>	<u>7,599</u>	<u>152,982</u>	<u>160,581</u>
NET POSITION					
Held in trust for unemployment claims	<u>\$ 40,496</u>	<u>\$ 40,496</u>			

CHESTERFIELD TOWNSHIP SCHOOL
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2013

EXHIBIT H-2

	Unemployment Insurance Expendable Trust Fund
ADDITIONS	
Local Sources:	
Payroll Withholding	11,708
Interest and Investment Income	36
	11,744
Total Additions	11,744
DEDUCTIONS	
Quarterly Contribution Reports	4,487
Unemployment Claims	3,232
	7,719
Total Deductions	7,719
Net Increase (Decrease)	4,025
Net Position Restricted for Unemployment Benefits:	
Net Position, July 1	36,471
Net Position, June 30	\$ 40,496

CHESTERFIELD TOWNSHIP SCHOOL
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Cash		Adjustments	Accounts Payable		Balance June 30, 2013
		Receipts	Disbursements		June 30, 2013	June 30, 2013	
\$	6,793	\$ 17,157	\$ 16,351	\$ -	\$ -	\$ -	7,599
	6,793	17,157	16,351	-	-	-	7,599
\$	6,793	\$ 17,157	\$ 16,351	\$ -	\$ -	\$ -	7,599

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, 2013

	Balance July 1, 2012	Cash Receipts	Cash Disbursements	Balance June 30, 2013
ASSETS:				
Cash and Cash Equivalents	\$ 117,329	\$ 5,099,824	\$ 5,064,171	\$ 152,982
Total Assets	<u>\$ 27,976</u>	<u>\$ 5,099,824</u>	<u>\$ 5,064,171</u>	<u>\$ 152,982</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 117,329	\$ 5,099,824	\$ 5,064,171	\$ 152,982
Total Liabilities	<u>\$ 117,329</u>	<u>\$ 5,099,824</u>	<u>\$ 5,064,171</u>	<u>\$ 152,982</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, 2013

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2012	Balance June 30, 2013
			Date	Amount			
Additions and Alterations to the Chesterfield Elementary School	8/1/1997	\$ 987,000	N/A	N/A	N/A	\$ 87,000	\$ -
	2/28/2008	\$ 37,685,000	N/A	Total Series 1997	4.500%	-	87,000
New Elementary School	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			36,760,000	36,260,000
						\$ 36,847,000	\$ 36,260,000
						\$ -	\$ 587,000

Chesterfield Township School
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,335,580	-	\$ 1,335,580	\$ 1,335,580	\$ -
Total - Local Sources	1,335,580	-	1,335,580	1,335,580	-
State Sources:					
Debt Service Aid Type II	320,189	-	320,189	320,189	-
Total - State Sources	320,189	-	320,189	320,189	-
Total Revenues	1,655,769	-	1,655,769	1,655,769	-
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	1,656,310	-	1,656,310	1,656,310	-
Redemption of Principal	587,000	-	587,000	587,000	-
Total Regular Debt Service	2,243,310	-	2,243,310	2,243,310	-
Total expenditures	2,243,310	-	2,243,310	2,243,310	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(587,541)	-	(587,541)	(587,541)	-
Other Financing Sources:					
Operating Transfers In:					
Capital Projects Fund - Interest	-	-	-	1,893	1,893
Capital Projects Fund - Unexpended Bond Proceeds	587,000	-	587,000	587,000	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(541)	-	(541)	1,352	1,893
Fund Balance, July 1	541	-	541	541	-
Fund Balance, June 30	-	-	-	1,893	1,893
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ (541)	\$ -	\$ (541)	\$ 1,352	\$ 1,893

SECTION - J

STATISTICAL SECTION

Chesterfield Township School District
 Net Position by Component
 Last Nine Fiscal Years

Exhibit J-1

(accrual basis of accounting)

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
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)	\$ (3,693,237)
Restricted	27,710	48,231	173,044	37,106,857	33,513,318	14,839,120	227,760	230,202	139,875
Unrestricted	478,540	75,407	87,716	(470,922)	(595,406)	(15,170,967)	1,306,504	651,067	593,387
Total governmental activities net position	\$ 1,300,415	\$ 1,190,392	\$ 1,345,201	\$ 2,145,115	\$ 2,098,365	\$ 1,829,060	\$ (1,280,086)	\$ (2,162,765)	\$ (2,959,975)
Business-type activities									
Invested in capital assets, net of related debt	\$ 16,631	\$ 24,310	\$ -	\$ -	\$ -	\$ -	\$ 114,188	\$ 107,854	\$ 99,146
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	7,224	10,701	45,104	47,197	59,536	53,275	29,682	48,786	60,250
Total business-type activities net position	\$ 23,855	\$ 35,011	\$ 45,104	\$ 47,197	\$ 59,536	\$ 53,275	\$ 143,870	\$ 156,640	\$ 159,396
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)	\$ (3,594,091)
Restricted	27,710	48,231	173,044	37,106,857	33,513,318	14,839,120	227,760	230,202	139,875
Unrestricted	485,764	86,108	132,820	(423,725)	(535,870)	(15,117,692)	1,336,186	699,853	653,637
Total district net position	\$ 1,324,270	\$ 1,225,403	\$ 1,390,305	\$ 2,192,312	\$ 2,157,901	\$ 1,882,335	\$ (1,136,216)	\$ (2,006,125)	\$ (2,800,579)

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

Exhibit J-2

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	\$ 3,333,123
Special education	189,704	241,570	263,194	316,935	371,341	385,893	481,159	489,239	586,367
Other special education	92,979	68,790	87,178	75,317	108,051	166,301	185,778	188,620	158,061
Other instruction	16,070	13,703	19,622	39,716	27,921	22,445	7,489	13,402	10,986
Support services:									
Tuition	69,903	101,274	91,362	31,241	46,377	120,524	31,065	8,320	65,914
Student & instruction related services	613,322	676,938	763,510	885,903	962,572	1,012,979	1,134,999	1,173,038	1,303,090
School administrative services	115,872	120,341	199,692	162,350	211,981	193,328	298,312	296,577	305,387
General administration	330,025	167,453	125,849	197,645	196,078	274,594	208,266	243,636	257,191
Central services	-	179,490	197,161	227,266	240,278	254,595	269,388	256,895	250,252
Plant operations and maintenance	327,528	356,457	393,845	538,609	644,845	61,130	770,171	945,928	979,579
Administrative information technology	-	6,313	6,312	150	41,164	641,621	64,098	79,514	81,790
Pupil transportation	201,982	230,565	249,313	342,986	415,871	423,474	299,783	273,059	313,597
Employee benefits	211,274	267,948	411,252	441,222	343,026	389,796	421,174	539,234	720,841
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	1,606,623
Unallocated depreciation	66,997	69,478	69,973	15,940	76,528	121,773	1,016,567	596,954	603,671
Amortization of debt issue costs	2,052	2,052	2,052	70,070	43,716	58,487	43,649	43,644	41,597
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	10,618,069
Business-type activities:									
Food service	100,300	100,150	119,767	144,550	137,406	148,196	182,867	163,396	178,143
Total business-type activities expense	100,300	100,150	119,767	144,550	137,406	148,196	182,867	163,396	178,143
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	\$ 10,796,212
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	\$ 1,301,375
Total governmental activities program revenues	353,849	412,531	576,213	604,529	819,239	910,942	981,763	1,087,745	1,301,375
Business-type activities:									
Charges for services									
Food service	65,575	56,763	83,260	92,822	107,798	114,747	116,249	136,636	142,587
Operating grants and contributions	14,501	17,043	19,231	26,884	27,578	31,242	30,071	37,135	38,258
Total business type activities program revenues	80,076	73,806	102,491	119,706	135,376	145,989	146,320	173,771	180,845
Total district program revenues	\$ 433,925	\$ 486,337	\$ 678,704	\$ 724,235	\$ 954,615	\$ 1,056,931	\$ 1,128,083	\$ 1,261,516	\$ 1,482,220

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

Exhibit J-3

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	132,559
Assigned	-	-	-	-	-	-	335,701	238,544	334,971
Unassigned	-	-	-	-	-	-	243,972	253,828	241,999
Total general fund	\$ 404,198	\$ 262,011	\$ 413,937	\$ 679,673	\$ 902,223	\$ 530,827	\$ 782,223	\$ 716,610	\$ 709,529
All Other Governmental Funds									
Reserved	\$ -	\$ -	\$ -	\$ 795,200	\$ 24,534,768	\$ 9,677,132	\$ -	\$ -	\$ -
Committed, reported in:									
Capital projects fund	-	-	-	-	-	-	-	2,139,058	1,554,160
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	-	-	-	-	-	-	-	-	-
Debt Service fund	-	-	-	-	-	-	25,210	5,964	7,316
Capital Projects fund	-	-	-	-	-	-	3,210,747	-	-
Total all other governmental funds	\$ 778	\$ -	\$ -	\$ 36,693,122	\$ 32,823,718	\$ 14,529,082	\$ 3,235,957	\$ 2,145,022	\$ 1,561,476

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

Exhibit J-1

	Fiscal Year Ending June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues										
Tax levy	\$ 8,099,591	\$ 7,808,302	\$ 7,326,264	\$ 6,703,598	\$ 5,793,680	\$ 4,942,442	\$ 4,006,550	\$ 3,323,613	\$ 3,230,276	\$ 2,987,562
Tuition charges	43,950	37,450	36,133	-	-	2,430	11,698	343	-	10,397
Interest earnings	3,186	2,600	75,383	343,164	722,557	369,150	55,708	38,570	20,897	7,053
Miscellaneous	56,861	56,237	408,218	6,602	13,552	14,826	3,395	2,112	1,645	5,538
State sources	1,403,428	1,104,042	863,226	1,051,880	994,310	830,695	776,675	628,906	568,871	553,798
Federal sources	215,827	201,001	225,112	131,243	165,204	117,043	116,535	105,906	102,171	94,125
Total revenue	9,822,843	9,209,602	8,934,356	8,236,487	7,689,303	6,276,586	4,970,561	4,099,450	3,923,860	3,638,473
Expenditures										
Instruction	2,571,024	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
Regular instruction	455,890	372,689	373,572	303,656	298,986	258,057	211,827	195,236	177,749	138,091
Special instruction	117,166	154,525	142,826	148,479	109,957	92,051	89,100	66,672	65,819	55,470
Support services	65,914	8,320	31,065	120,524	46,377	31,241	91,362	101,274	69,903	35,119
Tuition	1,036,781	953,072	930,354	842,167	829,266	754,186	643,061	563,345	525,311	434,287
Student and instructional related services	180,790	173,107	181,464	168,155	161,417	194,938	181,972	152,585	-	-
General administration	233,685	226,337	226,659	212,278	161,149	156,596	102,662	99,669	93,517	121,644
School administrative services	184,340	211,947	206,891	199,713	199,391	189,562	161,820	148,005	-	-
Central services	81,790	79,514	64,098	61,130	41,164	150	700	800	285,312	279,095
Administrative information technology	828,386	823,319	655,852	565,627	583,117	499,487	350,501	318,069	291,951	271,782
Plant operations and maintenance	279,568	251,353	279,374	400,651	393,158	328,699	237,012	221,553	216,481	149,568
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Other support services	2,138,896	1,923,405	1,601,477	1,425,091	1,165,201	1,170,017	1,051,221	809,883	692,139	628,696
Employee benefits	-	-	-	-	7,131	5,684	4,521	7,180	4,920	-
Special Schools	-	12,997	-	-	-	-	-	-	-	-
Education Jobs	-	318,114	1,601,399	-	-	-	-	-	-	-
Capital Outlay - Fire Restoration	35,125	389,323	10,213,362	18,195,286	3,693,714	1,319,189	24,182	78,612	13,131	68,865
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	587,000	465,000	365,000	360,000	80,000	80,000	75,000	70,000	65,000	65,000
Interest and other charges	1,656,310	1,677,008	1,693,405	1,709,679	1,586,581	22,892	26,651	30,167	33,441	36,594
Total expenditures	10,450,665	10,470,182	20,770,246	26,902,519	11,236,157	6,983,528	4,806,235	4,204,915	3,814,130	3,455,649
Excess (Deficiency) of revenues over (under) expenditures	(627,822)	(1,260,490)	(11,835,890)	(18,666,032)	(3,646,854)	(706,942)	164,326	(105,465)	109,730	202,824
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)	-
Prior year accounts payable/retainage payable cancelled	39,179	-	-	-	-	-	-	-	-	-
Prior year accounts receivable cancelled	(1,984)	-	-	-	-	-	-	-	-	-
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)
Total other financing sources (uses)	37,195	-	-	-	-	37,665,800	(12,400)	(37,500)	(20,348)	(19,301)
Extraordinary item - Fire restoration costs	-	103,942	794,161	-	-	-	-	-	-	-
Net change in fund balances	\$ (590,627)	\$ (1,156,548)	\$ (11,041,729)	\$ (18,666,032)	\$ (3,646,854)	\$ 36,938,858	\$ 151,926	\$ (142,965)	\$ 89,382	\$ 183,523
Debt service as a percentage of noncapital expenditures	21.54%	21.25%	19.50%	23.77%	21.81%	1.82%	2.15%	2.43%	2.59%	3.00%

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
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
2013	43,950	1,292	5,016	6,445	41	2,600	32,760	92,104

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.	Q/farm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax- Exempt Property	Add: Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total District		Total Regional	
													School Tax Rate ^b	School Tax Rate ^b	School Tax Rate ^b	School Tax Rate ^b
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	374,755,017	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	432,174,845	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	493,032,223	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	-	956,696	673,598,296	601,851,461	0.734	0.408		
2008	61,646,900	565,065,600	55,031,700	6,407,900	32,209,000	-	336,700	720,697,800	-	1,090,910	721,788,710	671,382,763	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	705,872,695	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	713,517,932	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	732,263,237	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	718,703,962	1.124	0.597		
2013	15,007,250	615,693,700	62,545,500	6,380,000	24,933,900	-	311,900	724,872,250	-	1,373,508	726,245,758	723,070,292	1.156	0.575		

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.

* Property values were reassessed effective for 2007.

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

^b 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	
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	* 0.719	0.015	0.734	0.042	0.376	0.408	1.560
2008	0.790	0.013	0.803	0.041	0.348	0.446	1.638
2009	0.817	0.066	0.883	0.041	0.354	0.461	1.739
2010	0.767	0.164	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	0.939	0.185	1.124	0.295	0.392	0.597	2.408
2013	0.972	0.184	1.156	0.129	0.378	0.575	2.238

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	2013			2003		
	Taxable Assessed Value	Rank	District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Historical Old York Country Club	\$ 4,600,000	1	0.63%	\$ 6,275,000	1	2.63%
Colonial Pipeline Co.	4,202,100	2	0.58%	3,441,500	2	1.44%
Acacia Credit Fund	4,021,500	3	0.55%	-	N/A	N/A
Chesterfield LLC	2,865,000	4	0.39%	-	N/A	N/A
Mekwin LLC.	1,920,800	5	0.26%	-	N/A	N/A
Public Service Electric & Gas Company	1,890,950	6	0.26%	1,121,750	6	0.47%
Taxpayer 1	1,780,500	7	0.25%	2,099,600	3	0.88%
Taxpayer 2	1,458,800	8	0.20%	1,854,900	4	0.78%
Verizon New Jersey	1,373,508	9	0.19%	-	N/A	N/A
NJ Turnpike Authority	1,275,200	10	0.18%	-	N/A	N/A
Taxpayer 3	-	N/A	N/A	1,380,400	5	0.58%
Taxpayer 5	-	N/A	N/A	973,000	7	0.41%
Taxpayer 6	-	N/A	N/A	950,400	8	0.40%
Taxpayer 7	-	N/A	N/A	858,700	9	0.36%
Taxpayer 8	-	N/A	N/A	855,300	10	0.36%
Total	\$ 25,388,358		3.50%	\$ 19,810,550		8.56%

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	
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%	262,735
2012	18,144,304	17,708,206	97.60%	N/A
2013	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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANS)	Capital Leases			
2004	722,000	-	28,370	-	-	750,370	0.31%	123
2005	657,000	-	-	-	-	657,000	0.26%	105
2006	587,000	-	-	-	-	587,000	0.21%	90
2007	512,000	-	-	-	-	512,000	0.16%	73
2008	38,117,000	-	-	-	-	38,117,000	10.77%	5,136
2009	38,037,000	-	-	-	-	38,037,000	10.74%	4,992
2010	37,677,000	-	-	-	-	37,677,000	10.32%	4,891
2011	37,312,000	-	-	-	-	37,312,000	10.02%	4,841
2012	36,847,000	-	-	-	-	36,847,000	N/A	4,866
2013	36,260,000	-	-	-	-	36,260,000	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		
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%	4,866
2013	36,260,000	-	36,260,000	5.00%	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, 2013**

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, 2012:			
Issued debt	\$ 578,000		
Authorized but not issued debt	5,332,194		
	<u>\$ 5,910,194</u>	100.000%	\$ 5,910,194
Burlington County Gross Debt at December 31, 2012 - Issued and Authorized But Not Issued - Gross Debt of the County	772,862,091	1.536%	11,871,476
Other debt			
Chesterfield Township Sewer Utility Debt Outstanding - December 31, 2012	3,111,230		
Chesterfield Township Sewer Utility Debt authorized but not issued debt	58,360		
	<u>\$ 3,169,590</u>	100.000%	\$ 3,169,590
Subtotal, overlapping debt			
Chesterfield Township District Direct Debt			<u>36,260,000</u>
Total direct and overlapping debt			<u>\$ 57,211,260</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

Equalized valuation basis	
2012	\$ 715,854,042
2011	730,848,852
2010	712,043,963
[A]	<u>\$ 2,158,746,857</u>
[A/B]	\$ 719,582,286
[B]	17,989,557
[C]	36,260,000
[B-C]	<u>\$(18,270,443)</u>

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 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	\$ 17,989,557
Total net debt applicable to limit	722,000	657,000	587,000	512,000	38,117,000	38,037,000	37,677,000	37,312,000	36,847,000	36,260,000
Legal debt margin	\$ -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	\$ -18,270,443
Total net debt applicable to the limit as a percentage of debt limit	10.09%	8.03%	6.21%	4.73%	299.94%	258.80%	227.09%	213.00%	207.22%	201.56%

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

- a Limit set by NJSA 18A:24-19 for a K through 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
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	372,386,826	48,318	8.60%
2012	7,572	N/A	N/A	9.00%
2013	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

<u>2013</u>			
<u>Employer</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
Albert C. Wagner Youth Correctional Facility	541	1	36.7%
Garden State Youth Correctional Cntr.	494	2	33.5%
Chesterfield Twp. School District	104	3	7.1%
Olde York Country Club & Restaurant Services	70	4	4.8%
James Durr Wholesale Florist	50	5	3.4%
Townsend Machine Inc.	30	6	2.0%
Chesterfield Twp. Municipal Government	25	7	1.7%
Rapleyea Nursery & Central Jersey Landscaping	22	8	1.5%
Chesterfield Inn	20	9	1.4%
Fernbrook Nursery	20	10	1.4%
Meadow View Junior Academy	9	11	0.6%
	<u>1,385</u>		<u>94.0%</u>
Total Municipal Employment			<u>1,473</u>

Source: District Personnel

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

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013
Instruction								
Regular	20	25	27	28	32	33	34	36
Special education	4	4	5	5	5	6	6	7
Other special education	1	1	2	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	15
General administration	1	1	1	1	1	1	1	1
School administrative services	2	2	2	3	3	3	3	3
Other administrative services	-	-	-	-	-	-	-	-
Central services	3	3	3	3	3	4	4	4
Administrative Information Technology	-	-	-	-	-	-	-	-
Plant operations and maintenance	5	5	6	8	8	10	10	12
Pupil transportation	1	2	1	1	1	2	2	2
Other support services	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-
Total	46	53	58	62	69	76	77	82

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	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%
2013	644	8,170,718	12,687	-1.77%	45	14.3:1	639.5	607.8	9.77%	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).

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>District Building (NOT IN SERVICE, EFFECTIVE 1/1/11)</u>										
<u>Elementary</u>										
Chesterfield Elementary School (1964)										
Square Feet	39,740	39,740	39,740	39,740	39,740	39,740	39,740	-	-	-
Capacity (students)	306	306	306	306	306	306	306	-	-	-
Enrollment	273	279	300	362	413	447	493	-	-	-
<u>District Building</u>										
<u>Elementary</u>										
Chesterfield Elementary School (2011)										
Square Feet	-	-	-	-	-	-	-	116,000	116,000	116,000
Capacity (students)	-	-	-	-	-	-	-	918	918	918
Enrollment	-	-	-	-	-	-	-	563	590	644

Number of Schools at June 30, 2013
 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 N/A	Total
Project # (s)	<u> </u>	<u> </u>
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	114,593	114,593
2013	<u>133,492</u>	<u>133,492</u>
 Total School Facilities	 <u><u>\$ 600,907</u></u>	 <u><u>\$ 600,907</u></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, 2013**

Exhibit J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
Building and Contents (All Locations)	\$ 35,052,697	\$ 5,000
Equipment Breakdown/Boiler	100,000,000	5,000
General Liability & Auto Liability	11,000,000	-
School Board Legal Liability	11,000,000	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

JOHN J. MALEY, JR.

Certified Public Accountant

Registered Municipal Accountant

P.O. Box 614

BORDENTOWN, NEW JERSEY 08505

PHONE: (609) 298-8639

FAX: (609) 298-1198

EXHIBIT K-1

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, in accordance with auditing standards generally accepted in the United States of America and 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, the financial statements of governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Chesterfield Township School District, in the County of Burlington, State of New Jersey as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Chesterfield Township School District's basic financial statements, and have issued my report thereon dated August 23, 2013.

Internal Control Over Financial Reporting

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

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

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

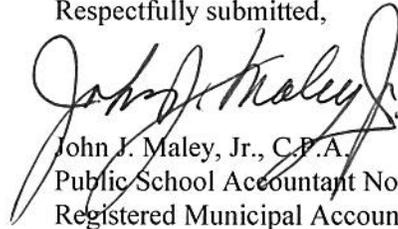
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.

Purpose of This Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



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

August 23, 2013

JOHN J. MALEY, JR.

Certified Public Accountant

Registered Municipal Accountant
P.O. Box 614
BORDENTOWN, NEW JERSEY 08505

PHONE: (609) 298-8639
FAX: (609) 298-1198

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 08515

Report on Compliance for Each Major State Program

I have audited the Board of Education of the Chesterfield Township School District's compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of Chesterfield Township School District's major state programs for the year ended June 30, 2013. 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.

Management's Responsibility

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

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of Chesterfield Township School District's major state programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 on compliance for each major state program. However, my audit does not provide a legal determination of the Board of Education of the Chesterfield Township School District's compliance.

Opinion on Each Major State Program

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 a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2013.

Report on Internal Control Over Compliance

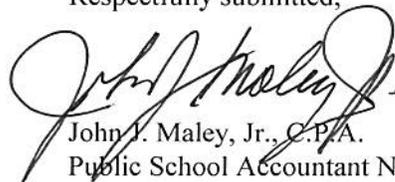
Management of the Board of Education of the Chesterfield Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing 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 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 state or 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 state federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Respectfully submitted,



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

August 23, 2013

CHESTERFIELD TOWNSHIP SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2012	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Accounts Receivable	Balance at June 30, 2013 Deferred Revenue	Due to Grantor at
							1	2	3	4	5	6	7
U.S. Department of Education:													
General Fund:													
Education Jobs Fund													
Total General Fund													
U.S. Department of Education:													
Passed-through State Department of Education:													
Special Revenue Fund:													
IDEA, Part B, Basic													
84.027	IDEA-0830-13		104,900	9/1/12	831/13	-	79,353	(95,637)	(11,877) c	-	(28,161)	-	0
84.027	IDEA-0830-12		117,898	9/1/11	831/12	(35,732)	37,535	(11,877)	10,227 a, c, d	-	-	-	153
84.027	IDEA-0830-11		104,131	9/1/10	831/11	(1,503)	-	-	1,503 b	-	-	-	-
84.027	IDEA-0830-13		5,735	9/1/12	831/13	-	3,530	(5,735)	(25) c	-	(2,230)	-	-
84.027	IDEA-0830-12		5,733	9/1/11	831/12	(1,959)	1,959	(25)	25 c	-	-	-	-
ARRA - IDEA, Part B													
84.391	ARRA-0830-10		100,720	9/1/09	831/11	(136)	-	-	136 b	-	-	-	-
Title I, Improving Basic Programs Operated by LEAs													
84.389	NCLB-0830-13		8,488	9/1/12	831/13	-	4,211	(5,468)	(58) c	-	(1,315)	-	-
84.389	NCLB-0830-12		10,101	9/1/11	831/12	(5,461)	5,461	(58)	160 a, c	-	-	-	102
Title II-A, Teacher & Principal Training and Recruiting													
84.340A	NCLB-0830-13		7,471	9/1/12	831/13	-	5,500	(5,500)	-	-	-	-	-
84.340A	NCLB-0830-12		8,170	9/1/11	831/12	(1,342)	1,773	(431)	-	-	-	-	-
84.340A	NCLB-0830-11		11,153	9/1/10	831/11	(6)	6	-	-	-	-	-	-
Title VI-B, Small Rural School Achievement (SRSA/REAP)													
84.358A	S358A123999		52,232	7/1/12	930/13	-	-	(42,718)	-	-	(42,718)	-	-
84.358A	S358A113999		52,371	7/1/11	930/12	(5,915)	37,588	(46,455)	-	-	(14,782)	-	-
84.358A	S358A103999		48,134	7/1/10	930/11	(45,212)	45,212	-	-	-	-	-	-
Total Special Revenue Fund													
							222,128	(213,904)	91	-	(89,206)	-	255
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Enterprise Fund:													
Food Distribution Program													
10.550	N/A		11,446	7/1/12	630/13	-	11,446	(12,987)	(58) c	-	-	2,061	-
10.550	N/A		15,943	7/1/11	630/12	3,602	-	-	-	-	-	-	-
10.555	N/A		25,138	7/1/12	630/13	-	23,514	(25,138)	-	-	(1,624)	-	-
10.555	N/A		19,024	7/1/11	630/12	(922)	922	-	-	-	-	-	-
Total Enterprise Fund													
							35,882	(38,125)	-	-	(1,624)	2,061	-
Total Federal Financial Assistance													
							\$ 259,933	(\$ 252,029)	\$ 92	\$ -	(\$ 90,830)	\$ 2,061	\$ 255

- a. Prior year PO cancelled.
- b. Cancelled.
- c. Reclassify cash receipt.
- d. Prior year adjustment.

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

CHESTERFIELD TOWNSHIP SCHOOL
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2012		Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Years Balances	(Accounts Receivable)	Deferred Revenue / Interfund Payable	Due to Grantor	Budgetary Receivable	MFMO Cumulative Total Expenditures
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor								
State Department of Education:														
General Fund:														
Transportation Aid	13-495-034-5120-014	\$ 64,418	7/1/12		\$ -	\$ -	64,418	(64,418)	-	-	-	-	\$ -	\$ -
Special Education Categorical Aid	13-495-034-5120-089	137,832	7/1/12				137,832	(137,832)	-	-	-	-	6,150	137,832
Security Aid	13-495-034-5120-084	41,000	7/1/12				41,000	(41,000)	-	-	-	-	-	41,000
Supplemental Enrollment Growth Aid (SEGA) (12-13)	13-495-034-5120-094	85,512	7/1/12				85,512	(85,512)	-	-	-	-	-	85,512
Reimbursed Non Public School Transportation Costs (12-13)	N/A	5,394	7/1/12				-	(5,394)	-	(5,394)	-	-	-	5,394
Reimbursed TPAF Pension Contributions (11-12)	N/A	3,828	7/1/12				3,828	-	-	-	-	-	-	-
On-Behalf TPAF Pension Contributions	13-495-034-5095-066	213,531	7/1/12				213,531	(213,531)	-	-	-	-	-	213,531
On-Behalf TPAF Post-Retirement Medical	13-495-034-5095-001	241,450	7/1/12				241,450	(241,450)	-	-	-	-	-	241,450
Reimbursed TPAF Social Security Contributions	13-495-034-5095-002	265,860	7/1/12				252,880	(265,860)	-	(12,980)	-	-	-	241,450
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	246,807	7/1/11				12,089	-	-	-	-	-	-	265,860
							1,052,540	(1,054,997)	-	(18,374)	-	-	8,199	1,054,997
Total General Fund														
Special Revenue Fund:														
NJ Nonpublic Aid:														
Textbook Aid	13-100-034-5120-064	1,797	7/1/12				1,797	(1,767)	(26)	-	-	30	-	1,767
Textbook Aid	12-100-034-5120-064	2,444	7/1/11				-	-	-	-	-	-	-	-
Auxiliary Services:														
Compensatory Education	13-100-034-5120-067	25,918	7/1/12				25,918	(18,225)	(672)	-	-	7,693	-	18,225
Compensatory Education	12-100-034-5120-067	19,612	7/1/11				2,558	(768)	(173)	-	-	1,790	-	768
English as a Second Language	12-100-034-5120-067	1,724	7/1/11				-	-	-	-	-	-	-	-
Handicapped Services:														
Corrective Speech	13-100-034-5120-066	3,906	7/1/12				3,906	(2,655)	(3,634)	-	-	1,251	-	2,655
Corrective Speech	12-100-034-5120-066	5,529	7/1/11				-	-	-	-	-	-	-	-
Examination & Classification	13-100-034-5120-066	3,505	7/1/12				3,505	(1,752)	(1,046)	-	-	1,753	-	1,752
Examination & Classification	12-100-034-5120-066	4,993	7/1/11				1,046	-	-	-	-	-	-	-
Supplementary Instruction	13-100-034-5120-066	3,469	7/1/12				3,469	(2,082)	(702)	-	-	1,387	-	2,082
Supplementary Instruction	12-100-034-5120-066	4,209	7/1/11				-	-	-	-	-	-	-	-
Nursing Aid	12-100-034-5120-070	2,494	7/1/12				2,494	(2,494)	-	-	-	663	-	2,494
Technology Aid	13-100-034-5120-373	663	7/1/12				663	-	-	-	-	-	-	663
Insurance Safety Grant	13-100-034-5120-373	3,471	7/1/12				3,471	(3,471)	-	-	-	-	-	3,471
Moratoria Fund Grant - The Science of Farm to School	N/A	10,000	7/1/12				10,000	(10,000)	-	-	-	-	-	10,000
							57,781	(43,214)	(6,253)	-	-	14,567	-	43,214
Total Special Revenue Fund														
Debt Service Fund:														
Debt Service Aid Type II	13-495-034-5120-017	320,189	7/1/12				320,189	(320,189)	-	-	-	-	-	320,189
							320,189	(320,189)	-	-	-	-	-	320,189
Total Debt Service Fund														
State Department of Agriculture:														
Special Revenue Fund:														
Grow Healthy Grant	005-00830	6,500	7/1/11				(140)	(140)	-	-	-	-	-	3,227
							3,367	(3,227)	-	-	-	-	-	3,227
Total Special Revenue Fund														
Enterprise Fund:														
State School Lunch Program	13-100-010-3350-023	1,674	7/1/12				1,471	(1,674)	(203)	-	-	-	-	1,674
State School Lunch Program	12-100-010-3350-023	1,568	7/1/11				73	-	-	-	-	-	-	-
							1,544	(1,674)	-	(203)	-	-	-	1,674
Total Enterprise Fund														
Total State Financial Assistance							1,435,421	(1,423,301)	(6,253)	(18,577)	-	14,567	8,199	1,423,301
							1,435,421	(1,423,301)	(6,253)	(18,577)	-	14,567	8,199	1,423,301

a. Repayment of prior year balances

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

CHESTERFIELD TOWNSHIP SCHOOL
NOTES TO THE SCHEDULES OF EXPENDITURE OF AWARDS AND
FINANCIAL ASSISTANCE
JUNE 30, 2013

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 (\$8,199) 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	\$ 1,923	\$1,046,798	\$1,048,721
Special Revenue Fund	213,904	46,441	260,345
Debt Service Fund	0	320,189	320,189
Food Service Fund	<u>36,584</u>	<u>1,674</u>	<u>38,258</u>
Total Financial Assistance	<u>\$252,411</u>	<u>\$ 1,415,102</u>	<u>\$1,667,513</u>

CHESTERFIELD TOWNSHIP SCHOOL
NOTES TO THE SCHEDULES OF EXPENDITURE AWARDS AND
FINANCIAL ASSISTANCE
JUNE 30, 2013

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, 2013. 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, 2013.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(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

No matters were reported.

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, 2013

Status of Prior Year 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.

Current Year Review

The finding has been resolved and there are no similar findings during 2012-2013.

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.

Current Year Review

The findings have been resolved and there are no similar findings during 2012-2013.