

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
BURLINGTON COUNTY, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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, 2015

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INTRODUCTORY SECTION

Chesterfield Township Board of Education

*30 Saddle Way
Chesterfield, New Jersey 08515*



MR. SCOTT HEINO
Superintendent
sheino@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

December 7, 2015

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, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (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 15-08- OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

Generally accepted accounting principles (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 2014-2015 fiscal year with an enrollment of 728 students, which is 25 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>
2010-2011	563	+15%
2011-2012	590	+ 5%
2012-2013	644	+ 9%
2013-2014	703	+ 9%
2014-2015	728	+ 4%

2. **ECONOMIC CONDITION AND OUTLOOK:** Chesterfield Township is experiencing and will continue to experience substantial residential expansion. A total of 987 homes have been built in Chesterfield Township since 2004 with 81 homes being completed over the past two years. There are 202 additional dwellings that remain to be constructed. Of the 202 additional dwellings that remain to be constructed, there are 43 open permits and these homes will be completed by 2016. The remaining homes should be constructed over the next 3 to 4 years depending on demand. Projected enrollment is expected to increase by an additional 80 students by 2016/17.

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, 2015.

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.

New Accounting Standard

The financial statements for 2014-15 reflect the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*. The primary effect of this statement is to recognize a liability in the financial statements prepared using the economic resources measurement focus and accrual basis of accounting for its proportionate share of the collective net pension liability of all employers for benefits provided through the pension plan. This Statement had a significant effect on the District's financial statements. For the first time, the governmental activities financial statements report a net pension liability of \$2,091,219. The net pension liability is the District's proportionate share of the amount by which pension plan liabilities exceed pension plan assets. Prior to GASB 68 a net pension liability was not reported by the District.

Further, GASB 68 requires that most changes in the pension liability are required to be included in pension expense in the period of the change. Previously, pension expense was reported by the District as the amount paid.

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, 2015, and the amount and percentage of increases in relation to prior year revenues on a GAAP basis.

Revenue	2014-2015 Amount	Percent of Total	Increase (Decrease) From 2013-2014	Percentage of Increase (Decrease)
Local Sources	\$9,585,869	84.2%	1,087,490	12.8 %
State Sources	1,640,787	14.3%	254,616	18.3 %
Federal Sources	<u>170,554</u>	<u>1.5%</u>	<u>(16,570)</u>	(8.8) %
Total	\$11,397,210	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, 2015.

<u>Expenditures</u>	2014-2015 <u>Amount</u>	<u>Percent of Total</u>	
		<u>2014-15</u>	<u>2013-14</u>
Current expense:			
Instruction	\$3,542,827	29.7%	29.1%
Undistributed			
Expenditures	5,808,388	48.7%	48.0%
Capital Outlay	49	0.0%	0.0%
Capital Projects	30,028	0.2%	0.4%
Special Schools	0	0.0%	0.0%
Special Revenue Fund	217,474	1.7%	2.1%
<u>Debt Service Fund</u>	<u>2,353,575</u>	<u>19.7%</u>	<u>20.4%</u>
Total	\$11,923,130	100.0%	100.0%

7. **DEBT ADMINISTRATION:** At June 30, 2015, the District's outstanding debt issue was for a bond for a new elementary school in the amount of \$34,885,000, 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:**

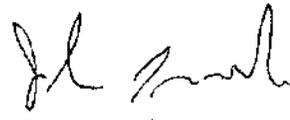
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountant. The accounting firm of John J. Maley, Jr., C.P.A. was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and state Treasury Circular Letter 15-08 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:

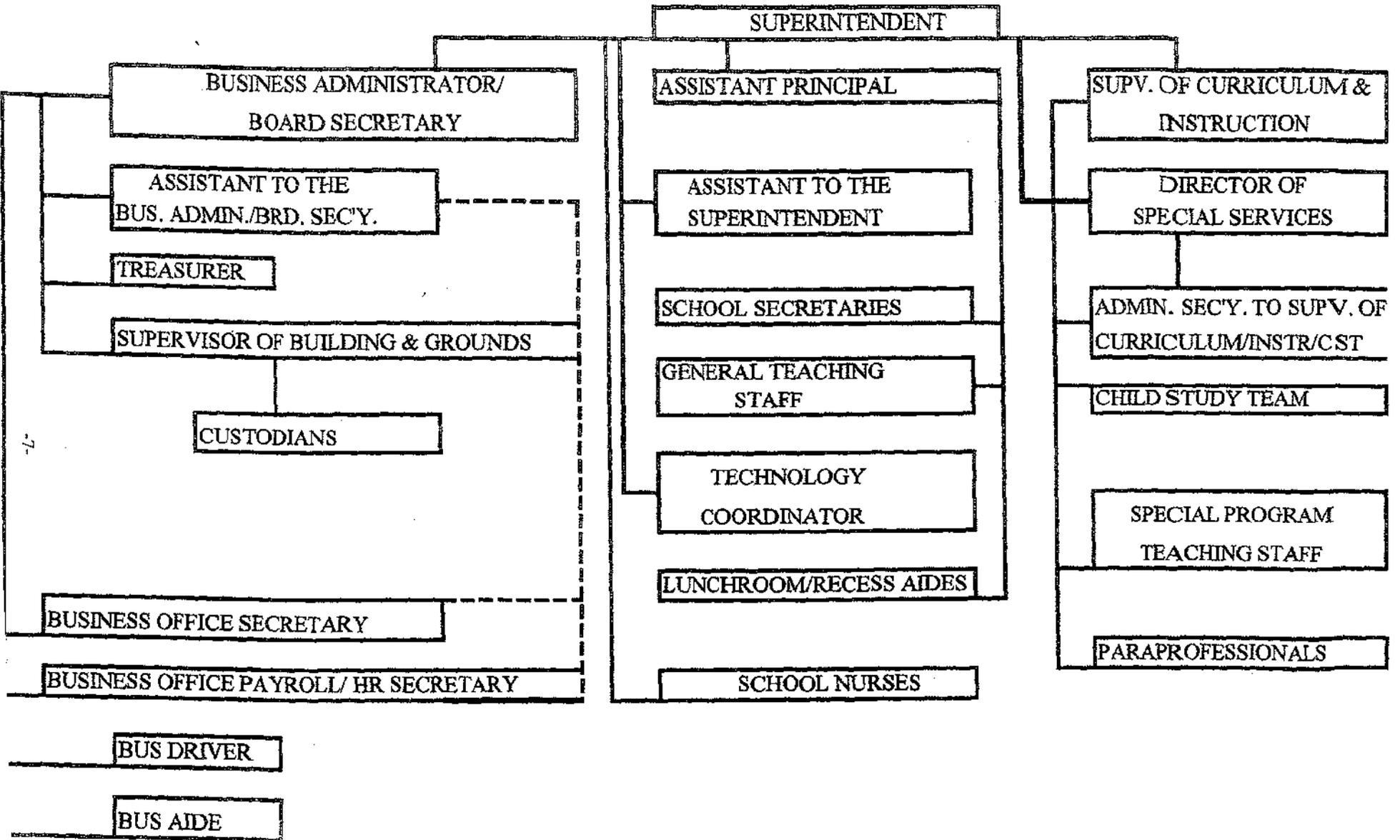
We would like to express our appreciation to the members of the Chesterfield Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial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

Respectfully submitted,


Scott Heino
Superintendent


John Snuffin
Business Administrator/Board Secretary

Chesterfield Township Board of Education
ORGANIZATIONAL CHART



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

Roster of Officials
June 30, 2015

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Terran Brown, President	2016
Jignesh Shah, Vice President	2016
Laura Bond	2015
Peggy Hallion	2017
Andrea Katz	2015

Other Officials

Scott Heino, Superintendent

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

First Bank
2465 Kuser Road
Hamilton, New Jersey 08690

ABCO Federal Credit Union
PO Box 247
Rancocas, New Jersey 08073

JOHN J. MALEY, JR.

Certified Public Accountant

Registered Municipal Accountant

P.O. Box 814

BORDENTOWN, NEW JERSEY 08505

PHONE: (609) 298-8639

FAX: (609) 298-1188

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, 2015, 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, 2015, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

During the year the Chesterfield Township Board of Education implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. My opinions on the financial statements are not are not modified relating to this change in accounting principle.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis, Budgetary Comparison Information and schedules relating to accounting and reporting for pensions shown in Required Supplementary Information – Part III 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 opinions on the financial statements that collectively comprise the Chesterfield Township School District Board of Education's basic financial statements. The accompanying combining and individual fund financial statements, the schedule of state financial assistance required by New Jersey Circular 15-08 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.

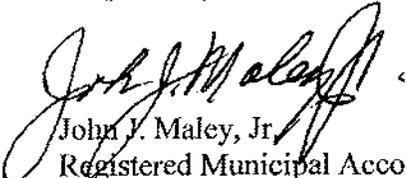
The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to 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 individual fund financial statements and the schedule of state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section and the statistical section 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 Decembers 7, 2015 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

December 7, 2015

FINANCIAL SECTION

REQUIRED SUPPLEMENTARY INFORMATION - Part I

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, 2015. 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.

Due to the low level of state and federal funding, the District's finances continue to depend primarily on property tax revenue.

Under the IDEA, Part B grant, the District expended a total of \$116,466 in Federal Funding in Fiscal Year 2014, and under the same grant in Fiscal Year 2015, the District expended \$140,263. This increase of \$23,797 was utilized for special education expenses.

Another valuable funding source was the award of the No Child Left Behind (NCLB) Grant. Total expenditures under NCLB amounted to \$22,557. Funds from this grant were used for improving basic programs operated by LEA's as well as teacher and principal training and recruiting during the 2014-2015 school year.

On May 2, 2014 the abandoned Chesterfield Elementary School on Route 528 was sold to the Township of Chesterfield for \$300,000. Payment was received during the fiscal year ended June 30, 2015.

New Accounting Standard

The financial statements for 2014-15 reflect the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*. The primary effect of this statement is to recognize a liability in the financial statements prepared using the economic resources measurement focus and accrual basis of accounting for its proportionate share of the collective net pension liability of all employers for benefits provided through the pension plan. This Statement had a significant effect on the District's financial statements. The governmental activities financial statements report a net pension liability of \$2,091,219. The net pension liability is the District's proportionate share of the amount by which pension plan liabilities exceed pension plan assets. Prior to GASB 68 a net pension liability was not reported by the District.

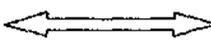
Further, GASB 68 requires that most changes in the pension liability are required to be included in pension expense in the period of the change. Previously, pension expense was reported by the District as the amount paid.

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 (\$6,885,229) at June 30, 2015, compared to (\$4,380,146) at June 30, 2014. The increase resulted primarily from recording \$2,039,882 pension liabilities.

TABLE 1 shows the District's net position.

TABLE 1
Chesterfield Township Net Position

	Governmental Activities		Business - type Activities		School District Total		Total % Change
	2014	2015	2014	2015	2014	2015	
Current and Other Assets	1,610,188	1,073,828	71,975	85,104	1,682,163	1,158,932	-31.1%
Capital Assets - Net	31,358,029	30,755,255	90,438	81,730	31,448,467	30,827,085	-1.9%
Deferred Outflows of Resources	-	165,034	-	-	-	165,034	
Total Assets	32,968,217	31,994,117	162,413	166,834	33,130,630	32,160,951	-2.9%
Long-term Debt Outstanding	35,900,594	38,138,204	-	-	35,900,594	38,138,204	6.2%
Deferred Inflows of Resources	912,442	124,625	-	-	912,442	124,625	-86.3%
Other Liabilities	695,321	767,861	2,419	15,490	697,740	783,351	12.3%
Total Liabilities	37,508,357	39,030,690	2,419	15,490	37,510,776	39,046,180	4.1%
Net Position:							
Net investment in capital assets	(4,302,083)	(4,296,331)	90,438	81,730	(4,211,645)	(4,214,601)	0.1%
Restricted	40,587	49,405	-	-	40,587	49,405	21.7%
Unrestricted	(278,644)	(2,789,647)	69,556	69,614	(209,088)	(2,720,033)	1200.9%
Total Net Position	(4,540,140)	(7,036,573)	159,994	151,344	(4,380,146)	(6,885,229)	57.2%

The increase in the deficit in unrestricted net position resulted from recording pension transactions in accordance with GASB 68 amounting to \$2,147,852.

Note: Totals may not add due to rounding

Changes in Net Position

At 91.6%, property taxes provide the highest percentage of the overall revenues. State Aid not restricted revenue increased by \$52,937 over the 2013-2014 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
	2014	2015	2014	2015	2014	2015	2014-15
REVENUES:							
Property Taxes	8,400,484	9,171,954	-	-	8,400,484	9,171,954	9.2%
Federal or State Aid	371,325	424,262	38,192	41,244	409,517	465,506	13.7%
Tuition received	42,157	46,059	-	-	42,157	46,059	9.3%
Interest Earnings	1,448	1,169	9	-	1,457	1,169	-19.8%
Other	54,290	66,686	153,536	154,000	207,826	220,686	6.2%
Fire insurance recovery	5,000	300,000	-	-	5,000	300,000	5900.0%
Sale of Chesterfield Elementary School	300,000	-	-	-	300,000	-	-100.0%
Total Revenues	9,174,704	10,010,130	191,737	195,244	9,366,441	10,205,374	9.0%
EXPENSES:							
Instruction Related	4,179,693	4,547,054	-	-	4,179,693	4,547,054	8.8%
Tuition	90,794	114,912	-	-	90,794	114,912	26.6%
Student & Inst. Related Services	1,294,068	1,546,959	-	-	1,294,068	1,546,959	19.5%
General & Business Administrative Services	925,282	973,372	-	-	925,282	973,372	5.2%
Maintenance	1,039,886	1,042,551	-	-	1,039,886	1,042,551	0.3%
Transportation	346,905	342,058	-	-	346,905	342,058	-1.4%
Interest on Debt	1,250,920	1,206,264	-	-	1,250,920	1,206,264	-3.6%
Other	601,342	601,340	191,139	203,894	792,481	805,234	1.6%
Total Expenses	9,728,890	10,374,510	191,139	203,894	9,920,029	10,578,404	6.6%
Increase (decrease) in net position	(554,186)	(364,380)	598	(8,650)	(553,588)	(373,030)	-32.6%

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 2014-2015.

TABLE 3 provides a summary of the cost of all governmental activities for the 2014–15 school year.

TABLE 3
Net Cost of Governmental Activities

	Total Cost of Services			%	Net Cost of Services			%
	2014	2015	2013-14	Change	2014	2015	2014-15	Change
Instruction Related	4,323,356	4,660,209	7.8%		4,179,693	4,547,054	8.8%	
Tuition	90,794	114,912	26.6%		90,794	114,912	26.6%	
Student & Inst. Related Services	1,378,069	1,651,278	19.8%		1,294,068	1,546,959	19.5%	
Administrative Services	925,282	973,372	5.2%		925,282	973,372	5.2%	
Maintenance	1,039,886	1,042,551	0.3%		1,039,886	1,042,551	0.3%	
Transportation	346,905	342,058	-1.4%		346,905	342,058	-1.4%	
Unallocated Benefits	643,799	1,596,536	148.0%		-	-	0.0%	
Interest on Long-term debt	1,581,427	1,550,959	-1.9%		1,250,920	1,206,264	-3.6%	
Other	601,342	601,340	0.0%		601,342	601,340	0.0%	
Total	10,930,860	12,533,215	14.7%		9,728,890	10,374,510	6.6%	

The large increase in the benefits line-item resulted from reporting TPAF pension expense and revenue in accordance with GASB 68. The 2015 amount exceeded the 2014 amount by \$771,626.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

All of the District's governmental funds showed more expenditures than revenues at June 30, 2015, with the exception of Capital Projects 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 \$210,433 unassigned fund balance in the general fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

General fund expenditures were \$78,171 below budget, and revenues were \$34,992 above expectation due to unanticipated miscellaneous revenue and extraordinary aid, leaving the district with a General Fund total budgetary fund balance of \$406,693. The revenue amount includes \$3,132 for reimbursement of non-public school transportation costs and \$33,598 for extraordinary aid, both of which will be appropriated in the 2015-2016 budget.

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
	2014	2015	2014	2015	2014	2015	
Land	560,000	560,000	-	-	560,000	560,000	0.0%
Site Improvements	471,738	441,434	-	-	471,738	441,434	-6.4%
Buildings	30,140,987	29,600,179	-	-	30,140,987	29,600,179	-1.8%
Equipment and Furniture	185,304	153,642	90,438	81,730	275,742	235,372	-14.6%
Total	31,358,029	30,755,255	90,438	81,730	31,448,467	30,836,985	-1.9%

LONG TERM DEBT

At year-end the district had \$34,885,000 in general obligation and other long-term debt outstanding – a decrease of 2.1% from last year resulting from the payment of principal amounting to \$750,000. 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.

Chesterfield's Outstanding Long-Term Debt

	School District Total		Total % Change
	2014	2015	
Bonds Payable	35,635,000	34,885,000	-2.1%
Unamortized Bond Premium	912,442	873,889	-4.2%
Compensated Absences	265,594	288,096	8.5%
Net Pension Liability	2,132,053	2,091,219	-1.9%
Total	38,945,089	38,138,204	-2.1%

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. 83% of these homes have been issued certificates of occupancy as of November 30, 2015. 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 was sold to Chesterfield Township during FY2014.

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 Position
June 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,009,460	\$ 76,774	\$ 1,086,234
Receivables, net	26,427	1,977	28,404
Inventory	-	6,353	6,353
Restricted assets:			
Capital reserve account - cash	37,941	-	37,941
Capital assets, net (Note 4):	<u>30,755,255</u>	<u>81,730</u>	<u>30,836,985</u>
Total assets	<u>31,829,083</u>	<u>166,834</u>	<u>31,995,917</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources-pension	165,034	-	165,034
Total deferred outflows of resources	<u>165,034</u>	<u>-</u>	<u>165,034</u>
Total assts and deferred outflows of resources	<u>31,994,117</u>	<u>166,834</u>	<u>32,160,951</u>
LIABILITIES			
Accounts payable	108,552	9,617	118,169
Accrued interest payable	654,094	-	654,094
Payable to state government	5,215	-	5,215
Unearned revenue	-	5,873	5,873
Noncurrent liabilities (Note 5):			
Due within one year	875,000	-	875,000
Due beyond one year	<u>37,263,204</u>	<u>-</u>	<u>37,263,204</u>
Total liabilities	<u>38,906,065</u>	<u>15,490</u>	<u>38,921,555</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources-pension	124,625	-	124,625
Total deferred inflows of resources	<u>124,625</u>	<u>-</u>	<u>124,625</u>
Total liabilities and deferred inflows of resources	<u>39,030,690</u>	<u>15,490</u>	<u>39,046,180</u>
NET POSITION			
Net Investment in Capital Assets	(4,296,331)	81,730	(4,214,601)
Restricted for:			
Debt service	11,464	-	11,464
Capital projects	37,941	-	37,941
Unrestricted	<u>(2,789,647)</u>	<u>69,614</u>	<u>(2,720,033)</u>
Total net position	<u>\$ (7,036,573)</u>	<u>\$ 151,344</u>	<u>\$ (6,885,229)</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, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 3,694,988	\$ -	\$ 113,155	\$ -	\$ (3,581,833)	\$ -	\$ (3,581,833)
Special education	769,470	-	-	-	(769,470)	-	(769,470)
Other special instruction	180,066	-	-	-	(180,066)	-	(180,066)
Other instruction	15,685	-	-	-	(15,685)	-	(15,685)
Support services:							
Tuition	114,912	-	-	-	(114,912)	-	(114,912)
Student & instruction related services	1,651,278	-	104,319	-	(1,546,959)	-	(1,546,959)
General administration	257,947	-	-	-	(257,947)	-	(257,947)
School administrative services	346,325	-	-	-	(346,325)	-	(346,325)
Central services	279,639	-	-	-	(279,639)	-	(279,639)
Administrative information technology	89,461	-	-	-	(89,461)	-	(89,461)
Plant operations and maintenance	1,042,551	-	-	-	(1,042,551)	-	(1,042,551)
Pupil transportation	342,058	-	-	-	(342,058)	-	(342,058)
Unallocated employee benefits	1,596,536	-	1,596,536	-	-	-	-
Interest on long-term debt	1,550,959	-	344,695	-	(1,206,264)	-	(1,206,264)
Unallocated depreciation	601,340	-	-	-	(601,340)	-	(601,340)
Total governmental activities	12,533,315	-	2,158,705	-	(10,374,510)	-	(10,374,510)
Business-type activities:							
Food Service	203,894	154,000	41,244	-	-	(8,650)	(8,650)
Total business-type activities	203,894	154,000	41,244	-	-	(8,650)	(8,650)
Total primary government	\$ 12,737,109	\$ 154,000	\$ 2,199,949	\$ -	\$ (10,374,510)	\$ (8,650)	\$ (10,383,160)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					7,905,426	-	7,905,426
Taxes levied for debt service					1,266,528	-	1,266,528
Federal and State aid not restricted					424,262	-	424,262
Tuition received					46,059	-	46,059
Investment earnings					1,169	-	1,169
Miscellaneous income					66,686	-	66,686
Extraordinary item - Fire insurance recovery					300,000	-	300,000
Total general revenues, special items, extraordinary items and transfers					10,010,130	-	10,010,130
Change in Net Position					(364,380)	(8,650)	(373,030)
Net Position—beginning as previously reported					(4,540,140)	159,994	(4,380,146)
Cumulative effect of change in accounting principle					(2,132,053)	-	(2,132,053)
Net Position—beginning as restated					(6,672,193)	159,994	(6,512,199)
Net Position—ending					\$ (7,036,573)	\$ 151,344	\$ (6,885,229)

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, 2015

Exhibit B-1

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
ASSETS					
Cash and cash equivalents	\$ 289,957	\$ 736	\$ 707,303	\$ 11,464	\$ 1,009,460
Receivables from other governments	17,434	8,993	-	-	26,427
Restricted cash - capital reserve	37,941	-	-	-	37,941
Total assets	<u>\$ 345,332</u>	<u>\$ 9,729</u>	<u>\$ 707,303</u>	<u>\$ 11,464</u>	<u>\$ 1,073,828</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 6,996	\$ 4,514	-	-	\$ 11,510
Payable to state government	-	5,215	-	-	5,215
Total liabilities	<u>6,996</u>	<u>9,729</u>	<u>-</u>	<u>-</u>	<u>16,725</u>
Fund balances:					
Restricted for:					
Capital reserve	37,941	-	-	-	37,941
Debt service	-	-	-	1,145	1,145
Debt service - Designated by the BOE for subsequent year's expenditures	-	-	-	10,319	10,319
Committed to:					
Capital projects	-	-	307,303	-	307,303
Capital projects - Designated by the BOE for subsequent year's expenditures	-	-	400,000	-	400,000
Assigned to:					
Designated by the BOE for subsequent year's expenditures	89,962	-	-	-	89,962
Unassigned:					
General fund	210,433	-	-	-	210,433
Total fund balances	<u>338,336</u>	<u>-</u>	<u>707,303</u>	<u>11,464</u>	<u>1,057,103</u>
Total liabilities and fund balances	<u>\$ 345,332</u>	<u>\$ 9,729</u>	<u>\$ 707,303</u>	<u>\$ 11,464</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 \$34,387,640 and the accumulated depreciation is \$3,632,385 (see Note 4).

30,755,255

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	(34,885,000)
Compensated Absences	(288,096)
	<u>(35,173,096)</u>

Premium on Bonds (amortized as a credit to interest expense):	
Deferred Premium on Bonds	(1,156,618)
Less: Accumulated Amortization	282,729
	<u>(873,889)</u>

(See Note 5) (36,046,985)

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 (654,094)

Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.

Accounts Payable due to PERS	(97,042)
Net pension liability	(2,091,219)
	<u>(2,188,261)</u>

Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred Outflows	165,034
Deferred Inflows	(124,625)
	<u>40,409</u>

(2,147,852)

Net position of governmental activities \$ (7,036,573)

Chesterfield Township School
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
REVENUES					
Local sources:					
Local tax levy	\$ 7,905,426	\$ -	\$ -	\$ 1,266,528	\$ 9,171,954
Tuition charges	46,059	-	-	-	46,059
Interest earned	-	-	1,145	-	1,145
Interest earned on capital reserve funds	24	-	-	-	24
Sale of old school	-	-	300,000	-	300,000
Miscellaneous	59,204	7,483	-	-	66,687
Total - Local sources	8,010,713	7,483	301,145	1,266,528	9,585,869
State sources	1,256,655	39,437	-	344,695	1,640,787
Federal sources	-	170,554	-	-	170,554
Total revenues	9,267,368	217,474	301,145	1,611,223	11,397,210
EXPENDITURES					
Current:					
Regular instruction	2,771,270	113,155	-	-	2,884,425
Special education instruction	593,118	-	-	-	593,118
Other special instruction	137,006	-	-	-	137,006
Other instruction	12,223	-	-	-	12,223
Support services:					
Tuition	114,912	-	-	-	114,912
Student & instruction related services	1,287,292	104,319	-	-	1,391,611
General administration	192,348	-	-	-	192,348
School administrative services	264,838	-	-	-	264,838
Central services	214,709	-	-	-	214,709
Administrative information technology	89,461	-	-	-	89,461
Plant operations and maintenance	893,941	-	-	-	893,941
Pupil transportation	319,374	-	-	-	319,374
Employee benefits	2,431,512	-	-	-	2,431,512
Debt service:					
Principal	-	-	-	750,000	750,000
Interest and other charges	-	-	-	1,603,575	1,603,575
Capital outlay	49	-	30,028	-	30,077
Total expenditures	9,322,053	217,474	30,028	2,353,575	11,943,130
Excess (Deficiency) of revenues over expenditures	(54,685)	-	271,117	(742,352)	(525,920)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	751,145	751,145
Transfers out	-	-	(751,145)	-	(751,145)
Total other financing sources and uses	-	-	(751,145)	751,145	-
EXTRAORDINARY ITEM					
Fire Insurance	-	-	300,000	-	300,000
Net change in fund balances	(54,685)	-	(180,028)	8,793	(225,920)
Fund balance—July 1	393,021	-	887,331	2,671	1,283,023
Fund balance—June 30	\$ 338,336	\$ -	\$ 707,303	\$ 11,464	\$ 1,057,103

**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, 2015**

Total net change in fund balances - governmental funds (from B-2) \$ (225,920)

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	(641,375)	
	Capital outlays	<u>38,601</u>	
			(602,774)

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 750,000

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. 14,062

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, revenue associated with the gain on sale of property was previously recognized although it did not meet the "available" criteria to be recognized as governmental fund revenue. (300,000)

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 (+). (17,250)

Governmental funds report district pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. Cost of benefits earned net of employee contributions (pension expense from schedule) (15,799)

In the statement of activities, TPAF on-behalf state employer pension expense and related revenue are reported as follows:

Revenue	975,685		
Expense	<u>(975,685)</u>		
			<u>0</u>

Change in net position of governmental activities \$ (364,379)

Chesterfield Township School
Statement of Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 76,774	\$ 76,774
Accounts receivable:		
Federal	1,856	1,856
State	121	121
Inventories	6,353	6,353
Total current assets	85,104	85,104
Noncurrent assets:		
Furniture, machinery & equipment	135,775	135,775
Less accumulated depreciation	(54,045)	(54,045)
Total noncurrent assets	81,730	81,730
Total assets	166,834	166,834
LIABILITIES		
Current liabilities:		
Accounts payable	9,617	9,617
Unearned revenue	5,873	5,873
Total liabilities	15,490	5,873
NET POSITION		
Net Investment in Capital Assets	81,730	81,730
Unrestricted	69,614	69,614
Total net position	\$ 151,344	\$ 151,344

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

Chesterfield Township School
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities - Enterprise Fund	
	Food Service	Total Enterprise
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ 96,961	\$ 96,961
Daily sales - non-reimbursable programs	56,335	56,335
Special functions	704	704
Total operating revenues	154,000	154,000
Operating expenses:		
Cost of sales	83,356	83,356
Salaries	55,534	55,534
Employee benefits	11,026	11,026
Other purchased professional services	45,270	45,270
Depreciation	8,708	8,708
Total operating expenses	203,894	203,894
Operating income (loss)	(49,894)	(49,894)
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	1,662	1,662
Federal sources:		
National school lunch program	25,331	25,331
Food distribution program	14,251	14,251
Total nonoperating revenues (expenses)	41,244	41,244
Change in net position	(8,650)	(8,650)
Total net position—beginning	159,994	159,994
Total net position—ending	\$ 151,344	\$ 151,344

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, 2015**

	Business-type Activities - Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 157,664	\$ 157,664
Payments to employees	(55,534)	(55,534)
Payments for employee benefits	(11,026)	(11,026)
Payments to suppliers	(105,744)	(105,744)
Net cash provided by (used for) operating activities	<u>(14,640)</u>	<u>(14,640)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	1,739	1,739
Federal Sources	25,204	25,204
Net cash provided by (used for) non-capital financing activities	<u>26,943</u>	<u>26,943</u>
Net increase (decrease) in cash and cash equivalents	12,303	12,303
Balances—beginning of year	64,471	64,471
Balances—end of year	<u>\$ 76,774</u>	<u>\$ 76,774</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (49,894)	\$ (49,894)
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	14,251	14,251
(Increase) decrease in accounts receivable, net	210	210
(Increase) decrease in inventories	(986)	(986)
Increase (decrease) in unearned revenue	3,454	3,454
Increase (decrease) in encumbrances	9,617	9,617
Total adjustments	<u>35,254</u>	<u>35,254</u>
Net cash provided by (used for) operating activities	<u>\$ (14,640)</u>	<u>\$ (14,640)</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, 2015**

	Unemployment Compensation Trust	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 14,569	\$ 216,693
Total assets	14,569	216,693
LIABILITIES		
Payable to student groups	-	13,054
Payroll deductions and withholdings	-	203,639
Total liabilities	-	\$ 216,693
NET POSITION		
Held in trust for unemployment claims and other purposes	\$ 14,569	

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, 2015

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Contributions:	
Plan members	\$ 13,354
Total contributions	<u>13,354</u>
Investment earnings:	
Interest	-
Net investment earnings	-
Total additions	<u>13,354</u>
DEDUCTIONS	
Quarterly contribution reports	3,910
Unemployment claims	<u>31,608</u>
Total deductions	<u>35,518</u>
Net increase (decrease)	(22,165)
Net position restricted for Unemployment:	
Net position—beginning of the year	36,734
Net position—end of the year	<u>\$ 14,569</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, 2015

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.

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 GASB No. 14, *The Financial Reporting Entity*, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial accountability, governing board appointments, the nature and significance of the relationship, or it would be misleading to exclude the organization in the judgment of the primary government. 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.

New Accounting Standards

During 2015 the District adopted GASB Statement 68 *Accounting and Financial Reporting for Pensions*. This statement improves accounting and financial reporting by state and local governments for pension liabilities. It improves information provided by state and local governmental employers about financial support arrangements that is provided by other entities. It replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Government Employers* as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The primary effect of this statement is to recognize a liability in the financial statements prepared using the economic resources measurement focus and accrual basis of accounting for its proportionate share of the collective net pension liability of all employers for benefits provided through the pension plan. This Statement had a significant effect on the District's financial statements.

During 2015 the District adopted GASB Statement 71 *Pension Transition for Contributions made Subsequent to the measurement Date-An Amendment of GASB Statement No. 68*, this statement requires a state or local government employer to recognize a net pension liability measured as of a date no earlier than the end of its prior fiscal year. If a state or local government employer or non employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non employer contributing entity that arise from other types of events. At transition to Statement 68, if it's not practical for an employer or non employer contributing entity to determine

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
New Accounting Standards (Continued)

the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and *deferred inflows of resources* not be reported. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows or resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this statement are applied simultaneously with GASB 68.

GASB Statement 72 *Fair Value Measurement and Application*, this Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The District does not expect this statement to impact its financial statements. The statement is effective for periods beginning after June 30, 2015.

GASB Statement 73 *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, the objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The statement is effective for periods beginning after June 30, 2015.

GASB Statement 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* the objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The District is evaluating this statement to determine its impact the financial statements.

GASB Statement 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The District is evaluating this statement to determine its impact the financial statements.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
New Accounting Standards (Continued)

GASB Statement 77 Tax Abatement Disclosures This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. This Statement requires governments that enter into tax abatement agreements to disclose brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients and the gross dollar amount of taxes abated during the period. The District is evaluating this statement to determine its impact the financial statements.

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.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 non-operating revenue.

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.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

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

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

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".

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2015

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. Unearned Revenue

In applying GASB 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 unearned 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. In the government-wide financial statements bond premiums and discounts, as well as issuance costs, are deferred, reported as deferred inflows or deferred outflows of resources, and amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed as incurred.

K. Deferred Inflows and Deferred Outflows of Resources

A deferred inflow of resources is an acquisition of net assets by the government that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net assets by the government that is applicable to a future reporting period.

L. 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.

M. Comparative Data

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

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

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 New Jersey Department of Education. 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 and certain transfers must be approved by the County Superintendent of Schools. The 2014-2015 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 unearned 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, 2015, the carrying value of cash of the District consisted of the following:

Interest Bearing Demand Deposits	\$ 1,321,322
N.J. Cash Management Fund	37,941
	<u>\$ 1,359,263</u>

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 3: CASH AND INVESTMENTS (Continued)

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, 2015 was \$1,359,263 and the bank balance was \$1,545,634. Of the bank balance, \$500,000 was covered by federal depository insurance and \$1,045,634 was covered by a collateral pool maintained by the banks as required by New Jersey statutes (GUDPA). \$37,941 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 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	\$	378,930
Restricted Cash		745,244
Agency Fund Cash		235,089
		\$ 1,359,263

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, 2015. 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.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 3: CASH AND INVESTMENTS (Continued)

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.

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, 2015.

	Primary Government			Balance 6/30/15
	Balance 6/30/14	Additions/ Adjustments	Deletions/ Adjustments	
<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
Building & Building Improvements	32,709,752	30,028		32,739,780
Machinery & Equipment	473,197	8,573		481,770
Total capital assets being depreciated	33,789,039	38,601	-	33,827,640
Total Capital Assets	34,349,039	38,601	-	34,387,640
Less Accumulated Depreciation for:				
Site Improvements	134,352	30,304		164,656
Building & Building Improvements	2,568,765	570,836		3,139,601
Machinery & Equipment	287,893	40,235		328,128
Total Accumulated Depreciation	2,991,010	641,375	-	3,632,385
Governmental Activities Capital Assets, Net	\$ 31,358,029	\$ (602,774)	\$ -	\$ 30,755,255

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 4: CAPITAL ASSETS (Continued)

	Primary Government			
	Balance 6/30/14	Additions/ Adjustments	Deletions/ Adjustments	Balance 6/30/15
Business-Type Activities:				
Capital Assets being Depreciated:				
Machinery & Equipment	\$ 135,775	\$ -	\$ -	\$ 135,775
Less Accumulated Depreciation for:				
Machinery & Equipment	(45,337)	(8,708)	-	(54,045)
Business-Type Activities Capital Assets, Net	\$ 90,438	\$ (8,708)	\$ -	\$ 81,730

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

Governmental Activities:	
Instruction	\$ 3,962
General Business Administrative Services	32,731
Pupil Transportation	-
Plant Operation and Maintenance	3,342
Unallocated Depreciation Expense - Net	601,340
Total Depreciation Expenses - Governmental Activities	\$ 641,375
Business-Type Activities:	
Food Service Fund	\$ 8,708

Note 5: LONG-TERM DEBT

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

	Balance 6/30/14	Additions / Adjustments	Reductions	Balance 6/30/15	Amounts Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 35,635,000	\$ -	\$ (750,000)	\$ 34,885,000	\$ 875,000
Compensated Absences Payable	265,594	22,502	-	288,096	-
Unamortized Bond Premium	912,442	-	(38,553)	873,889	-
Net Pension Liability	2,132,053	51,337	(92,171)	2,091,219	-
Governmental Activities Long Term Liabilities	\$ 38,945,089	\$ 73,839	\$ (880,724)	\$ 38,138,204	\$ 875,000

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 5: LONG-TERM DEBT (Continued)

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:

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 at varying rates from 4.375% to 4.500%.

Annual debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,005,000	1,446,075	2,451,075
2020	1,050,000	1,400,850	2,450,850
2021-2025	6,035,000	6,249,600	12,284,600
2026-2030	7,600,000	4,757,175	12,357,175
2031-2035	9,560,000	2,879,325	12,439,325
2036-2038	6,885,000	629,100	7,514,100
	<u>\$ 34,885,000</u>	<u>\$ 21,951,675</u>	<u>\$ 56,836,675</u>

B. Bonds Authorized But Not Issued

As of June 30, 2015 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 the Public Employees' Retirement System (PERS), the Teachers' Pension and Annuity Fund (TPAF) or the Defined Contribution Retirement Program (DCRP) 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. TPAF and PERS are cost sharing multi-employer defined benefit pension plan. 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, 2015

Note 6: PENSION PLANS (Continued)

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

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

For the year ended June 30, 2015, the District recognized pension expense of \$975,685 and revenue of \$975,685 for support provided by the State. The amounts are reported in the government-wide financial statements.

Actuarial assumptions

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation rate	2.50%
Salary increases: 2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

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

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

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 6: PENSION PLANS (Continued)

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

Long-Term Expected Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds / Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

Discount Rate

The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 6: PENSION PLANS (Continued)

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

Discount Rate (Continued)

member contribution rates and that contributions from employers will be made based on the average of the five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

<u>As of June 30, (rates used)</u>	<u>At 1% decrease</u>	<u>At current discount rate</u>	<u>At 1% increase</u>
2014 (3.68%, 4.68%, 5.68%)	\$ 64,722,984,539	\$ 53,813,067,539	\$ 44,738,870,539
2013 (3.95%, 4.95%, 5.95%)	61,017,578,926	50,790,513,631	42,351,665,847

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.

At June 30, 2015 the District reported a liability of \$2,091,219 for its proportionate share of the net pension liability as measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The district's proportion of the net pension liability was based on a projection of the district's long – term share of contributions to the pension plan relative to the projected contributions of all participating school districts , actuarially determined. At June 30, 2014, the district's proportion was .011% which remains relatively same as its proportion measured as of June 30, 2013.

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

At June 30, 2015 the district recorded accounts payable due to PERS for \$97,042 representing the district contribution expected to be paid in 2015-16.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 6: PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

For the year ended June 30, 2015 the District recognized pension expense of \$107,878. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 65,759	
Net difference between projected and actual earnings on pension plan investments		124,625
Changes in proportion and differences between District contributions and proportionate share of contributions	2,233	
District contributions subsequent to the measurement date	97,042	
Total	\$ 165,034	\$ 124,625

\$92,079 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date are recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as shown below. The amounts represent the District's proportionate share of deferred outflows of resources and deferred inflows of resources.

2015	\$ (19,052.18)
2016	(19,052.18)
2017	(19,052.18)
2018	(19,052.18)
2019	12,077.90
Thereafter	\$ 5,314.27

Additional Information

Collective local balances at December 31, 2013 and 2014 are as follows

	<u>12/31/2013</u>	<u>12/31/2014</u>
Collective Deferred outflows of resources	\$ 952,194,675	1,479,224,662
Collective Deferred inflows of resources	\$ 19,111,986,111	18,722,735,003
Collective net pension liability	0.01115%	0.01116%
District's Proportion		

Actuarial assumptions

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 6: PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Inflation rate	3.01%
Salary increases: 2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age

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

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

Long-Term Expected Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
1-ledge Funds / Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 6: PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Discount Rate

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

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2014 and 2013, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

2014			
	<u>At 1% decrease (4.39%)</u>	<u>At current discount rate (5.39%)</u>	<u>At 1% increase (6.39%)</u>
State	23,772,450,916	20,127,103,950	17,069,920,644
Local	<u>23,553,838,159</u>	<u>18,722,735,003</u>	<u>14,665,837,859</u>
\$	<u>47,326,289,075</u>	<u>38,849,838,953</u>	<u>31,735,758,503</u>
2013			
	<u>At 1% decrease (4.55%)</u>	<u>At current discount rate (5.55%)</u>	<u>At 1% increase (6.55%)</u>
State	22,822,255,839	19,298,623,119	16,351,193,705
Local	<u>23,791,905,551</u>	<u>19,111,986,911</u>	<u>15,190,834,283</u>
\$	<u>46,614,161,390</u>	<u>38,410,610,030</u>	<u>31,542,027,988</u>

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program was established under the provisions of Chapter 92, P.L. 2007 and Chapter 100, P.L. 2008 to provide coverage to elected and certain appointed officials effective July 1, 2007. Membership is mandatory for such individuals.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 6: PENSION PLANS (Continued)

Other Pension Information

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.

Vesting for members of the Defined Contribution Retirement Program (DCRP) occurs after one (1) year of membership.

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. An additional 1% is phased in over seven years effective July 1, 2012. The 2015-16 contribution rate was 6.92%. DCRP employees contribute 5.5% of compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for the normal cost and unfunded accrued liability. Under current statute the District is a non-contributing employer of the TPAF.

<u>Year</u> <u>Funding</u>	<u>PERS Annual</u> <u>Pension</u> <u>Costs</u>
6/30/15	\$ 92,079
6/30/14	84,055
6/30/13	86,757

The normal PERS contribution due in 2014-15 was \$15,329 and the accrued liability due was \$70,909 totaling \$86,238 paid by District. Additionally, the District paid the non-contributory group life insurance premium amount of \$5,841 for a total of \$92,079.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 6: PENSION PLANS (Continued)

Other Pension Information (Continued)

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

<u>Year</u> <u>Funding</u>	<u>Normal</u> <u>Costs</u>	<u>Additional</u> <u>Formula Cost</u>	<u>Accrued</u> <u>Liability</u>	<u>NCGI</u> <u>Premium</u>	<u>Post-Retirement</u> <u>Medical</u> <u>Benefits</u>
6/30/15	\$ 116,528	\$ 26,870	\$ 46,965	\$ 13,696	\$ 323,943
6/30/14	107,229	24,651	-	11,641	235,320
6/30/13	44,316	7,712	150,830	10,673	241,450

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$296,909 during the year ended June 30, 2015 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 medical benefits on-behalf of the District amounting to \$323,943. These amounts have been included in the fund 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, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical 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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

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.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 9: RISK MANAGEMENT (Continued)

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.

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>
2014-2015	\$ -	\$ 9,444	\$ 31,608	\$ 14,569
2013-2014	6	9,399	14,347	36,734
2012-2013	36	8,401	3,232	41,676

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 \$338,336 General Fund balance at June 30, 2015, \$89,962 is assigned and designated to be appropriated as anticipated revenue for the year ending June 30, 2016; \$37,941 is reserved in the Capital Reserve Account and \$210,433 is unassigned and undesignated.

During the fiscal year, surplus of \$4,057 was authorized and approved to be appropriated representing the amount of 2013-14 Non-Public School Transportation Aid.

Debt Service Fund- The fund balance in the Debt Service Fund at June 30, 2015 was \$11,464. Of that amount, \$10,319 was appropriated and included as anticipated revenue for the year ended June 30, 2016.

Capital Project Fund- The fund balance in the Capital Project Fund at June 30, 2015 was \$707,303. Of that amount, \$400,000 was approved 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, 2016.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

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 \$37,916 at June 30, 2014 to \$37,941 at June 30, 2015. The increase resulted from 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 calculation of excess fund balance at June 30, 2015 resulted in no excess surplus.

Note 14: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

New Jersey statutes 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 \$751,145 represents \$750,000 of unexpended bond proceeds used to pay debt service principal and \$1,145 interest earned in the Capital Project Fund.

Interfund loans result from loans made between funds for cash flow purposes. The loans are repaid within a reasonable time following the date of the loans. There were no interfund balances at June 30, 2015.

Note 15: EXTRAORDINARY ITEM AND IMPAIRED ASSET

During the year the District received an additional \$300,000 of insurance proceeds reported as an extraordinary item associated with the school fire reported as an impairment loss in 2010-11.

The Chesterfield Elementary School located on Route 528, was abandoned with the construction of the new school located on Saddle Way in 2010-11. The Route 528 school was 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 was sold to the Township of Chesterfield on May 4, 2014 for \$300,000 and payment was received in fiscal year 2014-2015.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 16: NET POSITION

The District has a deficit in net position of \$7,036,573 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 \$4,296,331. As debt is paid down the deficit in net position will be eliminated. Also contributing to the deficit is fire restoration costs amounting to \$716,410, expected to be recovered through insurance. Additionally, the amount of compensated absences recorded on the accrual basis totaling \$288,096 and pension transactions of \$2,197,852 add 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.

Note 17: SUBSEQUENT EVENTS

On September 16, 2015, the District issued \$9,920,000 Refunding School Bonds with interest rates ranging from 2.0% to 4.0% to refund the remaining balance of the 2008 School Bonds with 4.5% interest rates by placing a portion of the 2015 Bonds in an irrevocable trust with an escrow agent to provide for debt service payments on the remaining balance of the 2008 Bonds. The refunding met the requirement of an in-substance debt defeasance and the remaining liability of \$9,475,000 of the 2008 Bonds will be removed from the fiscal year 2016 financial statements. As a result of the refunding, the District reduced its total debt service requirements by \$417,403, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$374,655.

Note 18: CHANGE IN ACCOUNTING PRINCIPLE

The implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which required the District to recognize its proportionate share of PERS collective net pension liability, resulted in recording an adjustment to beginning net position on the statement of activities of \$2,132,053 to report the net pension liability in accordance with GASB 68. Additionally unamortized bond premium is reclassified from deferred inflow of resources and reported as a liability. The reclassification had no impact on net position.

Beginning net position as previously reported	\$	4,540,140
Prior Period adjustment - Implementation of GASB 68:		
Net Pension Liability (measurement date June 30, 2014)		2,132,053
Net Position June 30, 2014 (restated)	<u>\$</u>	<u>6,672,193</u>

REQUIRED SUPPLEMENTARY INFORMATION - Part II

CHESTERFIELD TOWNSHIP SCHOOL
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2015

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 7,905,426	\$ -	\$ 7,905,426	\$ 7,905,426	\$ -
Tuition	42,000	-	42,000	46,059	4,059
Interest Earned on Capital Reserve Funds	25	-	25	24	(1)
Miscellaneous	50,000	-	50,000	59,204	9,204
Total - Local Sources	<u>7,997,451</u>	<u>-</u>	<u>7,997,451</u>	<u>8,010,713</u>	<u>13,262</u>
State Sources:					
Categorical Transportation Aid	69,303	-	69,303	69,303	-
Categorical Special Ed Aid	130,925	-	130,925	130,925	-
Categorical Security Aid	43,022	-	43,022	43,022	-
Supplemental Enrollment Growth Aid	85,512	-	85,512	85,512	-
Under Adequacy Aid	60,016	-	60,016	60,016	-
PARCC Readiness Aid	7,380	-	7,380	7,380	-
Per Pupil Growth Aid	7,380	-	7,380	7,380	-
Extraordinary Aid	15,000	-	15,000	33,598	18,598
Reimbursed Non Public School Transportation Costs (Non-Budgeted)	-	-	-	3,132	3,132
TPAF - Post Retirement Medical Benefits (On-Behalf - Non-Budgeted)	-	-	-	323,943	323,943
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	204,059	204,059
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	296,909	296,909
Total State Sources	<u>418,538</u>	<u>-</u>	<u>418,538</u>	<u>1,265,179</u>	<u>846,641</u>
Total Revenues	<u>\$ 8,415,989</u>	<u>\$ -</u>	<u>\$ 8,415,989</u>	<u>\$ 9,275,892</u>	<u>\$ 859,903</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	\$ 27,349	(1,807)	25,542	\$ 25,542	\$ -
Kindergarten - Salaries of Teachers	431,178	(38,600)	392,578	392,578	-
Grades 1-5 - Salaries of Teachers	1,827,903	99,227	1,927,130	1,927,130	-
Grades 6-8 - Salaries of Teachers	295,596	(46,305)	249,291	249,291	-
Regular Programs - Home Instruction:					
Salaries of Teachers	12,000	(6,178)	5,822	5,639	183
Purchased Technical Services	5,000	727	5,727	5,727	-
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	-	10,850	10,850	10,850	-
Other Purchased Services (400-500 series)	17,140	2,311	19,651	19,651	-
General Supplies	132,725	(4,450)	128,275	124,199	4,076
Textbooks	10,000	1,089	11,089	10,663	426
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>2,759,991</u>	<u>16,864</u>	<u>2,775,955</u>	<u>2,771,270</u>	<u>4,685</u>
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center:					
Salaries of Teachers	544,888	(565)	544,323	536,681	7,642
General Supplies	2,100	296	2,396	2,343	53
Total Resource Room/Resource Center	<u>546,988</u>	<u>(269)</u>	<u>546,719</u>	<u>539,024</u>	<u>7,695</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	31,249	(434)	30,815	29,614	1,201
Other Salaries for Instruction	44,578	(20,832)	23,746	22,657	1,089
General Supplies	1,000	867	1,867	1,823	44
Total Preschool Disabilities - Part-Time	<u>76,827</u>	<u>(20,399)</u>	<u>56,428</u>	<u>54,094</u>	<u>2,334</u>
Total Special Education - Instruction	<u>623,815</u>	<u>(20,668)</u>	<u>603,147</u>	<u>593,118</u>	<u>10,029</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	147,321	(10,974)	136,347	136,099	248
General Supplies	500	407	907	907	-
Total Basic Skills/Remedial - Instruction	<u>147,821</u>	<u>(10,567)</u>	<u>137,254</u>	<u>137,006</u>	<u>248</u>
School-Sponsored Cocurricular Activities - Instruction					
Salaries	3,000	9,328	12,328	5,370	6,958
Other Purchased Services (400-500 series)	100	-	100	-	100
Supplies and Materials	3,000	-	3,000	1,029	1,971
Total School-Sponsored Cocurricular Activities - Instruction	<u>6,100</u>	<u>9,328</u>	<u>15,428</u>	<u>6,399</u>	<u>9,029</u>
Other Instructional Programs - Instruction					
Salaries of Teachers	6,000	(176)	5,824	5,824	-
Total Other Instructional Programs - Instruction	<u>6,000</u>	<u>(176)</u>	<u>5,824</u>	<u>5,824</u>	<u>-</u>
TOTAL INSTRUCTION	<u>3,542,827</u>	<u>(5,219)</u>	<u>3,537,608</u>	<u>3,513,617</u>	<u>23,991</u>
Undistributed Expenditures - Instruction					
Tuition to CSSD & Regional Day Schools	138,241	(74,851)	63,390	51,059	12,331
Tuition to Private Schools for the Disabled - Within State	3,232	-	41,941	44,943	2,300
Tuition - Other	-	18,910	18,910	18,910	-
Total Undistributed Expenditures - Instruction	<u>141,473</u>	<u>(14,000)</u>	<u>127,473</u>	<u>114,912</u>	<u>12,561</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	14,883	455	15,338	15,338	-
Supplies and Materials	13,040	(2,000)	11,040	11,037	3
Total Undistributed Expend. - Attend. & Social Work	<u>27,923</u>	<u>(1,545)</u>	<u>26,378</u>	<u>26,375</u>	<u>3</u>
Undistributed Expenditures - Health Services					
Salaries	117,026	(1,373)	115,653	115,653	-
Purchased Professional and Technical Services	2,000	-	2,000	2,000	-
Other Purchased Services (400-500 series)	500	(175)	325	323	2
Supplies and Materials	3,000	(1,718)	1,282	1,281	1
Total Undistributed Expenditures - Health Services	<u>122,526</u>	<u>(3,266)</u>	<u>119,260</u>	<u>119,257</u>	<u>3</u>
Undist. Expend. - Other Support Service Student-Related Services					
Salaries of Other Professional Staff	116,404	(22,128)	94,276	94,276	-
Purchased Professional - Educational Services	74,500	(8,852)	65,648	65,648	-
Supplies and Materials	1,000	(377)	623	623	-
Total Undist. Expend. - Other Support Service Student-Related Services	<u>191,904</u>	<u>(31,357)</u>	<u>160,547</u>	<u>160,547</u>	<u>-</u>
Undist. Expend. - Other Support Service Student-Extra Service					

CHESTERFIELD TOWNSHIP SCHOOL
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2015

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Salaries of Other Professional Staff	66,367	25,228	91,595	91,595	-
Purchased Professional - Educational Services	200,100	152,621	352,721	353,647	74
Total Undist. Expend. - Other Support Service Student-Extra Service	266,467	177,849	444,316	445,242	74
Undist. Expend. - Other Support Service Students - Regular					
Salaries of Other Professional Staff	26,691	234	26,925	26,925	-
Salaries of Secretarial and Clerical Assistants	9,455	5	9,460	9,460	-
Purchased Professional - Educational Services	4,500	-	4,500	4,349	151
Supplies and Materials	8,500	-	8,500	5,677	2,823
Total Undist. Expend. - Other Support Service Students - Regular	49,146	239	49,385	46,411	2,974
Undist. Expend. - Other Support Service Students - Supplemental					
Salaries of Other Professional Staff	193,578	6,524	200,102	200,102	-
Salaries of Secretarial and Clerical Assistants	32,557	-	32,557	32,361	196
Purchased Professional - Educational Services	3,000	521	3,521	3,521	-
Mis. Purchase Serv. (400-500 series other than Residential Costs)	1,550	(461)	1,089	344	745
Supplies and Materials	1,500	(60)	1,440	749	691
Other Objects	1,000	-	1,000	984	16
Total Undist. Expend. - Other Support Service Students - Supplemental	233,185	6,524	239,709	238,061	1,648
Undist. Expend. - Improvement of Instruction Services					
Salaries of Supervisor of Instruction	117,783	(1,042)	116,741	116,741	-
Salaries of Other Professional Staff	12,636	(5,447)	7,189	7,189	-
Salaries of Secretarial and Clerical Assistance	31,901	248	32,149	32,149	-
Supplies and Materials	12,822	-	12,822	6,579	6,243
Other Objects	1,000	-	1,000	899	101
Total Undist. Expend. - Improvement of Instruction Services	176,142	(6,241)	169,901	163,557	6,344
Undist. Expend. - Educational Media Service/School Library					
Salaries	73,784	315	74,099	74,099	-
Purchased Professional and Technical Services	1,750	-	1,750	1,528	222
Supplies and Materials	4,500	-	4,500	3,975	525
Total Undist. Expend. - Educational Media Service/School Library	80,034	315	80,349	79,602	747
Undist. Expend. - Instructional Staff Training Services					
Salaries of Staff Prodev	2,000	(1,376)	624	624	-
Purchased Professional - Educational Services	3,000	(127)	2,873	791	2,082
Other Purchased Services (400-500 series)	7,500	1,050	8,550	6,498	2,052
Supplies and Materials	200	127	327	327	-
Total Undist. Expend. - Instructional Staff Training Services	12,700	(326)	12,374	8,240	4,134
Undist. Expend. - Support Service - General Administration					
Salaries	94,714	-	94,714	94,714	-
Legal Services	20,000	(6,523)	13,477	12,932	545
Audit Fees	15,000	3,200	18,200	18,200	-
Other Purchased Professional Services	17,168	1,845	19,013	19,013	-
Communications/Telephone	22,200	593	22,793	22,793	-
BOE Other Purchased Prof Svc	1,550	(1,128)	422	200	222
Other Purchased Services (400-500 series)	15,950	2,019	17,969	17,969	-
Supplies and Materials	1,200	(10)	1,190	1,128	62
BOE In-House Training/Meeting Supplies	100	(14)	86	86	-
Judgements against the School District	-	34	34	34	-
Misc. Expenditures	3,250	(34)	3,216	2,205	1,011
BOE Membership Dues and Fees	3,200	-	3,200	3,074	126
Total Undist. Expend. - Support Service - General Administration	194,332	(18)	194,314	192,348	1,966
Undist. Expend. - Support Service - School Administration					
Salaries of Principals/Assistant Principals	185,791	(474)	185,317	185,317	-
Salaries of Secretarial and Clerical Assistants	70,294	2,170	72,464	72,464	-
Purchased Professional and Technical Services	1,750	-	1,750	1,450	300
Other Purchased Services (400-500 series)	10,500	-	10,500	4,541	5,959
Supplies and Materials	1,500	-	1,500	187	1,313
Other Objects	1,400	-	1,400	879	521
Total Undist. Expend. - Support Service - School Administration	271,235	1,696	272,931	264,838	8,093
Undist. Expend. - Support Service - Central Services					
Salaries	190,431	-	190,431	190,431	-
Purchased Professional Services	13,000	510	13,510	13,510	-
Miscellaneous Purchased Services	8,100	(771)	7,329	3,282	4,047
Supplies and Materials	2,000	305	2,305	2,305	-
Other Objects	5,950	(281)	5,669	5,181	488
Total Undist. Expend. - Support Service - Central Services	219,481	(237)	219,244	214,709	4,535
Undist. Expend. - Support Service - Administrative Information Technology					
Salaries	13,150	311	13,461	13,461	-
Purchased Technical Services	55,000	2,290	57,290	57,290	-
Other Pur Serv.	21,000	(2,290)	18,710	18,710	-
Total Undist. Expend. - Support Service - Administrative Information Technology	89,150	311	89,461	89,461	-
Undist. Expend. - Allowable Maintenance for School Facilities					
Salaries	54,144	(2,392)	51,752	51,752	-
Cleaning, Repair, and Maintenance Services	44,150	28,400	72,550	72,550	-
General Supplies	1,000	1,766	2,766	2,766	-
Total Undist. Expend. - Allowable Maintenance for School Facilities	99,294	27,774	127,068	127,068	-
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries	322,335	13,152	335,487	335,487	-
Salaries of Non-Instructional Aides	74,855	(1,932)	72,923	72,923	-
Cleaning, Repair and Maintenance Services	35,800	(8,393)	27,407	27,406	1
Other Purchased Property Services	23,000	1,148	24,148	24,148	-
Insurance	40,200	1,941	42,141	42,141	-
Miscellaneous Purchased Services	2,700	50	2,750	2,750	-
General Supplies	32,000	8,391	40,391	40,391	-
Energy (Energy, Electricity and Oil)	192,000	15,669	207,669	207,669	-
Other Objects	1,000	(1,000)	-	-	-
Total Undist. Expend. - Other Operation & Maintenance of Plant	723,890	29,026	752,916	752,915	1
Total Undist. Expend. - Operation & Maintenance of Plant	823,184	56,800	879,984	879,983	1

CHESTERFIELD TOWNSHIP SCHOOL
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2015

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Care and Upkeep of Grounds					
Salaries	3,153	-	3,153	3,153	-
Cleaning, Repair, and Maintenance Services	5,740	2,335	8,075	8,075	-
General Supplies	3,000	(825)	2,175	2,175	-
Total Care and Upkeep of Grounds	<u>11,893</u>	<u>1,510</u>	<u>13,403</u>	<u>13,403</u>	-
Security					
Cleaning, Repair, and Maintenance Services	1,000	(548)	452	452	-
General Supplies	500	(397)	103	103	-
Total Security	<u>1,500</u>	<u>(945)</u>	<u>555</u>	<u>555</u>	-
Undist. Expend. - Student Transportation Service					
Salaries of Non-Instructional Aides	17,122	(5,067)	12,055	12,055	-
Sal. For Pup. Trans. (Bet. Home and School) - Regular	19,260	486	19,746	19,746	-
Sal. For Pup. Trans. (Bet. Home and School) - Special	49,367	(10,093)	39,274	39,274	-
Sal. For Pup. Trans. (Bet. Home & School) - Non-Public	2,273	-	2,273	2,273	-
Management Fees - ESC & CTSA Transportation Programs	1,925	(371)	1,554	1,554	-
Cleaning, Repair and Maintenance Services	2,500	535	3,035	3,035	-
Contract Services - (Between Home and School) - Joint Agreements	151,523	1,957	153,480	153,480	-
Contr. Serv (Spl. Ed. Students) - Joint Agreements	76,228	(16,676)	59,552	59,552	-
Contr. Serv. - Aid in Lieu Payments	22,000	(3,269)	18,731	18,731	-
Misc. Purchased Serv. - Transportation	5,200	780	5,980	5,980	-
Supplies and Materials	3,000	644	3,644	3,644	-
Miscellaneous Expenditures	125	(75)	50	50	-
Total Undist. Expend. - Student Transportation Service	<u>350,523</u>	<u>(31,149)</u>	<u>319,374</u>	<u>319,374</u>	-
UNALLOCATED BENEFITS					
Social Security Contributions	102,000	(936)	101,064	97,060	4,004
Other Retirement Contributions - Regular	106,400	(5,649)	100,751	98,687	2,064
Workmen's Compensation	66,000	(1,256)	64,744	64,744	-
Health Benefits	1,480,215	(144,100)	1,336,115	1,331,111	5,004
Tuition Reimbursement	15,000	-	15,000	15,000	-
TOTAL UNALLOCATED BENEFITS	<u>1,769,615</u>	<u>(151,941)</u>	<u>1,617,674</u>	<u>1,606,602</u>	<u>11,072</u>
TPAF - Post Retirement Medical Benefits (On-Behalf - non-budgeted)	-	-	-	333,943	(323,943)
TPAF Pension Contributions (On-Behalf - non-budgeted)	-	-	-	204,059	(204,059)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	296,909	(296,909)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	<u>824,911</u>	<u>(824,911)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>1,769,615</u>	<u>(151,941)</u>	<u>1,617,674</u>	<u>2,431,513</u>	<u>(813,839)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>5,032,413</u>	<u>5,219</u>	<u>5,037,632</u>	<u>5,808,388</u>	<u>(770,756)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>8,575,240</u>	-	<u>8,575,240</u>	<u>9,322,005</u>	<u>(746,765)</u>
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Other Objects	74	-	74	49	25
Total Facilities Acquisition and Construction Services	<u>74</u>	-	<u>74</u>	<u>49</u>	<u>25</u>
Assets Acquired Under Capital Leases (non-budgeted)	-	-	-	-	-
TOTAL CAPITAL OUTLAY	<u>74</u>	-	<u>74</u>	<u>49</u>	<u>25</u>
TOTAL EXPENDITURES	<u>8,575,314</u>	-	<u>8,575,314</u>	<u>9,322,054</u>	<u>(746,740)</u>
Excess (Deficiency) of Revenues	-	-	-	-	-
Over (Under) Expenditures	(159,325)	-	(159,325)	(46,162)	113,163
Excess (Deficiency) of Revenues and Other Financing Sources	-	-	-	-	-
Over (Under) Expenditures and Other Financing Sources (Uses)	(159,325)	-	(159,325)	(46,162)	113,163
Fund Balance, July 1	452,855	-	452,855	452,855	-
Fund Balance, June 30	<u>\$ 293,530</u>	<u>\$ -</u>	<u>\$ 293,530</u>	<u>\$ 406,693</u>	<u>\$ 113,163</u>

Recapitulation:

Restricted Fund Balance:	
Capital Reserve	37,941
Excess Surplus - Current Year	-
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	89,962
Year end encumbrances	-
Unassigned Fund Balance	<u>278,790</u>
Budgetary Fund Balance	
	<u>406,693</u>
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid payment not recognized on GAAP basis - C-3	(35,075)
Extraord. Aid pmt. not recognized on GAAP basis - C-3	(33,283)
Fund Balance per Governmental Funds (GAAP) - B-2	<u>\$ 338,335</u>

Chesterfield Township School
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 27,900	\$ 16,752	\$ 44,652	\$ 39,437	\$ (5,215)
Local Sources	1,000	6,483	7,483	7,483	-
Federal Sources	116,259	65,351	181,620	170,554	(11,066)
Total Revenues	145,159	88,596	233,755	217,474	(16,281)
EXPENDITURES:					
Instruction					
Salaries	12,754	9,063	21,817	21,817	-
Purchased Professional and Technical Services	1,275	(1,275)	-	-	-
Purchased Professional - Educational Services	27,900	7,230	35,130	31,515	3,615
Other Purchased Services (400-500 series)	41,768	4,235	46,003	46,003	-
General Supplies	7,410	4,082	11,492	10,841	651
Textbooks	-	2,979	2,979	2,979	-
Total Instruction	91,107	26,314	117,421	113,155	4,266
Support Services					
Salaries	-	196	196	196	-
Personal Services - Employee Benefits	2,201	3,473	5,674	4,514	1,160
Purchased Professional and Technical Services	36,924	49,747	86,671	81,824	4,847
Purchased Professional - Educational Services	-	4,743	4,743	4,743	-
Other purchased Services (400-500 series)	4,909	(1,909)	3,000	-	3,000
Supplies & Materials	9,792	6,258	16,050	13,042	3,008
Other Objects	226	(226)	-	-	-
Total Support Services	54,052	62,282	116,334	104,319	12,015
Facilities Acquisition and Construction Services:					
Instructional Equipment	-	-	-	-	-
Total Facilities Acquisition and Construction Services	-	-	-	-	-
Total Expenditures	145,159	88,596	233,755	217,474	16,281
Total Outflows	145,159	88,596	233,755	217,474	16,281
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – Part II

**Chesterfield Township School
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2015**

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 9,275,893	[C-2]	\$ 217,474
Difference - budget to GAAP:				
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		29,709		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.		(35,075)		-
Extraordinary State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		30,125		-
Extraordinary aid payments recognized for budgetary purposes, not recognized for GAAP statements.		<u>(33,283)</u>		<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 9,267,369</u>	[B-2]	<u>\$ 217,474</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 9,322,054	[C-2]	\$ 217,474
Differences - budget to GAAP				
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 9,322,054</u>	[B-2]	<u>\$ 217,474</u>

REQUIRED SUPPLEMENTARY INFORMATION - Part III

Chesterfield Township School
Schedules of Required Supplementary Information
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Public Employess Retirement System
Last 10 Fiscal Years*
For Fiscal Year Ended June 30, 2015

	<u>2015</u> Measurement date June 30, 2014	<u>2014</u> Measurement date June 30, 2013
Proportion of the net pension liability	0.01%	0.01%
Proportionate share of the net pension liability	\$ 2,091,219	\$ 2,132,053
Covered-employee payroll	\$ 786,776	\$ 751,153
Proportionate share of the net pension liability as a percentage of covered-employee payroll	265.80%	283.84%
Plan fiduciary net position	\$ 2,258,710	\$ 2,015,794
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

*- Fiscal year 2015 was the first year of implementation. Only the last two years information was provided by the state and is shown above.

Chesterfield Township School
Schedules of Required Supplementary Information
SCHEDULE OF DISTRICT CONTRIBUTIONS
Public Employment Retirement System
Last 10 Fiscal Years
(Dollar amounts in thousands)
For Fiscal Year Ended June 30, 2015

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Contractually required contribution (1) \$	92,079	\$ 84,055	\$ 86,757	\$ 76,742	\$ 60,547	\$ 45,519	\$ 33,831	\$ 22,518	\$ 12,316	\$ 6,039
Contributions in relation to the contractually required contribution	92,079	84,055	86,757	76,742	60,547	45,519	33,831	22,518	12,316	6,039
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 786,776	\$ 751,153	\$ 771,781	\$ 756,746	\$ 715,061	\$ 655,529	531,808	475,085	399,311	362,472
Contributions as a percentage of covered-employee payroll	11.70%	11.19%	11.24%	10.14%	8.47%	6.94%	6.36%	4.74%	3.08%	1.67%

(1)- Includes Group Life insurance Premiums

Chesterfield Township School
Schedules of Required Supplementary Information
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Teacher's Pension And Annuity Fund
Last 10 Fiscal Years*
For Fiscal Year Ended June 30, 2015

	<u>2015</u>		<u>2014</u>
	Measurement date		Measurement date
	June 30, 2014		June 30, 2013
	<hr/>		
District's proportionate of the net pension liability	0.03%		0.03%
State's proportionate share of the net pension liability	\$ 18,132,242	\$	16,701,482
District's covered-employee payroll	\$ 3,868,985	\$	3,372,550
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	468.66%		495.22%
Plan fiduciary net position as a percentage of the total pension liability	33.64%		33.76%

* - Fiscal year 2015 was the first year of implementation. Only the last two years information was provided by the state and is shown above.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – Part III

**Chesterfield Township School District
Notes to Required Supplementary Information
For the Year Ended June 30, 2015**

Changes in benefit terms: None

Changes in assumptions: The discount rate changed from the rate as of June 30, 2013 to June 30, 2014, in accordance with GASB Statement No. 67.

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contributions are calculated as of July 1, preceding the fiscal year in which the contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions

	<u>TPAF</u>	<u>PERS</u>
Actuarial cost method	Entry age normal	Entry Age Normal
Amortization method	Level dollar, open	Level dollar, open
Remaining amortization period	30 years	30 years
Asset valuation method	20% of the difference between the expected actuarial value and market value is recognized each year	Five-year average of market values
Inflation rate	2.50%	3.01%
Projected salary increases 2012-2021	Varies based on experience	2.15 – 4.40% based on age
Thereafter	Varies based on experience	3.15 – 5.40% based on age
Projected COLAs	N/A*	N/A*
Investment rate of return	7.90%	7.90%

*Pursuant to the provisions of Chapter 78, P.L. 2011, cost of living adjustment (COLA) increases were suspended for all current and future retirees of all retirement systems.

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, 2015

	Total Brought Forward (Ex. E-1a)	L.D.E.A. Part B				Title II, Part A Teacher & Principal Training & Recruiting		Totals 2015
		Basic 2014-2015	Basic 13/14 Summer	Preschool 2014-2015	Preschool 13/14 Summer	2014-2015	13/14 Summer	
REVENUES								
State Sources	\$ 39,437	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,437
Local Sources	7,483	-	-	-	-	-	-	7,483
Federal Sources	22,699	123,513	10,884	5,479	387	949	6,643	170,554
Total Revenues	69,619	123,513	10,884	5,479	387	949	6,643	217,474
EXPENDITURES:								
Instruction:								
Salaries	11,548	-	-	4,506	318	-	5,445	21,817
Purchased Professional - Educational Services	31,515	-	-	-	-	-	-	31,515
Other Purchased Services (400-500 series)	-	45,000	1,003	-	-	-	-	46,003
General Supplies	8,657	1,964	220	-	-	-	-	10,841
Textbooks	2,979	-	-	-	-	-	-	2,979
Total instruction	54,699	46,964	1,223	4,506	318	-	5,445	113,155
Support services:								
Salaries	196	-	-	-	-	-	-	196
Personal Services - Employee Benefits	2,494	-	-	973	69	-	978	4,514
Purchased Professional - Technical Services	-	76,122	4,753	-	-	949	-	81,824
Purchased Professional - Educational Services	4,743	-	-	-	-	-	-	4,743
Supplies & Materials	7,487	427	4,908	-	-	-	220	13,042
Total support services	14,920	76,549	9,661	973	69	949	1,198	104,319
Facilities acquisition and construction services:								
Instructional Equipment	-	-	-	-	-	-	-	-
Total facilities acquisition and construction services	-	-	-	-	-	-	-	-
Total Expenditures	69,619	123,513	10,884	5,479	387	949	6,643	217,474
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, 2015

	Total Brought Forward (Ex. E-1b)	Title I, Part A Improving Basic Programs Operated By LEA's			Title VI, Part B - Small Rural School Achievement (SRSA/REAP)	NJSIG Insurance Safety Grant	N.J. Nonpublic Handicapped Services Ch. 193			Total Carried Forward
		2014-2015	13/14 Summer	12/13 Summer	13/14 Summer		Supplemental Instruction	Examination & Classification	Corrective Speech	
REVENUES										
State Sources	\$ 33,563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,491	\$ 2,881	\$ 1,502	\$ 39,437
Local Sources	1,000	-	-	-	-	6,483	-	-	-	7,483
Federal Sources	-	11,988	2,883	94	7,734	-	-	-	-	22,699
Total Revenues	34,563	11,988	2,883	94	7,734	6,483	1,491	2,881	1,502	69,619
EXPENDITURES:										
Instruction:										
Salaries	-	9,100	2,371	77	-	-	-	-	-	11,548
Purchased Professional - Educational Services	25,641	-	-	-	-	-	1,491	2,881	1,502	31,515
General Supplies	-	923	-	-	7,734	-	-	-	-	8,657
Textbooks	2,979	-	-	-	-	-	-	-	-	2,979
Total Instruction	28,620	10,023	2,371	77	7,734	-	1,491	2,881	1,502	54,639
Support services:										
Salaries	196	-	-	-	-	-	-	-	-	196
Personal Services - Employee Benefits	-	1,965	512	17	-	-	-	-	-	2,494
Purchased Professional - Educational Services	4,743	-	-	-	-	-	-	-	-	4,743
Supplies & Materials	1,064	-	-	-	-	6,483	-	-	-	7,487
Total support services	5,943	1,965	512	17	-	6,483	-	-	-	14,920
Facilities acquisition and const. serv.:										
Instructional Equipment	-	-	-	-	-	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-	-	-	-
Total Expenditures	34,563	11,988	2,883	94	7,734	6,483	1,491	2,881	1,502	69,619
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, 2015

	N.J. Nonpublic Auxiliary Services Ch. 192		N.J. Nonpublic Textbook Aid	N.J. Nonpublic Nursing Aid	Parent Survey Grant	Sale Routes Mini Grant	Total Carried Forward
	Compensatory Education	English as a Second Language					
REVENUES							
State Sources	\$ 24,545	\$ 1,096	\$ 2,979	\$ 4,743	\$ 200	\$ -	\$ 33,563
Local Sources	-	-	-	-	-	1,000	1,000
Total Revenues	24,545	1,096	2,979	4,743	200	1,000	34,563
EXPENDITURES							
Instruction:							
Purchased Professional - Educational Services	24,545	1,096	-	-	-	-	25,641
Textbooks	-	-	2,979	-	-	-	2,979
Total Instruction	24,545	1,096	2,979	-	-	-	28,620
Support services:							
Salaries	-	-	-	-	196	-	196
Purchased Professional - Educational Services	-	-	-	4,743	-	-	4,743
Supplies & Materials	-	-	-	-	4	1,000	1,004
Total support services	-	-	-	4,743	200	1,000	5,943
Facilities acquisition and const. serv.:							
Instructional Equipment	-	-	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-
Total Expenditures	24,545	1,096	2,979	4,743	200	1,000	34,563
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, 2015

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations 6/30/2014</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Construction of New Elementary School \$37,685,000 Bonds Issued dated 2/28/08	12/11/2007	\$ 35,723,000	\$ 33,819,259	\$ 30,028	\$ 1,873,713
Transfers to Debt Service Fund		1,962,000	1,962,000	750,000	(750,000)
Unreimbursed Fire Expenses		-	1,016,410	(300,000)	(716,410)
Totals		<u>\$ 37,685,000</u>	<u>\$ 36,797,669</u>	<u>\$ 480,028</u>	<u>\$ 407,303</u>

Analysis:

Unexpended Appropriations	\$ 407,303	F-2a
Sale of School	<u>300,000</u>	
Budgetary Fund Balance	<u>\$ 707,303</u>	

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, 2015

Revenues and Other Financing Sources:

Bond proceeds and transfers	\$	-
Contribution from private source		-
Transfer from capital reserve		-
Transfer from capital outlay		-
Sale of old school		300,000
Total revenues		<u>300,000</u>

Expenditures and Other Financing Uses:

Legal/Accounting services		24,937
Purchased professional and technical services		5,090
Fire Expense (Net)		(300,000)
Transfer to debt service fund		750,000
Total expenditures		<u>480,028</u>

Excess (Deficiency) of revenues over (under) expenditures \$ (180,028)

Chesterfield Township School

F-2a

Capital Projects Fund

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, 2015

	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	-	-	-	-
Sale of old school		300,000	300,000	-
Total revenues	37,685,000	300,000	37,985,000	37,685,000
Expenditures and Other Financing Uses:				
Legal/Accounting services	168,770	24,937	193,707	160,000
Purchased professional and technical services	3,119,839	5,090	3,124,929	3,118,640
Land and improvements	1		1	2,775,000
Construction services	27,649,657		27,649,657	30,427,400
Other objects	2,332,108		2,332,108	1,203,960
Fire expense (net)	1,015,806	(300,000)	715,806	-
Other	549,488		549,488	-
Transfer to debt service fund	1,962,000	750,000	2,712,000	-
Total expenditures	36,797,669	480,028	37,277,697	37,685,000
Excess (Deficiency) of revenues over (under) expenses	\$ 887,331	\$ (180,028)	\$ 707,303	\$ -

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, 2015
(With comparative totals for June 30, 2014)**

	Food Service Fund	2015	2014
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 76,774	\$ 76,774	\$ 64,471
Federal	1,856	1,856	1,729
State	121	121	198
Other	-	-	210
Inventories	6,353	6,353	5,367
Total Current Assets	<u>85,104</u>	<u>85,104</u>	<u>71,975</u>
Fixed Assets:			
Equipment	135,775	135,775	135,775
Accumulated Depreciation	<u>(54,045)</u>	<u>(54,045)</u>	<u>(45,337)</u>
Total Fixed Assets	<u>81,730</u>	<u>81,730</u>	<u>90,438</u>
Total Assets	<u>166,834</u>	<u>166,834</u>	<u>162,413</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	9,617	9,617	-
Unearned Revenue	<u>5,873</u>	<u>5,873</u>	<u>2,419</u>
Total Liabilities	<u>15,490</u>	<u>15,490</u>	<u>2,419</u>
NET POSITION			
Net Investment in Capital Assets	90,438	90,438	99,146
Unrestricted	<u>60,906</u>	<u>60,906</u>	<u>60,848</u>
Total Net Position	<u>\$ 151,344</u>	<u>\$ 151,344</u>	<u>\$ 159,994</u>

**CHESTERFIELD TOWNSHIP SCHOOL
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(With comparative totals for the fiscal year ended June 30, 2014)**

	Food Service Fund	2015	2014
OPERATING REVENUES:			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 96,961	96,961	\$ 93,717
Daily Sales - Non-Reimbursable Programs	56,335	56,335	58,130
Special Functions	704	704	1,689
Total Operating Revenue	<u>154,000</u>	<u>154,000</u>	<u>153,536</u>
OPERATING EXPENSES:			
Salaries	55,534	55,534	53,817
Employee Benefits	11,026	11,026	10,655
Depreciation	8,708	8,708	8,708
Professional Services	45,270	45,270	37,463
Cost of Sales	83,356	83,356	80,496
Total Operating Expenses	<u>203,894</u>	<u>203,894</u>	<u>191,139</u>
Operating Income (Loss)	<u>(49,894)</u>	<u>(49,894)</u>	<u>(37,603)</u>
NON-OPERATING REVENUES:			
State Sources:			
State School Lunch Program	1,662	1,662	1,644
Federal Sources:			
National School Lunch Program	25,331	25,331	24,136
Food Distribution Program	14,251	14,251	12,412
Interest Revenue	-	-	9
Total Nonoperating Income	<u>41,244</u>	<u>41,244</u>	<u>38,201</u>
Change in Net Position	(8,650)	(8,650)	598
Total Net Position - July 1	<u>159,994</u>	<u>159,994</u>	<u>159,396</u>
Total Net Position - June 30	<u>\$ 151,344</u>	<u>\$ 151,344</u>	<u>\$ 159,994</u>

**CHESTERFIELD TOWNSHIP SCHOOL
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(With comparative totals for the fiscal year ended June 30, 2014)**

	Food Service Fund	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 157,664	\$ 157,664	\$ 152,856
Payments to employees	(55,534)	(55,534)	(53,817)
Payments for employee benefits	(11,026)	(11,026)	(10,655)
Payments to suppliers	(105,744)	(105,744)	(105,547)
Net cash provided by (used for) operating activities	<u>(14,640)</u>	<u>(14,640)</u>	<u>(17,163)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	1,739	1,739	1,644
Federal Sources	25,204	25,204	24,136
Net cash provided by (used for) non-capital financing activities	<u>26,943</u>	<u>26,943</u>	<u>25,780</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	-	-	9
Net cash provided by (used for) investing activities	<u>-</u>	<u>-</u>	<u>9</u>
Net increase (decrease) in cash and cash equivalents	12,303	12,303	8,626
Balances—beginning of year	64,471	64,471	38,711
Balances—end of year	<u>\$ 76,774</u>	<u>\$ 76,774</u>	<u>\$ 47,337</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (49,894)	\$ (49,894)	\$ (37,603)
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	14,251	14,251	12,412
(Increase) decrease in accounts receivable, net	210	210	(100)
(Increase) decrease in inventories	(986)	(986)	175
Increase (decrease) in unearned revenue	3,454	3,454	(755)
Increase (decrease) in encumbrances	9,617	9,617	-
Total adjustments	<u>35,254</u>	<u>25,637</u>	<u>20,440</u>
Net cash provided by (used for) operating activities	<u>\$ (14,640)</u>	<u>\$ (24,257)</u>	<u>\$ (17,163)</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, 2015

	Trust		Agency		Total Agency Fund
	Unemployment Compensation	Total Trust Fund	Student Activity	Payroll	
ASSETS:					
Cash and Cash Equivalents	\$ 14,569	\$ 14,569	\$ 13,054	\$ 203,639	\$ 216,693
Total Assets	<u>14,569</u>	<u>14,569</u>	<u>13,054</u>	<u>203,639</u>	<u>216,693</u>
LIABILITIES:					
Payroll Deductions and Withholdings	-	-	-	203,639	203,639
Due to Student Groups	-	-	13,054	-	13,054
Total Liabilities	<u>-</u>	<u>-</u>	<u>13,054</u>	<u>203,639</u>	<u>216,693</u>
NET POSITION					
Held in trust for unemployment claims	<u>\$ 14,569</u>	<u>\$ 14,569</u>			

EXHIBIT H-2

CHESTERFIELD TOWNSHIP SCHOOL
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2015

	Unemployment Insurance Expendable Trust Fund
ADDITIONS	
Local Sources:	
Payroll Withholding	13,354
Total Additions	13,354
DEDUCTIONS	
Quarterly Contribution Reports	3,910
Unemployment Claims	31,608
Total Deductions	35,518
Net Increase (Decrease)	(22,165)
Net Position Restricted for Unemployment Benefits:	
Net Position, July 1	36,734
Net Position, June 30	\$ 14,569

CHESTERFIELD TOWNSHIP SCHOOL
 STUDENT ACTIVITY AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Cash Receipts	Cash Disbursements	Adjustments	Accounts Payable June 30, 2013	Balance June 30, 2015
ELEMENTARY SCHOOLS:						
Chesterfield Township Elementary School	\$ 10,912	\$ 18,579	\$ 16,437	\$ -	\$ -	\$ 13,054
Total Elementary Schools	10,912	18,579	16,437	-	-	13,054
Total All Schools	\$ 10,912	\$ 18,579	\$ 16,437	\$ -	\$ -	\$ 13,054

CHESTERFIELD TOWNSHIP SCHOOL
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Cash Receipts	Cash Disbursements	Balance June 30, 2015
ASSETS:				
Cash and Cash Equivalents	\$ 191,568	\$ 5,612,551	\$ 5,600,480	\$ 203,639
Total Assets	<u>\$ 191,568</u>	<u>\$ 5,612,551</u>	<u>\$ 5,600,480</u>	<u>\$ 203,639</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 191,568	\$ 5,612,551	\$ 5,600,480	\$ 203,639
Total Liabilities	<u>\$ 191,568</u>	<u>\$ 5,612,551</u>	<u>\$ 5,600,480</u>	<u>\$ 203,639</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, 2015**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2014	Issued	Retired	Balance June 30, 2015
			Date	Amount					
New Elementary School	2/28/2008	\$ 37,685,000	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			35,635,000	-	750,000	34,885,000
						<u>\$ 35,635,000</u>	<u>\$ -</u>	<u>\$ 750,000</u>	<u>\$ 34,885,000</u>

Chesterfield Township School
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,266,528	\$ -	\$ 1,266,528	\$ 1,266,528	\$ -
Total - Local Sources	1,266,528	-	1,266,528	1,266,528	-
State Sources:					
Debt Service Aid Type II	344,695	-	344,695	344,695	-
Total - State Sources	344,695	-	344,695	344,695	-
Total Revenues	1,611,223	-	1,611,223	1,611,223	-
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	1,612,575	-	1,612,575	1,603,575	(9,000)
Redemption of Principal	750,000	-	750,000	750,000	-
Total Regular Debt Service	2,362,575	-	2,362,575	2,353,575	(9,000)
Total expenditures	2,362,575	-	2,362,575	2,353,575	(9,000)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(751,352)	-	(751,352)	(742,352)	9,000
Other Financing Sources:					
Operating Transfers In:					
Capital Projects Fund - Interest	-	-	-	1,145	1,145
Capital Projects Fund - Unexpended Bond Proceeds	750,000	-	750,000	750,000	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(1,352)	-	(1,352)	8,793	10,145
Fund Balance, July 1	1,352	-	1,352	2,671	1,319
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 11,464	\$ 11,464
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ (1,352)	\$ -	\$ (1,352)	\$ 8,793	\$ 10,145

SECTION - J

STATISTICAL SECTION

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.

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

Exhibit J-1

(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015*
Governmental activities										
Invested in capital assets, net of related debt	\$ 1,066,754	\$ 1,084,441	\$ (34,490,820)	\$ (30,819,547)	\$ 2,160,907	\$ (2,814,350)	\$ (3,044,034)	\$ (3,693,237)	\$ (4,302,083)	\$ (4,296,331)
Restricted	48,231	173,044	37,106,857	33,513,318	14,839,120	227,760	230,202	139,875	40,587	49,405
Unrestricted	75,407	87,716	(470,922)	(595,406)	(15,170,967)	1,306,504	651,067	593,387	(278,645)	(2,789,647)
Total governmental activities net position	<u>\$ 1,190,392</u>	<u>\$ 1,345,201</u>	<u>\$ 2,145,115</u>	<u>\$ 2,098,365</u>	<u>\$ 1,829,060</u>	<u>\$ (1,280,086)</u>	<u>\$ (2,162,765)</u>	<u>\$ (2,959,975)</u>	<u>\$ (4,540,141)</u>	<u>\$ (7,036,573)</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 24,310	\$ -	\$ -	\$ -	\$ -	\$ 114,188	\$ 107,854	\$ 99,146	\$ 90,438	\$ 81,730
Unrestricted	10,701	45,104	47,197	59,536	53,275	29,682	48,786	60,250	69,596	69,614
Total business-type activities net position	<u>\$ 35,011</u>	<u>\$ 45,104</u>	<u>\$ 47,197</u>	<u>\$ 59,536</u>	<u>\$ 53,275</u>	<u>\$ 143,870</u>	<u>\$ 156,640</u>	<u>\$ 159,396</u>	<u>\$ 159,994</u>	<u>\$ 151,344</u>
District-wide										
Invested in capital assets, net of related debt	\$ 1,091,064	\$ 1,084,441	\$ (34,490,820)	\$ (30,819,547)	\$ 2,160,907	\$ (2,700,162)	\$ (2,936,180)	\$ (3,594,091)	\$ (4,211,645)	\$ (4,214,601)
Restricted	48,231	173,044	37,106,857	33,513,318	14,839,120	227,760	230,202	139,875	40,587	49,405
Unrestricted	86,108	132,820	(423,725)	(535,870)	(15,117,692)	1,336,186	699,853	653,637	(209,089)	(2,720,033)
Total district net position	<u>\$ 1,225,403</u>	<u>\$ 1,390,305</u>	<u>\$ 2,192,312</u>	<u>\$ 2,157,901</u>	<u>\$ 1,882,335</u>	<u>\$ (1,136,216)</u>	<u>\$ (2,006,125)</u>	<u>\$ (2,800,579)</u>	<u>\$ (4,380,147)</u>	<u>\$ (6,885,229)</u>

* For the first time, the financial statements as of June 30, 2015 include transactions relating to GASB 68, Accounting and Financial Reporting for Pensions.

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

Exhibit J-1

(accrual basis of accounting)

	Fiscal Year Ending June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015*
Governmental activities										
Invested in capital assets, net of related debt	\$ 1,066,754	\$ 1,084,441	\$ (34,490,820)	\$ (30,819,547)	\$ 2,160,907	\$ (2,814,350)	\$ (3,044,034)	\$ (3,693,237)	\$ (4,302,083)	\$ (4,296,331)
Restricted	48,231	173,044	37,106,857	33,513,318	14,839,120	227,760	230,202	139,875	40,587	49,405
Unrestricted	75,407	87,716	(470,922)	(595,406)	(15,170,967)	1,306,504	651,067	593,387	(278,645)	(2,789,647)
Total governmental activities net position	<u>\$ 1,190,392</u>	<u>\$ 1,345,201</u>	<u>\$ 2,145,115</u>	<u>\$ 2,098,365</u>	<u>\$ 1,829,060</u>	<u>\$ (1,280,086)</u>	<u>\$ (2,162,765)</u>	<u>\$ (2,959,975)</u>	<u>\$ (4,540,141)</u>	<u>\$ (7,036,573)</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 24,310	\$ -	\$ -	\$ -	\$ -	\$ 114,188	\$ 107,854	\$ 99,146	\$ 90,438	\$ 81,730
Unrestricted	10,701	45,104	47,197	59,536	53,275	29,682	48,786	60,250	69,556	69,614
Total business-type activities net position	<u>\$ 35,011</u>	<u>\$ 45,104</u>	<u>\$ 47,197</u>	<u>\$ 59,536</u>	<u>\$ 53,275</u>	<u>\$ 143,870</u>	<u>\$ 156,640</u>	<u>\$ 159,396</u>	<u>\$ 159,994</u>	<u>\$ 151,344</u>
District-wide										
Invested in capital assets, net of related debt	\$ 1,091,064	\$ 1,084,441	\$ (34,490,820)	\$ (30,819,547)	\$ 2,160,907	\$ (2,700,162)	\$ (2,936,180)	\$ (3,594,091)	\$ (4,211,645)	\$ (4,214,601)
Restricted	48,231	173,044	37,106,857	33,513,318	14,839,120	227,760	230,202	139,875	40,587	49,405
Unrestricted	86,108	132,820	(423,725)	(535,870)	(15,117,692)	1,336,186	699,853	653,637	(209,089)	(2,720,033)
Total district net position	<u>\$ 1,225,403</u>	<u>\$ 1,390,305</u>	<u>\$ 2,192,312</u>	<u>\$ 2,157,901</u>	<u>\$ 1,882,335</u>	<u>\$ (1,136,216)</u>	<u>\$ (2,006,125)</u>	<u>\$ (2,800,579)</u>	<u>\$ (4,380,147)</u>	<u>\$ (6,885,229)</u>

* For the first time, the financial statements as of June 30, 2015 include transactions relating to GASB 68, Accounting and Financial Reporting for Pensions.

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

Exhibit J-2

Expenses	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015*
Governmental activities										
Instruction										
Regular	\$ 1,609,227	\$ 1,893,380	\$ 2,260,357	\$ 2,411,829	\$ 2,714,457	\$ 2,754,097	\$ 3,116,593	\$ 3,133,123	\$ 3,460,393	\$ 3,694,988
Special education	241,570	265,194	316,935	371,341	385,893	481,159	489,239	586,367	725,318	769,470
Other special education	68,790	87,178	75,317	108,051	166,301	185,778	188,620	158,061	125,653	180,066
Other instruction	13,703	19,622	39,716	27,921	22,445	7,489	13,402	10,986	11,992	15,685
Support services:										
Tuition	101,274	91,362	31,241	46,377	120,524	31,065	8,320	65,914	90,794	114,912
Student & instruction related services	676,938	763,510	885,903	962,572	1,012,979	1,134,999	1,173,038	1,303,090	1,378,069	1,651,278
School administrative services	120,341	199,692	162,350	211,981	193,328	298,312	296,577	305,387	242,356	257,947
General administration	167,453	125,849	197,645	196,078	274,594	208,266	243,636	257,191	313,975	346,325
Central services	179,490	197,161	227,266	240,278	254,595	269,388	256,895	250,252	281,538	279,639
Plant operations and maintenance	356,457	393,845	538,609	644,845	61,130	770,171	945,928	979,579	1,039,886	1,042,551
Administrative information technology	6,313	6,312	150	41,164	641,621	64,098	79,514	81,790	87,413	89,461
Pupil transportation	230,565	249,313	342,986	415,871	423,474	299,783	273,059	313,597	346,905	342,058
Employee benefits	267,948	411,252	441,222	343,026	389,796	421,174	539,234	720,841	643,799	1,596,536
Special schools	7,729	4,521	5,684	7,131	-	-	-	-	-	-
Education jobs	-	-	-	-	-	-	12,997	-	-	-
Interest on long-term debt	28,752	25,136	584,611	1,676,335	1,664,395	1,648,019	1,629,799	1,606,623	1,581,427	1,550,959
Unallocated depreciation	69,478	69,973	15,940	76,528	121,773	1,016,567	596,954	603,671	601,342	601,340
Amortization of debt issue costs	2,052	2,052	70,070	43,716	58,487	43,649	43,644	41,597	-	-
Total governmental activities expenses	4,148,080	4,803,352	6,196,002	7,825,044	8,505,792	9,634,014	9,907,449	10,618,069	10,930,860	12,533,215
Business-type activities:										
Food service	100,150	119,767	144,550	137,406	148,196	182,867	163,396	178,143	191,139	203,894
Total business-type activities expense	100,150	119,767	144,550	137,406	148,196	182,867	163,396	178,143	191,139	203,894
Total district expenses	\$ 4,248,230	\$ 4,923,119	\$ 6,340,552	\$ 7,962,450	\$ 8,653,988	\$ 9,816,881	\$ 10,070,845	\$ 10,796,212	\$ 11,121,999	\$ 12,737,109
Program Revenues										
Governmental activities:										
Operating grants and contributions	\$ 412,531	\$ 576,213	\$ 604,529	\$ 819,239	\$ 910,942	\$ 981,763	\$ 1,087,745	\$ 1,301,375	\$ 1,201,970	\$ 2,158,705
Total governmental activities program revenues	412,531	576,213	604,529	819,239	910,942	981,763	1,087,745	1,301,375	1,201,970	2,158,705
Business-type activities:										
Charges for services										
Food service	56,763	83,260	92,822	107,798	114,747	116,249	136,636	142,587	153,536	154,000
Operating grants and contributions	17,043	19,231	26,884	27,578	31,242	30,071	37,135	38,258	38,192	41,244
Total business-type activities program revenues	73,806	102,491	119,706	135,376	145,989	146,320	173,771	180,845	191,728	195,244
Total district program revenues	\$ 486,337	\$ 678,704	\$ 724,235	\$ 954,615	\$ 1,056,931	\$ 1,128,083	\$ 1,261,516	\$ 1,482,220	\$ 1,393,698	\$ 2,353,949

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

Exhibit J-2

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015*
Net (Expense)/Revenue										
Governmental activities	\$ (3,735,549)	\$ (4,227,139)	\$ (5,591,473)	\$ (7,005,805)	\$ (7,594,850)	\$ (8,652,251)	\$ (8,819,704)	\$ (9,316,694)	\$ (9,728,890)	\$ (10,374,510)
Business-type activities	(26,344)	(17,276)	(24,844)	(2,030)	(2,207)	(36,547)	10,375	2,702	589	(8,650)
Total district-wide net expense	\$ (3,761,893)	\$ (4,244,415)	\$ (5,616,317)	\$ (7,007,835)	\$ (7,597,057)	\$ (8,688,798)	\$ (8,809,329)	\$ (9,313,992)	\$ (9,728,301)	\$ (10,383,160)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 3,230,432	\$ 3,911,199	\$ 4,845,926	\$ 5,289,387	\$ 5,410,410	\$ 6,298,785	\$ 5,243,789	\$ 6,764,011	\$ 7,105,255	\$ 7,905,426
Taxes levied for debt service	93,181	95,351	96,516	504,293	1,293,188	1,027,479	2,564,573	1,335,580	1,295,229	1,266,528
Unrestricted grants and contributions	322,281	316,997	343,209	340,275	272,181	106,575	217,298	317,880	371,325	424,262
Tuition received	343	11,698	2,430	-	-	36,153	37,450	43,950	42,157	46,059
Investment earnings	38,570	55,708	369,150	722,557	343,164	75,383	2,600	3,186	1,448	1,169
Miscellaneous income	2,112	3,395	14,826	13,552	6,602	408,218	56,237	54,877	54,290	66,686
Capital asset adjustment	(23,893)	-	-	88,991	-	(100,081)	29,250	-	-	-
Extraordinary item - Fire loss impairment, net	-	-	-	-	-	(807,238)	(214,172)	-	-	-
Extraordinary item - Fire insurance recovery	-	-	-	-	-	-	-	-	5,000	300,000
Special item - Value of donated property	-	-	738,530	-	-	-	-	-	-	-
Special item - Route 528 school impaired	-	-	-	-	-	(1,375,294)	-	-	-	-
Special item - Gain on Sale of Property	-	-	-	-	-	-	-	-	300,000	-
Transfers	(37,500)	(12,400)	(19,200)	-	-	(126,875)	-	-	-	-
Total governmental activities	3,625,526	4,381,948	6,391,387	6,959,055	7,325,545	5,543,105	7,937,025	8,519,484	9,174,704	10,010,130
Business-type activities:										
Investment earnings	-	969	737	176	146	167	21	54	9	-
Miscellaneous income	-	14,000	-	-	-	100	-	-	-	-
Other	-	-	7,000	14,193	(4,200)	-	2,374	-	-	-
Transfers	37,500	12,400	19,200	-	-	126,875	-	-	-	-
Total business-type activities	37,500	27,369	26,937	14,369	(4,054)	127,142	2,395	54	9	-
Total district-wide	\$ 3,663,026	\$ 4,409,317	\$ 6,418,324	\$ 6,973,424	\$ 7,321,491	\$ 5,670,247	\$ 7,939,420	\$ 8,519,538	\$ 9,174,713	\$ 10,010,130
Change in Net Position										
Governmental activities	\$ (110,023)	\$ 154,809	\$ 799,914	\$ (46,750)	\$ (269,305)	\$ (3,109,146)	\$ (882,679)	\$ (797,210)	\$ (554,186)	\$ (364,380)
Business-type activities	11,156	10,093	2,093	12,339	(6,261)	90,595	12,770	2,756	598	(8,650)
Total district	\$ (98,867)	\$ 164,902	\$ 802,007	\$ (34,411)	\$ (275,566)	\$ (3,018,551)	\$ (869,909)	\$ (794,454)	\$ (553,588)	\$ (373,030)

* For the first time, the financial statements as of June 30, 2015 include transactions relating to the implementation of GASB 68, Accounting and Financial Reporting for Pensions.

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

Exhibit J-3

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 48,231	\$ 39,576	\$ 153,838	\$ 290,108	\$ 310,997	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	213,780	374,361	525,835	612,115	219,830	-	-	-	-	-
Restricted	-	-	-	-	-	202,550	224,238	132,559	37,916	37,941
Assigned	-	-	-	-	-	335,701	238,544	334,971	159,325	89,962
Unassigned	-	-	-	-	-	243,972	253,828	241,999	195,780	210,433
Total general fund	<u>\$ 262,011</u>	<u>\$ 413,937</u>	<u>\$ 679,673</u>	<u>\$ 902,223</u>	<u>\$ 530,827</u>	<u>\$ 782,223</u>	<u>\$ 716,610</u>	<u>\$ 709,529</u>	<u>\$ 393,021</u>	<u>\$ 338,336</u>
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	887,331	707,303
Debt Service fund	-	-	-	-	-	25,210	5,964	7,316	2,671	11,464
Unreserved, reported in:										
Capital projects fund	-	-	35,578,213	8,153,022	4,837,382	-	-	-	-	-
Debt Service fund	-	-	319,709	135,928	14,568	-	-	-	-	-
Assigned	-	-	-	-	-	3,210,747	-	-	-	-
Capital Projects fund	-	-	-	-	-	3,210,747	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,693,122</u>	<u>\$ 32,823,718</u>	<u>\$ 14,529,082</u>	<u>\$ 3,235,957</u>	<u>\$ 2,145,022</u>	<u>\$ 1,561,476</u>	<u>\$ 890,002</u>	<u>\$ 718,767</u>

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

Exhibit J-4

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Fiscal Year Ending June 30,										
Revenues										
Tax levy	9,171,954	1,400,484	1,099,891	1,808,932	7,326,364	6,700,598	5,799,680	4,942,442	4,006,510	3,323,613
Tuition charges	46,059	42,117	43,956	37,410	36,153	2,430	-	2,430	11,694	343
Interest earnings	1,169	1,448	3,188	2,600	75,383	343,164	722,537	349,150	55,738	38,570
Sale of old school	300,000	-	-	-	-	-	-	-	-	-
Miscellaneous	66,686	54,290	56,861	56,237	408,218	14,826	13,552	14,816	3,385	2,112
State services	1,640,787	1,316,171	1,402,423	1,104,042	863,226	1,031,880	994,313	830,695	776,675	628,906
Federal revenues	170,534	187,124	215,827	201,901	233,112	131,243	183,204	117,043	116,535	105,696
Total revenue	11,397,209	10,271,674	9,878,948	3,389,692	8,594,353	8,259,487	7,689,303	6,279,336	4,970,461	4,099,350
Expenditures										
Instruction	2,884,424	2,699,563	2,371,074	2,439,152	2,203,448	2,190,083	1,979,548	1,880,779	1,554,641	1,341,843
Capital construction	591,118	547,209	453,890	372,689	373,572	303,656	298,586	248,037	211,837	195,236
Other instruction	149,229	116,890	117,166	154,325	142,326	144,479	109,937	92,031	39,100	66,672
Support services										
Tuition	114,912	90,794	65,914	8,320	31,065	120,524	46,377	31,241	91,362	101,274
Student and instructional related services	1,391,610	1,132,187	1,095,871	935,072	902,334	842,167	823,266	734,186	645,041	567,345
General administration	192,549	163,271	180,798	173,107	181,464	168,155	161,837	194,933	181,972	151,985
School administrative services	264,838	233,000	233,685	236,337	236,659	212,778	161,349	156,596	102,662	99,669
Central services	214,709	216,894	184,340	211,947	206,891	199,773	199,391	189,562	161,820	148,095
Administrative information technology	89,461	87,413	81,790	78,514	64,098	61,130	41,164	150	700	800
Plant operations and maintenance	893,941	888,338	828,386	832,319	655,852	565,627	583,117	499,487	350,301	318,069
Plant transportation	319,374	318,472	279,548	251,353	279,174	400,651	393,158	328,699	237,012	221,353
Other support services										
Employee benefits	2,431,512	2,225,897	2,138,896	1,923,465	1,601,477	1,425,091	1,164,201	1,170,017	1,051,231	809,882
Special Schools	-	-	-	11,997	-	7,131	-	5,884	4,321	7,180
Education Jobs	-	-	-	318,114	-	-	-	-	-	-
Capital Outlay - Firm Restoration	30,077	46,878	35,125	389,523	162,115,562	16,193,286	3,603,714	1,519,189	24,182	78,612
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	750,000	621,000	387,000	463,000	345,000	340,000	30,000	80,000	71,000	70,000
Interest and other charges	1,603,575	1,631,700	1,686,310	1,677,888	1,693,485	1,709,679	1,485,341	22,892	26,651	20,167
Total expenditures	11,923,129	11,054,658	10,450,263	10,479,182	20,270,246	26,992,319	11,336,137	6,923,224	4,806,255	4,204,913
Excess (Deficiency) of revenues over (under) expenditures	(725,920)	(782,984)	(571,315)	(1,089,490)	(11,833,890)	(18,666,032)	(3,646,834)	(706,888)	(164,276)	(105,461)
Other Financing sources (uses)										
Bond proceeds	-	-	-	-	-	-	-	37,683,000	-	-
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	-	-
Bond premiums	-	-	-	-	-	-	-	1,156,618	-	-
Cost of issuing bonds	-	-	-	-	-	-	-	(1,156,618)	-	-
Canceled, grant	-	-	-	-	-	-	-	-	-	-
Prior year accounts payable/vouchers payable cancelled	-	-	39,179	-	-	-	-	-	-	-
Prior year accounts receivables cancelled	-	-	(1,984)	-	-	-	-	-	-	-
Transfer in	781,145	616,519	-	-	344,714	331,507	702,377	319,799	-	-
Transfer out	(731,145)	(636,319)	-	-	(344,714)	(331,507)	(702,377)	(338,690)	(12,400)	(37,490)
Total other financing sources (uses)	-	-	37,195	-	-	-	-	37,683,000	(12,400)	(37,490)
Excess/deficiency items - Plus transfers over	300,000	5,000	109,243	109,243	794,161	-	-	-	-	-
Net change in fund balances	\$(225,920)	\$(987,982)	\$(900,627)	\$(1,186,343)	\$(11,041,729)	\$(18,666,032)	\$(3,646,834)	\$(6,938,838)	\$(161,926)	\$(142,965)
Debt service as a percentage of noncapital expenditures	19.7%	20.4%	21.5%	21.2%	19.5%	23.7%	21.1%	1.8%	2.1%	2.4%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.
 Central Services and Administrative Information Technology account identifications were added beginning with year end June 30, 2006.
 Prior to June 30, 2006, Central Services and Administrative Information Technology were combined in Other Support Services 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

<u>Fiscal Year</u> <u>Ending June</u> <u>30,</u>	<u>Tuition</u>	<u>Interest</u> <u>Income</u>	<u>E-Rate</u>	<u>Solar</u> <u>SRECS</u>	<u>Expense</u> <u>Reimbursements</u>	<u>Sale of</u> <u>Furniture</u>	<u>Other</u>	<u>Total</u> <u>Miscellaneous</u>
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
2014	42,157	130	14,266	9,776	-	-	30,251	96,580
2015	46,059	24	14,718	11,034	-	-	33,451	105,286

Source: District records

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

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Ofam	Commercial	Industrial	Apartment	Total Assessed Value	Add: Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total District	Total
												School Tax Rate ^b	Regional School Tax Rate ^b
2006	\$ 16,617,100	\$ 215,877,000	\$ 25,557,500	\$ 5,910,385	\$ 20,145,700	\$ -	\$ 161,700	\$ 284,269,385	\$ 533,021	\$ 284,804,406	\$ 4523,052,223	\$ 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	713,317,932	0.931	0.501
2011	17,452,700	593,722,000	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	710,087,088	1.156	0.575
2014	12,679,850	620,147,500	61,625,000	6,355,700	22,067,800	-	311,900	723,187,750	1,189,657	724,377,407	703,256,288	1.267	0.602
2015	12,749,620	627,626,300	61,010,200	6,343,900	21,435,700	249,800	311,900	729,727,420	1,197,383	730,924,803	714,657,903	1.345	0.593

Source: Municipal Tax Assessor

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

^a Property values were reassessed effective for 2007.

^c 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	
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
2014	1.088	0.179	1.267	0.177	0.372	0.602	2.418
2015	1.172	0.173	1.345	0.224	0.413	0.593	2.575

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	2015			2005		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Colonial Pipeline Co.	\$ 4,202,100	1	0.57%	\$ 3,441,500	2	1.30%
Old York Country Club	3,000,000	2	0.41%	6,284,800	1	2.38%
Taxpayer 1	2,305,100	3	0.32%	2,102,000	3	0.80%
Mekwin LLC	1,952,500	4	0.27%			
Public Service Electric & Gas Company	1,890,950	5	0.26%	1,222,100	6	0.46%
Traditions, Chesterfield LLC	1,807,300	6	0.25%			
Taxpayer 2	1,458,800	7	0.20%	2,081,700	4	0.79%
Taxpayer 3	1,259,800	8	0.17%	1,380,400	5	0.52%
Verizon	1,197,383	9	0.16%			
Anna N A Black Farm	1,134,000	10	0.16%			
Acacia Credit Fund LLC	1,016,900	11	0.14%			
Taxpayer 4	1,000,700	12	0.14%	950,400	7	0.36%
Crosbie Enterprises	982,100	13	0.13%			
Taxpayer 5	965,000	14	0.13%	872,400	8	0.33%
Bright View Farm Inc	961,800	15	0.13%			
Taxpayer 6				855,300	9	0.32%
Taxpayer 7				822,200	10	0.31%
Taxpayer 8				805,100	11	0.30%
Total	\$ 25,134,433		2.90%	\$ 20,817,900		6.25%
Total Municipal Assessment	\$ 730,924,803			\$ 264,289,512		

Source: Municipal Tax Assessor

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

Exhibit J-9

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	
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%	307,451
2013	17,096,481	16,617,881	97.20%	275,828
2014	18,332,062	18,019,405	98.29%	N/A
2015	N/A	N/A	N/A	N/A

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

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

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

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income *	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2006	\$ 587,000	\$ -	\$ -	\$ -	\$ -	\$ 587,000	0.20%	\$ 90
2007	512,000	-	-	-	-	512,000	0.16%	73
2008	38,117,000	-	-	-	-	38,117,000	10.75%	5,136
2009	38,037,000	-	-	-	-	38,037,000	10.53%	4,992
2010	37,677,000	-	-	-	-	37,677,000	10.25%	4,879
2011	37,312,000	-	-	-	-	37,312,000	9.68%	4,790
2012	36,847,000	-	-	-	-	36,847,000	9.42%	4,817
2013	36,260,000	-	-	-	-	36,260,000	9.05%	4,676
2014	35,635,000	-	-	-	-	35,635,000	N/A	4,632
2015	34,885,000	-	-	-	-	34,885,000	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.

**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		
2006	\$ 587,000	\$ -	\$ 587,000	0.21%	\$ 90
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%	4,879
2011	37,312,000	-	37,312,000	5.24%	4,790
2012	36,847,000	-	36,847,000	5.17%	4,817
2013	36,260,000	-	36,260,000	5.01%	4,676
2014	35,635,000	-	35,635,000	5.43%	4,632
2015	34,885,000	-	34,885,000	4.77%	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, 2015**

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, 2014:			
Issued debt	\$ 2,270,000		
Authorized but not issued debt	<u>1,129,721</u>		
	3,399,721	100.000%	\$ 3,399,721
Burlington County Gross Debt at December 31, 2014 - Issued and Authorized But Not Issued - Gross Debt of the County			
	691,625,939	1.550%	10,720,202
Other debt			
Chesterfield Township Sewer Utility Debt Outstanding - December 31, 2014			
	2,516,141		
Chesterfield Township Sewer Utility Debt authorized but not issued debt	<u>58,360</u>		
	2,574,501	100.000%	<u>2,574,501</u>
Subtotal, overlapping debt			\$ 16,694,424
Chesterfield Township District Direct Debt			<u>34,885,000</u>
Total direct and overlapping debt			<u>\$ 51,579,424</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	
2014	\$ 720,521,819
2013	708,713,580
2012	715,854,042
[A]	<u>\$ 2,145,089,441</u>
Average equalized valuation of taxable property a.	[A/B] \$ 715,029,314
Debt limit (2.5% of average equalization value)	[B] 17,875,745
Total Net Debt Applicable to Limit	[C] 34,885,000
Excess Borrowing b.	[B-C] <u>\$ (17,009,255)</u>

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 9,458,154	\$ 10,817,990	\$ 12,708,115	\$ 14,697,365	\$ 16,591,365	\$ 17,517,608	\$ 17,781,208	\$ 17,989,557	\$ 18,146,265	\$ 17,875,745
Total net debt applicable to limit	587,000	512,000	38,117,000	38,037,000	37,677,000	37,512,000	36,847,000	36,760,000	35,635,000	34,885,000
Legal debt margin	\$ 8,871,154	\$ 10,305,990	\$ (25,408,885)	\$ (23,339,635)	\$ (21,085,635)	\$ (19,794,392)	\$ (19,065,792)	\$ (18,270,443)	\$ (17,488,735)	\$ (17,009,255)
Total net debt applicable to the limit as a percentage of debt limit	6.21%	4.73%	299.94%	258.80%	227.09%	213.00%	207.22%	201.56%	196.38%	195.15%

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 NISA 13A: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

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2006	6,543	\$ 291,287,817	\$ 44,519	3.9%
2007	6,973	322,815,035	46,295	3.5%
2008	7,421	354,412,118	47,758	4.8%
2009	7,620	361,066,080	47,384	8.3%
2010	7,723	367,506,678	47,586	8.9%
2011	7,790	385,379,090	49,471	8.6%
2012	7,649	391,238,701	51,149	9.0%
2013	7,755	400,452,690	51,638	5.1%
2014	7693	N/A	N/A	5.7%
2015	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

2015			
Employer	Employees	Rank [Optional]	Percentage of Total Municipal Employment
Garden State Youth Correctional Cntr.	522	1	19.4%
Albert C. Wagner Youth Correctional Facility	503	2	18.7%
Chesterfield Twp. School District	108	3	4.0%
Olde York Country Club & Restaurant Services	75	4	2.8%
James Durr Wholesale Florist	50	5	1.9%
Chesterfield Twp. Municipal Government	30	6	1.1%
Rappleyea Nursery & Central Jersey Landscaping	30	7	1.1%
Chesterfield Inn	26	8	1.0%
Townsend Machine Inc.	25	9	0.9%
Fernbrook Nursery	20	10	0.7%
Meadow View Junior Academy	6	11	0.2%
	<u>1,395</u>		<u>51.8%</u>
Total Municipal Employment			<u><u>2,694</u></u>

Source: District Personnel

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

Exhibit J-16

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction									
Regular	25	27	28	32	33	34	36	39	41
Special education	4	5	5	5	6	6	7	11	11
Other special education	1	2	2	2	2	2	2	2	2
Vocational	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-
Support Services:									
Student & instruction related services	10	11	11	14	15	15	15	13	14
General administration	1	1	1	1	1	1	1	1	1
School administrative services	2	2	3	3	3	3	3	3	3
Other administrative services	-	-	-	-	-	-	-	-	-
Central services	3	3	3	3	4	4	4	4	4
Administrative Information Technology	-	-	-	-	-	-	-	-	-
Plant operations and maintenance	5	6	8	8	10	10	12	12	12
Pupil transportation	2	1	1	1	2	2	2	2	2
Other support services	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-
Total	53	58	62	69	76	77	82	87	90

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
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	3.77%	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	8,172,230	12,690	-1.76%	45	14.3:1	639.5	607.8	9.77%	95.04%
2014	703	8,761,078	12,462	-1.79%	52	13.5:1	696.2	667.3	8.87%	95.85%
2015	728	{1} 8,714,618	11,971	-3.95%	54	13.5:1	728.2	698.5	4.60%	95.92%

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).

{1} - Does not include non budgeted expenditures

Chesterfield Township School District
 School Building Information
 Last Ten Fiscal Years

Exhibit J-28

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<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	-	-	-	-	-
Capacity (students)	306	306	306	306	306	-	-	-	-	-
Enrollment	300	362	413	447	493	-	-	-	-	-
<u>District Building</u>										
<u>Elementary</u>										
Chesterfield Elementary School (2011)										
Square Feet	-	-	-	-	-	116,000	116,000	116,000	116,000	116,000
Capacity (students)	-	-	-	-	-	918	918	918	918	918
Enrollment	-	-	-	-	-	563	590	644	703	728

Number of Schools at June 30, 2015
 Elementary = 1
 Middle School = 0
 Senior High School = 0
 Other = 0

Source: District Staff

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

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

Exhibit J-19

**UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES**

11-000-261-xxx

* School Facilities	Chesterfield Elementary	Total
Project # (s)	N/A	
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	133,492	133,492
2014	123,929	123,929
2015	<u>127,068</u>	<u>127,068</u>
Total School Facilities	<u><u>\$ 769,753</u></u>	<u><u>\$ 769,753</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, 2015**

Exhibit J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
Building and Contents (All Locations)	\$ 27,250,000	\$ 5,000
Equipment Breakdown/Boiler	100,000,000	5,000
General Liability & Auto Liability	16,000,000	-
School Board Legal Liability	6,000,000	5,000
Excess Liability	Included	-
Workers' Compensation	Statutory	-
Student Accident Insurance (1)	5,000,000	-
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 ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Honorable President and
Members of the Board of Education
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 Office of School 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, 2015, 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 December 7, 2015.

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

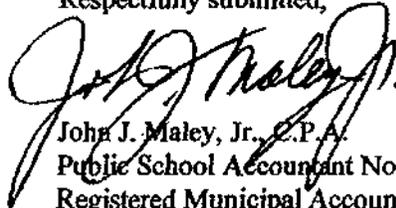
As part of obtaining reasonable assurance about whether the Chesterfield Township School District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct 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 Office of School Finance, Department of Education, State of New Jersey.

I noted certain matters that I have reported to management of the Chesterfield Township School District Board of Education in a separate *Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* dated December 7, 2015.

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

December 7, 2015

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 FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB
CIRCULAR A-133 AND NEW JERSEY CIRCULAR 15-08-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 Federal and 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, 2015. 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. Chesterfield Township School District had no federal major programs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and 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 Office of School Finance, Department of Education, State of New Jersey; and New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards 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, 2015.

Report on Internal Control Over Compliance

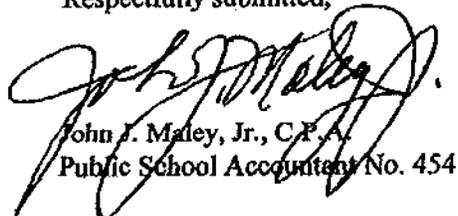
Management of the Board of Education of the Chesterfield Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing 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 15-08-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 15-08-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

December 7, 2015

CHESTERFIELD TOWNSHIP SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grant or Project Number	Grant or Project Number	Program or Award Agency	Program or Award Agency	From	To	Balance at June 30, 2014	Carryover/ (Withdrawal) Amount	Cash Received	Budgetary Encumbrances	Adjustments	Repayment of Prior Year Balances	(Increase/Decrease) Receivable	Balance at June 30, 2015	Due to or from
U.S. Department of Education														
Pass-through State Department of Education														
Special Revenue Fund:														
84.027	IDEA-0830-15	\$ 12,415	9/1/14	8/31/15	\$ -			\$ 131,070	(125,517)	(10,884) b.	\$ -	(1,364) \$	-	
84.027	IDEA-0830-14	110,099	9/1/13	8/31/14	(4,946)		4,946	(10,884)	(887) b.			(1,493)	-	
84.027	IDEA-0830-15	5,678	9/1/14	8/31/15	(1,793)		4,373	(3,479)	(387) b.				-	
84.027	IDEA-0830-14	5,581	9/1/13	8/31/14	725 a.		1,793	(387)		(725)			-	
84.359	NCLB-0830-15	13,079	7/1/14	6/30/15	-		10,955	(11,988)	(2,577) b.			(4,010)	-	
84.389	NCLB-0830-14	13,795	7/1/13	6/30/14	(4,498)		4,498	(2,883)	2,883 b.				-	
84.389	NCLB-0830-14	13,795	7/1/13	6/30/14	1,565 a.		-	(94)		(1,565)			-	
84.389	NCLB-0830-13	8,488	9/1/12	8/31/13	468 a.		-	(94)		(468)			-	
84.340A	NCLB-0830-15	7,407	7/1/14	6/30/15	(281)		5,667	(940)	(6,643) b.			(1,925)	-	
84.340A	NCLB-0830-14	7,363	7/1/13	6/30/14	-		281	(6,643)	6,643 b.				-	
84.355A	NCLB-0830-15	1,023	7/1/14	6/30/15	-		-	-	-			-	-	
84.358A	ESSA-113999	22,529	7/1/13	9/30/14	(1,246)		38,980	(7,715)			(4,860)		-	
84.358A	ESSA-113999	52,579	7/1/13	9/30/14	(4,860) a.		-	-	-				-	
								304,326	(170,264)		(6,810)	(8,792)		
Total Special Revenue Fund														
U.S. Department of Agriculture														
Pass-through State Department of Education														
Enterprise Fund:														
10.550	N/A	14,251	7/1/14	6/30/15	-		2,043	(13,222)					2,972	
10.550	N/A	12,412	7/1/13	6/30/14	2,043		-	(2,043)					-	
10.555	N/A	22,940	7/1/14	6/30/15	-		21,258	(22,940)				(1,682)	-	
10.555	N/A	21,908	7/1/13	6/30/14	(1,876)		1,576	-					-	
10.592	N/A	3,391	7/1/14	6/30/15	-		2,317	(3,391)				(114)	-	
10.592	N/A	3,288	7/1/13	6/30/14	(153)		553	-					-	
								39,455	(38,633)			(1,850)	2,972	
Total Enterprise Fund														
								\$ 243,981	\$ (209,207)	\$ -	\$ (7,610)	\$ (10,648)	\$ 2,972	

a. Encumbrance reflected as accounts payable at June 30, 2014.
b. Realized cash receipt.

CHESTERFIELD TOWNSHIP SCHOOL
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Classification Title	Grant or Project Number	Program or Award Amount	Grant Period		Due to (Accounts Receivable) Creditor	Carryover/ (Withdrawal) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Reversals of Prior Years' Balances	(Accounts Receivable)	Revenue / Interfund Payable	Due to Grantor	YTD	
			From	To									Budgetary Available	Cumulative Total Expenditures
State Department of Education:														
General Fund:														
Transportation Aid	15-495-034-5120-014	\$ 69,303	7/1/14	6/30/15	\$ -	\$ -	\$ 69,303	\$ (69,303)	-	\$ -	\$ -	\$ -	\$ 69,303	\$ 69,303
Social Education, Occupational Aid	15-495-034-5120-089	130,925	7/1/14	6/30/15	-	-	130,925	(130,925)	-	-	-	-	130,925	130,925
Society Aid	15-495-034-5120-084	43,022	7/1/14	6/30/15	-	-	43,022	(43,022)	-	-	-	-	43,022	43,022
Supplemental Enrollment Outreach Aid (SEOA)	15-495-034-5120-094	85,512	7/1/14	6/30/15	-	-	85,512	(85,512)	-	-	-	-	85,512	85,512
Under Adequacy Aid	15-495-034-5120-096	60,016	7/1/14	6/30/15	-	-	60,016	(60,016)	-	-	-	-	60,016	60,016
PARCC Readiness Aid	15-495-034-5120-098	7,380	7/1/14	6/30/15	-	-	7,380	(7,380)	-	-	-	-	7,380	7,380
Per Pupil Growth Aid	15-495-034-5120-097	7,380	7/1/14	6/30/15	-	-	7,380	(7,380)	-	-	-	-	7,380	7,380
Extraordinary Aid (14-15)	15-495-034-5120-044	31,223	7/1/14	6/30/15	-	-	-	-	(31,223)	-	-	-	-	31,223
Retained Non Public School Transportation Costs (14-15)	N/A	3,122	7/1/14	6/30/15	-	-	4,657	-	(1,535)	-	-	-	3,122	3,122
Retained Non Public School Transportation Costs (13-14)	N/A	4,937	7/1/14	6/30/15	(4,657)	-	4,657	-	(4,657)	-	-	-	-	4,937
Retained TPAP Social Security Contributions	15-495-034-5095-002	296,909	7/1/14	6/30/15	(12,802)	-	282,697	(296,909)	-	(14,302)	-	-	296,909	296,909
Retained TPAP Social Security Contributions	14-495-034-5095-002	264,958	7/1/13	6/30/14	(12,339)	-	793,504	(793,579)	(17,424)	-	-	-	68,158	703,579
Total General Fund														
Special Revenue Fund:														
Non-Hospitable Aid:														
Tutoring Aid	15-100-034-5120-064	2,979	7/1/14	6/30/15	-	-	2,979	(2,979)	-	-	-	-	-	2,979
Auxiliary Services	15-100-034-5120-067	24,803	7/1/14	6/30/15	-	-	24,803	(24,803)	-	-	-	-	-	24,803
Compensatory Education	14-100-034-5120-067	22,328	7/1/13	6/30/14	-	-	1,099	(1,099)	(860)	-	-	-	-	1,099
English as a Second Language	14-100-034-5120-067	1,746	7/1/13	6/30/14	-	-	-	-	(860)	-	-	-	-	860
Handwriting Services	15-100-034-5120-066	3,234	7/1/14	6/30/15	-	-	3,234	(3,234)	-	-	-	-	-	3,234
Character Speech	14-100-034-5120-066	1,900	7/1/13	6/30/14	-	-	-	-	(704)	-	-	-	-	704
Education & Classification	15-100-034-5120-066	3,242	7/1/14	6/30/15	-	-	3,242	(3,242)	-	-	-	-	-	3,242
Examination & Classification	14-100-034-5120-066	5,824	7/1/13	6/30/14	-	-	3,186	(3,186)	(3,186)	-	-	-	-	3,186
Supplementary Instruction	15-100-034-5120-066	2,354	7/1/14	6/30/15	-	-	2,354	(2,354)	-	-	-	-	-	2,354
Supplementary Instruction	14-100-034-5120-066	3,469	7/1/13	6/30/14	-	-	-	-	(2,150)	-	-	-	-	2,150
Reading Aid	15-100-034-5120-070	4,743	7/1/14	6/30/15	-	-	4,743	(4,743)	-	-	-	-	-	4,743
Technology Aid	15-100-034-5120-070	1,600	7/1/14	6/30/15	-	-	1,600	(1,600)	-	-	-	-	-	1,600
NSRG Insurance Safety Grant	N/A	6,483	7/1/14	6/30/15	-	-	6,483	(6,483)	-	-	-	-	-	6,483
Safe Routes to School Grant	N/A	1,000	1/1/15	6/30/15	-	-	1,000	(1,000)	-	-	-	-	-	1,000
Parent Survey Grant	15-100-034-5065-086	300	12/1/14	4/1/15	-	-	-	-	(200)	-	-	-	-	200
Total Special Revenue Fund														
Debt Service Fund:														
Debt Service Aid Type II														
Total Debt Service Fund	15-495-034-5120-017	344,695	7/1/14	6/30/15	-	-	334,695	(334,695)	-	-	-	-	-	334,695
State Department of Agriculture:														
Enterprise Fund:														
State School Lunch Program	15-100-010-3330-023	1,662	7/1/14	6/30/15	-	-	1,541	(1,662)	-	-	-	-	-	1,662
State School Lunch Program	14-490-010-3330-023	1,644	7/1/13	6/30/14	(199)	-	899	-	(121)	-	-	-	-	1,662
Total Enterprise Fund														
Total State Financial Assistance Subject to OMB 04-04														
On-School TPAP Contributions Not Subject to OMB 04-04														
On-School TPAP Pension Contributions	15-495-034-5095-006	204,039	7/1/14	6/30/15	-	-	204,039	(204,039)	-	-	-	-	-	204,039
On-School TPAP Non-Retirement Medical	15-495-034-5095-001	323,943	7/1/14	6/30/15	-	-	323,943	(323,943)	-	-	-	-	-	323,943
Total State Financial Assistance														
Total State Financial Assistance														
Total State Financial Assistance Subject to OMB 04-04														
On-School TPAP Pension Contributions														
On-School TPAP Non-Retirement Medical														
Total State Financial Assistance														

a. Encumbrances reflected in accounts payable as of June 30, 2014.
b. Reprint of prior year balance.

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

CHESTERFIELD TOWNSHIP SCHOOL
NOTES TO THE SCHEDULES OF EXPENDITURE OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
JUNE 30, 2015

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 (\$8,524) for the general fund and \$-0- for the special revenue fund. See Note 1 (Notes to the Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the District's basic financial statements on GAAP basis as presented below.

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 0	\$1,256,655	\$1,256,655
Special Revenue Fund	170,554	39,437	209,991
Debt Service Fund	0	344,695	344,695
Food Service Fund	<u>39,582</u>	<u>1,662</u>	<u>41,244</u>
Total Financial Assistance	<u>\$210,136</u>	<u>\$1,642,449</u>	<u>\$1,852,585</u>

CHESTERFIELD TOWNSHIP SCHOOL
NOTES TO THE SCHEDULES OF EXPENDITURE FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
JUNE 30, 2015

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, 2015. 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, 2015.

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

Section I - Summary of Auditor's Results

Financial Statements

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

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to basic financial statements noted? yes X no

Federal Awards N/A

State Awards

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

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08? yes X no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

15-495-034-5095-017

Debt Service Aid

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(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
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

[This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJ Circular 15-08 OMB.]

STATE FINANCIAL ASSISTANCE

No matters were reported.

FEDERAL AWARDS

Not applicable.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Status of Prior Year Findings

No matters were reported.