

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT

Chesterfield, New Jersey
County of Burlington

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT

CHESTERFIELD, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared by

Chesterfield Township Board of Education
Finance Department

OUTLINE OF CAFR

PAGE

INTRODUCTORY SECTION

Letter of Transmittal	1
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8

FINANCIAL SECTION

Independent Auditors' Report	11
------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion & Analysis	16
------------------------------------	----

BASIC FINANCIAL STATEMENTS

A. Government-Wide Financial Statements:

A-1 Statement of Net Position	28
A-2 Statement of Activities	29

B. Fund Financial Statements:

Governmental Funds:

B-1 Balance Sheet	32
B-2 Statement of Revenues, Expenditures & Changes in Fund Balance	33
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balance of Governmental Funds to the Statement of Activities	34

Proprietary Funds:

B-4 Statement of Net Position	36
B-5 Statement of Revenues, Expenditures & Changes in Fund Net Position	37
B-6 Statement of Cash Flows	38

Fiduciary Funds:

B-7 Statement of Fiduciary Net Position	40
B-8 Statement of Changes in Fiduciary Net Position	41

Notes to Financial Statements	43
-------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules:

C-1 Budgetary Comparison Schedule - General Fund	77
C-2 Budgetary Comparison Schedule - Special Revenue Fund	83

Notes to the Required Supplementary Information:

C-3 Budget-to-GAAP Reconciliation	86
-----------------------------------	----

OUTLINE OF CAFR (continued)

PAGE

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability	91
L-2 Schedule of the District Contributions	92
L-3 Schedule of the District Proportionate Share of the Net Pension Liability	93
 Notes to the Required Supplementary Information Part III	 95

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules Fund:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget & Actual	N/A
 E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues & Expenditures - Special Revenue Fund - Budgetary Basis	99
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
 F. Capital Projects Fund:	
F-1 Summary Statement of Project Expenditures	103
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	104
F-2a Schedule of Revenues, Expenditures and Changes in Fund Balance & Project Status - Construction of New Elementary School	105
 G. Proprietary Funds:	
Enterprise Funds:	
G-1 Combining Statement of Net Position	108
G-2 Combining Statement of Revenues, Expenses & Changes in Fund Net Position	109
G-3 Combining Statement of Cash Flows	110
Internal Service Funds:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses & Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
 H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	113
H-2 Combining Statement of Changes in Fiduciary Net Position	114
H-3 Student Activity Agency Fund Schedule of Receipts & Disbursements	115
H-4 Payroll Agency Fund Schedule of Receipts & Disbursements	115

OUTLINE OF CAFR (continued)

PAGE

I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	117
I-2 Schedule of Obligations Under Capital Leases	118
I-3 Debt Service Fund Budgetary Comparison Schedule	119

STATISTICAL SECTION (unaudited)

Financial Trends:	
J-1 Net Position by Component	122
J-2 Changes in Net Position	123
J-3 Fund Balances - Governmental Funds	128
J-4 Changes in Fund Balance - Governmental Funds	129
J-5 Other Local Revenue by Source - General Fund	130
Revenue Capacity:	
J-6 Assessed Value & Estimated Actual Value of Taxable Property	133
J-7 Direct & Overlapping Property Tax Rates	134
J-8 Principal Property Taxpayers	135
J-9 Property Tax Levies & Collections	136
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	139
J-11 Ratios of General Bonded Debt Outstanding	140
J-12 Direct & Overlapping Governmental Activities Debt	141
J-13 Legal Debt Margin Information	142
Demographic & Economic Information:	
J-14 Demographic & Economic Statistics	145
J-15 Principal Employers	145
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	148
J-17 Operating Statistics	149
J-18 School Building Information	150
J-19 Schedule of Required Maintenance	151
J-20 Insurance Schedule	151

SINGLE AUDIT SECTION

K-1 Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	154
K-2 Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular 15-08	156
K-3 Schedule of Expenditures of Federal Awards, Schedule A	159
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	160
K-5 Notes to Schedules of Awards and Financial Assistance	161
K-6 Schedule of Findings & Questioned Costs	163
K-7 Summary Schedule of Prior Audit Findings	166

INTRODUCTORY SECTION

This page intentionally left blank.

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. HAROLD E. O'NEIL, JR.
Interim Business Administrator
honeil@chesterfield.nj.k12us.com
T: 609-298-0307 F: 609-291-0620

November 29, 2016

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, 2016, 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 federal Uniform Guidance, and New Jersey OMB's Circular 15-08. 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 2015-2016 fiscal year with an enrollment of 757 students, which is 29 students above the previous year's enrollment. The following details the changes in the student enrollment of the District over the last six 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%
2015-2016	757	+ 4%

2. **ECONOMIC CONDITION AND OUTLOOK:** Chesterfield Township continues to experience substantial residential expansion. A total of 1,039 homes have been built in Chesterfield Township since 2004 with 52 homes being completed in 2015. There are 150 additional dwellings that remain to be constructed. Of the 150 additional dwellings that remain to be constructed, there are 45 open permits and these homes should be completed by 2016. The remaining homes should be constructed in the next 3 to 4 years depending on demand. There are no new developments currently on the books or going before the township. Enrollment at the October 2015 count increased over the prior year by 39 students.

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, 2016.

5. **ACCOUNTING SYSTEM AND REPORTS:** The District applies the provisions of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*. The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements", Note 1.

6. **FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service fund for the fiscal year ended June 30, 2016, and the amount and percentage of increases in relation to prior year revenues on a GAAP basis.

Revenue	2015-2016 Amount	Percent of Total	Increase (Decrease) From 2014-2015	Percentage of Increase (Decrease)
Local Sources	\$9,957,176	83.5%	371,307	3.9 %
State Sources	1,799,527	15.1%	158,737	9.6 %
Federal Sources	<u>171,551</u>	<u>1.4%</u>	<u>997</u>	.6%
Total	\$11,928,254	100%	531,041	

The increase in local sources is attributable primarily to the increase in the tax levy.

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, 2016.

<u>Expenditures</u>	<u>2015-2016</u>	
	<u>Amount</u>	<u>Percent of Total</u>
Current expense:		
Instruction	\$3,716,258	29.4%
Undistributed		
Expenditures	6,209,570	49.2%
Capital Outlay	89,028	.7%
Capital Projects	0	0%
Special Schools	0	0%
Special Revenue Fund	207,592	1.6%
<u>Debt Service Fund</u>	<u>2,409,622</u>	<u>19.1%</u>
Total	\$12,632,070	100.0%

7. **DEBT ADMINISTRATION:** At June 30, 2016, the District's outstanding debt issues total \$36,245,000 of general obligation bonds originally issued for the construction of the elementary school. The original bond issue for the construction of the elementary school totaled \$37,685,000. The original issue was refunded during 2015-16 to realize a cash flow saving in debt service through 2038 amounting to \$\$2,883,449.

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:**

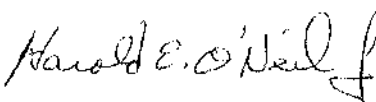
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountant. The accounting firm of Holman Frenia Allison, P.C., John J. Maley, Jr., C.P.A. was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Uniform Guidance and New Jersey OMB Circular 15-8. 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:**

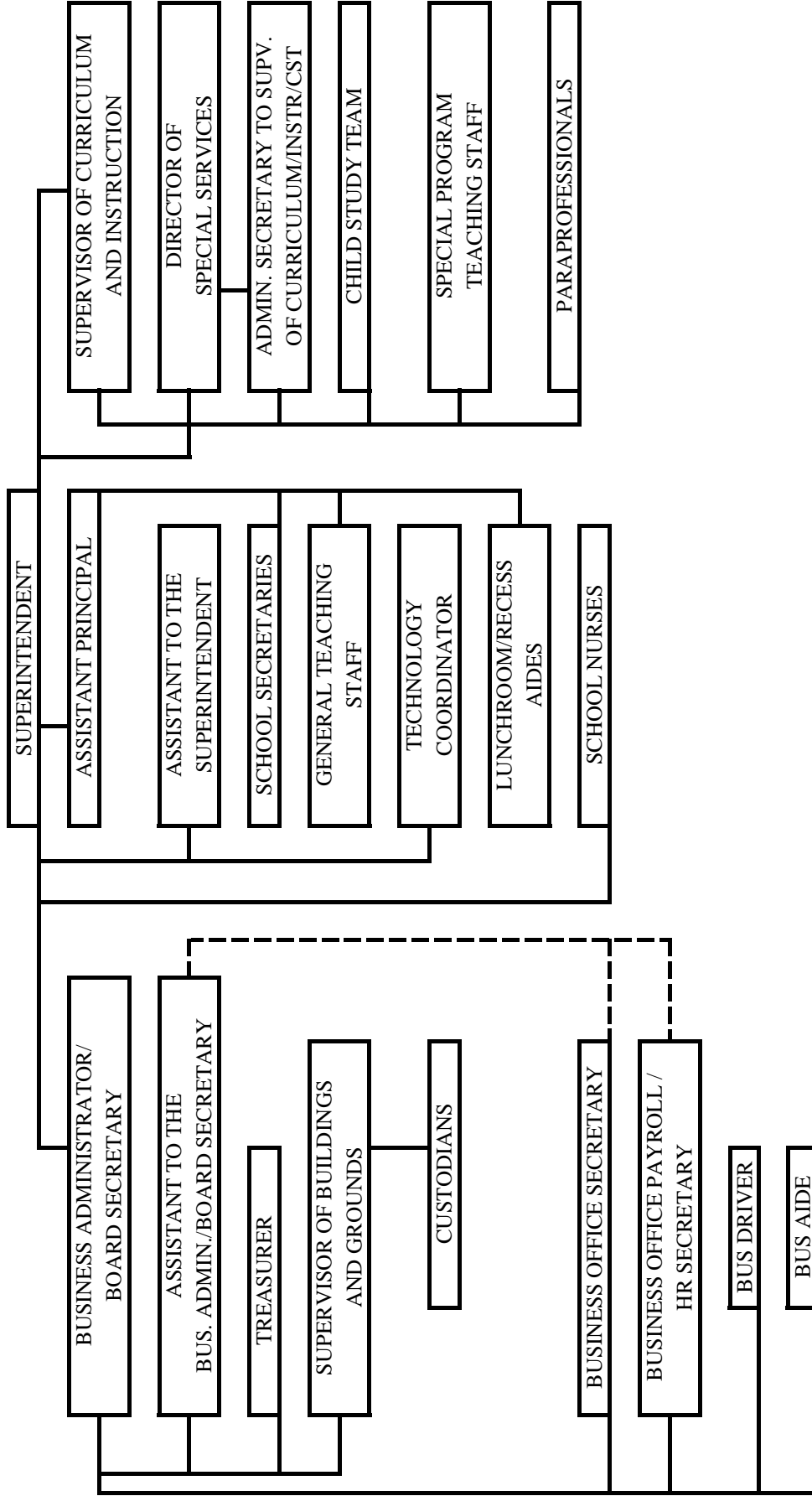
We would like to express our appreciation to the members of the Chesterfield Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial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

Respectfully submitted,


Scott Heino
Superintendent


Harold E. O'Neil, Jr.
Interim Business Administrator/
Board Secretary

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT ORGANIZATIONAL CHART



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

Roster of Officials
June 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jignesh Shah, President	2016
Peggy Hallion, Vice President	2017
Laura Bond	2018
Terran Brown	2016
Andrea Katz	2017

Other Officials

Scott Heino, Superintendent

Harnold E. O' Neil Jr., Interim Business Administrator/Board Secretary

Janice L. Jones, Treasurer

Robert A. Muccilli, Attorney

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
30 Saddle Way
Chesterfield, New Jersey 08515

CONSULTANTS AND ADVISORS

INSURANCE BROKER

New Jersey School Boards Association Insurance Group

AUDIT FIRM

Holman Frenia Allison, P.C.
John J. Maley, Jr. CPA, PSA
6 E. Park Street
P.O. Box 614
Bordentown, New Jersey 08505

ATTORNEY

Capehart & Scatchard, P.A.
Robert Muccilli
P.O. Box 5016
Mt. Laurel, New Jersey 08054-5016

OFFICIAL DEPOSITORY

First Bank
2465 Kusher Road
Hamilton, New Jersey 08690

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

FINANCIAL SECTION

This page intentionally left blank.

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Chesterfield Township School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2016, 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; 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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Chesterfield Township School District, County of Burlington, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the schedules related to accounting and reporting for pensions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We 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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Chesterfield Township School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are also not a required part of the basic financial statements.

The accompanying combining statements and the Schedule of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying

combining statements and Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2016 on our consideration of the Chesterfield Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Chesterfield Township School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

John J. Maley, Jr.
Certified Public Accountant
Public School Accountant, No. 454

Bordentown, New Jersey
November 29, 2016

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

This page intentionally left blank.

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, 2016. 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 \$142,030 in Federal Funding in Fiscal Year 2016, and under the same grant in Fiscal Year 2015, the District expended \$140,263. This increase of \$1,767 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 \$13,961. 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 2015-2016 school year.

New Accounting Standard(s)

As referenced under Note 1 to the financial statements, ("Summary of Significant Accounting Policies"), these financial statements reflect initial implementation of certain accounting pronouncements promulgated by the Governmental Accounting Standards Board who is charged with developing generally accepted accounting principles for state and local governments. These new pronouncements, which collectively did not have a significant impact on the District's financial results, were as follows:

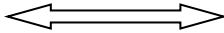
- GASB Statement No. 72, *Fair Value Measurement and Application*
- GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within The Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- GASB Statement No. 76, *The Hierarchy of General Accepted Accounting Principles for State and Local Governments*

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 (\$7,482,849) at June 30, 2016, compared to (\$6,885,229) at June 30, 2015. The increase resulted primarily from recording \$597,620 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
	2015	2016	2015	2016	2015	2016	2015-16
Current and Other Assets	1,073,828	470,209	85,104	64,461	1,158,932	534,670	-53.9%
Capital Assets - Net	30,755,255	30,197,214	81,730	73,022	30,836,985	30,270,236	-1.8%
Deferred Outflows of Resources	165,034	1,929,438	-	-	165,034	1,929,438	1069.1%
Total Assets	31,994,117	32,596,861	166,834	137,483	31,995,917	32,734,344	2.3%
Long-term Debt Outstanding	38,138,204	39,664,905	-	-	38,138,204	39,664,905	4.0%
Deferred Inflows of Resources	124,625	40,739	-	-	124,625	40,739	-67.3%
Other Liabilities	767,861	502,757	15,490	8,792	783,351	511,549	-34.7%
Total Liabilities	39,030,690	40,208,401	15,490	8,792	39,046,180	40,217,193	3.0%
Net Position:							
Net investment in capital assets	(4,296,331)	(6,625,571)	81,730	73,022	(4,214,601)	(6,552,549)	55.5%
Restricted	49,405	(102,642)	-	-	49,405	(102,642)	-307.8%
Unrestricted	(2,789,647)	(883,327)	69,614	55,669	(2,720,033)	(827,658)	-69.6%
Total Net Position	(7,036,573)	(7,611,540)	151,344	128,691	(6,885,229)	(7,482,849)	8.7%

The increase in the deficit in net position resulted primarily from the increase in pension transactions compared to the prior year, amounting to \$597,620.

Note: Totals may not add due to rounding

Changes in Net Position

At 89.6%, property taxes provide the highest percentage of the overall revenues. State Aid not restricted revenue increased by \$386,430 over the 2014-2015 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
	2015	2016	2015	2016	2015	2016	2015-16
REVENUES:							
Property Taxes	9,171,954	9,828,810	-	-	9,171,954	9,828,810	7.2%
Federal or State Aid	424,262	811,675	41,244	40,261	465,506	851,936	83.0%
Tuition received	46,059	43,595	-	-	46,059	43,595	-5.3%
Other	67,855	84,771	154,000	165,948	221,855	250,719	13.0%
Fire insurance recovery	300,000	-	-	-	300,000	-	-100.0%
Total Revenues	10,010,130	10,768,851	195,244	206,209	10,205,374	10,975,060	7.5%
EXPENSES:							
Instruction Related	4,547,054	3,716,258	-	-	4,547,054	3,716,258	-18.3%
Tuition	114,912	141,810	-	-	114,912	141,810	23.4%
Student & Inst. Related Services	1,546,959	1,458,092	-	-	1,546,959	1,458,092	-5.7%
General & Business Administrative Services	973,372	770,301	-	-	973,372	770,301	-20.9%
Maintenance	1,042,551	796,170	-	-	1,042,551	796,170	-23.6%
Transportation	342,058	310,909	-	-	342,058	310,909	-9.1%
Employee Benefits	-	1,854,042	-	-	-	1,854,042	100.0%
Interest on Debt	1,206,264	1,675,886	-	-	1,206,264	1,675,886	38.9%
Other	601,340	653,632	203,894	228,862	805,234	882,494	9.6%
Total Expenses	10,374,510	11,377,100	203,894	228,862	10,578,404	11,605,962	9.7%
Increase (decrease) in net position	(364,380)	(608,249)	(8,650)	(22,653)	(373,030)	(630,902)	69.1%

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 2015-2016.

TABLE 3 provides a summary of the cost of all governmental activities for the 2015–16 school year.

TABLE 3
Net Cost of Governmental Activities

	Total Cost of Services			%	Net Cost of Services			%
	2015	2016	2015-16	Change	2015	2016	2015-16	Change
Instruction Related	4,660,209	3,848,551	-17.4%		4,547,054	3,716,258	-18.3%	
Tuition	114,912	141,810	23.4%		114,912	141,810	23.4%	
Student & Inst. Related Services	1,651,278	1,526,851	-7.5%		1,546,959	1,376,779	-11.0%	
Administrative Services	973,372	770,301	-20.9%		973,372	851,614	-12.5%	
Maintenance	1,042,551	796,170	-23.6%		1,042,551	796,170	-23.6%	
Transportation	342,058	310,909	-9.1%		342,058	310,909	-9.1%	
Unallocated Benefits	1,596,536	4,564,937	185.9%		-	1,854,042	100.0%	
Interest on Long-term debt	1,550,959	1,675,886	8.1%		1,206,264	1,675,886	38.9%	
Other	601,340	653,632	8.7%		601,340	653,632	8.7%	
Total	12,533,215	14,289,047	14.0%		10,374,510	11,377,100	9.7%	

The large increase in the benefits line-item resulted from allocating benefits throughout the various expenditures in the prior year.

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

All of the District’s governmental funds showed more expenditures than revenues at June 30, 2016, 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 \$65,959 unassigned fund balance in the general fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

General fund expenditures were \$96,151 below budget, and revenues were \$12,227 below expectation due to lesser anticipated miscellaneous revenue collected, leaving the district with a General Fund total budgetary fund balance of \$138,946. The revenue amount includes \$5,568 for reimbursement of non-public school transportation costs and \$42,039 for extraordinary aid.

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
	2015	2016	2015	2016	2015	2016	
Land	560,000	560,000	-	-	560,000	560,000	0.0%
Site Improvements	441,434	411,129	-	-	441,434	411,129	-6.9%
Buildings	29,600,179	29,029,342	-	-	29,600,179	29,029,342	-1.9%
Equipment and Furniture	153,642	196,743	81,730	73,021	235,372	269,764	14.6%
Total	30,755,255	30,197,214	81,730	73,021	30,836,985	30,270,235	-1.8%

LONG TERM DEBT

At year-end the district had \$36,245,000 in general obligation and other long-term debt outstanding – a decrease of 3.8% from last year resulting from the payment of principal amounting to \$935,000 and refunding bonds issued. More detailed information about the District’s long-term liabilities is presented in Note 5 to the financial statements. The District’s general obligation bonds carry a rating of AA, in accordance with the School Bond Reserve Act.

TABLE 5
Chesterfield's Outstanding Long-Term Debt

	School District Total		Total % Change
	2015	2016	
Bonds Payable	34,885,000	36,245,000	3.9%
Capital Lease	-	51,807	100.0%
Unamortized Bond Premium	873,889	525,978	-39.8%
Compensated Absences	288,096	308,308	7.0%
Net Pension Liability	2,091,219	2,533,812	21.2%
Total	38,138,204	39,664,905	4.0%

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.

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

This page intentionally left blank.

A. Government-Wide Financial Statements

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS JUNE 30, 2016
Cash & Cash Equivalents	\$ 314,450	\$ 54,057	\$ 368,507
Receivables, Net	155,759	1,399	157,158
Inventory	-	9,005	9,005
Capital Assets, Depreciable (Note 5)	30,197,214	73,022	30,270,236
Total Assets	30,667,423	137,483	30,804,906
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	353,134	-	353,134
Deferred Charges on Refunding of Debt	1,576,304	-	1,576,304
Total Deferred Outflows of Resources	1,929,438	-	1,929,438
Total Assets and Deferred Outflows of Resources	32,596,861	137,483	32,734,344
LIABILITIES			
Accrued Interest	484,524	-	484,524
Accounts Payable	8,725	3,953	12,678
Payable to State Government	9,508	-	9,508
Unearned Revenue	-	4,839	4,839
Noncurrent Liabilities (Note 6):			
Due Within One Year	1,122,499	-	1,122,499
Due Beyond One Year	38,542,406	-	38,542,406
Total Liabilities	40,167,662	8,792	40,176,454
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	40,739	-	40,739
Total Deferred Inflows of Resources	40,739	-	40,739
Total Liabilities and Deferred Inflows of Resources	40,208,401	8,792	40,217,193
NET POSITION			
Net Investment in Capital Assets	(6,625,571)	73,022	(6,552,549)
Restricted For:			
Other Purposes	338,033	-	338,033
Debt Service	(447,978)	-	(447,978)
Capital Projects	7,303	-	7,303
Unrestricted	(883,327)	55,669	(827,658)
Total Net Position	\$ (7,611,540)	\$ 128,691	\$ (7,482,849)

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION				TOTALS JUNE 30, 2016
	EXPENSES	PROGRAM REVENUES CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
Governmental Activities:					
Instruction:					
Instruction - Regular Programs	\$ 2,900,473	\$ -	\$ -	(2,900,473)	\$ (2,900,473)
Special Education	787,995	-	132,293	(655,702)	(655,702)
Other Special Instruction	148,392	-	-	(148,392)	(148,392)
Other Instruction	11,691	-	-	(11,691)	(11,691)
Support Services:					
Tuition	141,810	-	-	(141,810)	(141,810)
Attendance & Social Work Services	26,688	-	-	(26,688)	(26,688)
Health Services	123,867	-	68,759	(55,108)	(55,108)
Student & Instruction Related Services	1,294,983	-	-	(1,294,983)	(1,294,983)
Educational Media Services/School Library	81,313	-	-	(81,313)	(81,313)
General Administrative Services	198,485	-	-	(198,485)	(198,485)
School Administrative Services	265,146	-	-	(265,146)	(265,146)
Central Services	210,542	-	-	(210,542)	(210,542)
Administrative Information Technology	96,128	-	-	(96,128)	(96,128)
Plant Operations & Maintenance	796,170	-	-	(796,170)	(796,170)
Pupil Transportation	310,909	-	-	(310,909)	(310,909)
Employee Benefits	4,564,937	-	2,710,895	(1,854,042)	(1,854,042)
Interest and Other Charges on Long-Term Debt	1,675,886	-	-	(1,675,886)	(1,675,886)
Increase/(Decrease) In Compensated Absences	20,212	-	-	(20,212)	(20,212)
Unallocated Depreciation	633,420	-	-	(633,420)	(633,420)
Total Governmental Activities	14,289,047	-	2,911,947	(11,377,100)	(11,377,100)
Business-Type Activities:					
Food Service	228,862	152,369	40,261	-	(36,232)
Total Business-Type Activities	228,862	152,369	40,261	-	(36,232)
Total Primary Government	\$ 14,517,909	\$ 152,369	\$ 2,952,208	\$ (11,377,100)	\$ (11,413,332)
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes, Net				9,828,810	9,828,810
Federal & State Aid Unrestricted				811,027	811,027
Tuition Received				43,595	43,595
Miscellaneous Income				85,419	85,419
Total General Revenues, Special Items, Extraordinary Items & Transfers				10,768,851	10,768,851
Change In Net Position				(608,249)	(630,902)
Net Position - Beginning, as restated, see Note 19				(7,003,291)	(6,851,947)
Ending Net Position				\$ (7,611,540)	\$ (7,482,849)

B. Fund Financial Statements

Governmental Funds

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2016**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
					JUNE 30, 2016
Cash & Cash Equivalents	\$ 13,775	\$ -	\$ 7,951	\$ 335,898	\$ 357,624
Accounts Receivable:					
Federal	-	90,715	-	-	90,715
State	62,094	-	-	-	62,094
Other	2,950	-	-	-	2,950
Interfund	-	-	300,000	648	300,648
Restricted Cash	38,033	-	-	-	38,033
Total Assets	\$ 116,852	\$ 90,715	\$ 307,951	\$ 336,546	\$ 852,064
LIABILITIES & FUND BALANCES					
Liabilities					
Cash Deficit	\$ -	\$ 81,207	\$ -	\$ -	\$ 81,207
Interfund Payable	-	-	648	300,000	300,648
Payable to State Government	-	9,508	-	-	9,508
Accounts Payable	8,725	-	-	-	8,725
Total Liabilities	8,725	90,715	648	300,000	400,088
Fund Balances:					
Restricted:					
Capital Reserve	38,033	-	-	-	38,033
Capital Projects	-	-	7,303	-	7,303
Debt Service	-	-	-	36,546	36,546
Committed to:					
Capital Projects - Designated by the BOE for Subsequent Year's Debt Service	-	-	300,000	-	300,000
Assigned					
Other Purposes - Year-End Encumbrances	4,135	-	-	-	4,135
Unassigned:					
General Fund	65,959	-	-	-	65,959
Total Fund Balances	108,127	-	307,303	36,546	451,976
Total Liabilities & Fund Balances	\$ 116,852	\$ 90,715	\$ 307,951	\$ 336,546	

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 \$34,463,020 and the accumulated depreciation is \$4,265,806.	30,197,214
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	1,888,699
Accrued interest payable and PERS pension payable are not recorded in the fund financial Statements due to the fact that the payables are not due in the period.	(484,524)
Long-term liabilities, including net pension liability, bonds payable, bond premium capital leases, post retirement liability and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(39,664,905)
Net Position of Governmental Activities	\$ (7,611,540)

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS JUNE 30, 2016
Revenues:					
Local Sources:					
Local Tax Levy	\$ 8,152,813	\$ -	\$ -	\$ 1,675,997	\$ 9,828,810
Tuition from Individuals	43,595	-	-	-	43,595
Miscellaneous	81,969	2,802	648	-	85,419
Total Local Sources	8,278,377	2,802	648	1,675,997	9,957,824
State Sources	1,407,212	34,256	-	358,059	1,799,527
Federal Sources	369	170,534	-	-	170,903
Total Revenues	9,685,958	207,592	648	2,034,056	11,928,254
Expenditures:					
Current:					
Instruction - Regular Programs	2,900,473	-	-	-	2,900,473
Special Education	655,702	132,293	-	-	787,995
Other Special Instruction	148,392	-	-	-	148,392
Other Instruction	11,691	-	-	-	11,691
Support Services:					
Tuition	141,810	-	-	-	141,810
Attendance & Social Work Services	26,688	-	-	-	26,688
Health Services	123,867	-	-	-	123,867
Student & Instruction Related Services	1,226,224	68,759	-	-	1,294,983
Educational Media Services/School					
Library	81,313	-	-	-	81,313
General Administrative Services	198,485	-	-	-	198,485
School Administrative Services	265,146	-	-	-	265,146
Central Services	210,542	-	-	-	210,542
Administrative Information Technology	96,128	-	-	-	96,128
Plant Operations & Maintenance	796,170	-	-	-	796,170
Pupil Transportation	310,909	-	-	-	310,909
Employee Benefits	2,732,288	6,540	-	-	2,738,828
Capital Outlay	89,028	-	-	-	89,028
Debt Service:					
Principal	-	-	-	935,000	935,000
Interest & Other Charges	-	-	-	1,474,622	1,474,622
Total Expenditures	10,014,856	207,592	-	2,409,622	12,632,070
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(328,898)	-	648	(375,566)	(703,816)
Other Financing Sources/(Uses):					
Capital Lease Proceeds	65,407	-	-	-	65,407
Operating Transfers In	-	-	-	400,648	400,648
Operating Transfers (Out)	-	-	(400,648)	-	(400,648)
Proceeds on Bond Refundings	-	-	-	34,976,406	34,976,406
Deposit to Refunding Escrow	-	-	-	(34,627,649)	(34,627,649)
Costs of Issuance of Refunding Bonds	-	-	-	(348,757)	(348,757)
Total Other Financing Sources/(Uses)	65,407	-	(400,648)	400,648	65,407
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	(263,491)	-	(400,000)	25,082	(638,409)
Fund Balances July 1, as previously stated	338,336	-	707,303	11,464	1,057,103
Prior Period Adjustment	33,282	-	-	-	33,282
Fund Balances July 1, as restated	371,618	-	707,303	11,464	1,090,385
Fund Balances June 30	\$ 108,127	\$ -	\$ 307,303	\$ 36,546	\$ 451,976

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (638,409)

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 capital outlays exceeded depreciation in the period:

Depreciation Expense	(633,420)	
Capital Outlays	75,379	(558,041)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 935,000

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

Unfunded TPAF Pension Expense	(1,752,544)	
State Share of Unfunded TPAF Pension Expense	1,752,544	
District Pension Contributions	97,042	
Pension Expense	(170,607)	(73,565)

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

Accrued Interest Prior Year	654,094	
Accrued Interest Current Year	(484,524)	169,570

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of activities.

Capital Lease Proceeds	(65,407)	-
Refunding Bonds Issued	(34,430,000)	
Premium on Refunding Bonds	(546,406)	
Deposit to Refunding Escrow	34,627,649	(414,164)

Deferred charges on Refunding of Debt and premiums from refunded debt issuances are recorded when incurred in the governmental funds but are accrued and expensed over time in the statement of activities.

Amortization of Bond Premium	20,428	
Amortization of Deferred Charge on Refunding	(42,456)	(22,028)

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 13,600

Increase of compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

Current Year	(308,308)	
Prior Year	288,096	(20,212)

Change in Net Position of Governmental Activities \$ (608,249)

Proprietary Funds

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2016**

ASSETS	FOOD SERVICE	TOTALS <hr/> JUNE 30, 2016
Current Assets:		
Cash & Cash Equivalents	\$ 54,057	\$ 54,057
Accounts Receivable:		
State	89	89
Federal	1,310	1,310
Inventories	9,005	9,005
Total Current Assets	<hr/> 64,461	<hr/> 64,461
Noncurrent Assets:		
Furniture, Machinery & Equipment	135,775	135,775
Less: Accumulated Depreciation	<hr/> (62,753)	<hr/> (62,753)
Total Capital Assets	<hr/> 73,022	<hr/> 73,022
Total Assets	<hr/> 137,483	<hr/> 137,483
LIABILITIES		
Accounts Payable	3,953	3,953
Unearned Revenue	4,839	4,839
Total Liabilities	<hr/> 8,792	<hr/> 8,792
NET POSITION		
Net Investment in Capital Assets	73,022	73,022
Unrestricted	55,669	55,669
Total Net Position	<hr/> <hr/> \$ 128,691	<hr/> <hr/> \$ 128,691

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES
EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	FOOD SERVICE FUND	<u>TOTALS</u> JUNE 30, 2016
Operating Revenues:		
Local Sources:		
Daily Sales - Reimbursable Programs	\$ 94,897	\$ 94,897
Daily Sales - Nonreimbursable Programs	57,472	57,472
Miscellaneous	13,579	13,579
	<hr/>	<hr/>
Total Operating Revenue	165,948	165,948
	<hr/>	<hr/>
Operating Expenses:		
Cost of Sales	70,190	70,190
Salaries & Benefits	103,832	103,832
Miscellaneous Expenses	16,346	16,346
Management Fee	13,000	13,000
Supplies and Materials	16,786	16,786
Depreciation	8,708	8,708
	<hr/>	<hr/>
Total Operating Expenses	228,862	228,862
	<hr/>	<hr/>
Operating Income/(Loss)	(62,914)	(62,914)
	<hr/>	<hr/>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	1,666	1,666
Federal Sources:		
National School Lunch Program	23,584	23,584
Healthy Hunger-Free Kids Act	2,400	2,400
Food Distribution Program	12,611	12,611
	<hr/>	<hr/>
Total Nonoperating Revenues/(Expenses)	40,261	40,261
	<hr/>	<hr/>
Change in Net Position	(22,653)	(22,653)
Total Net Position - Beginning	151,344	151,344
	<hr/>	<hr/>
Total Net Position - Ending	\$ 128,691	\$ 128,691
	<hr/>	<hr/>

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	FOOD SERVICE FUND	<u>TOTALS</u> JUNE 30, 2016
Cash Flows From Operating Activities:		
Receipts from Customers	\$ 164,914	\$ 164,914
Payments to Employees	(103,832)	(103,832)
Payments to Suppliers	(124,638)	(124,638)
	<u>(63,556)</u>	<u>(63,556)</u>
Cash Flows From Noncapital Financing Activities:		
State Sources	1,698	1,698
Federal Sources	39,141	39,141
	<u>40,839</u>	<u>40,839</u>
Net Cash Provided/(Used) by Operating Activities		
Net Increase/(Decrease) in Cash & Cash Equivalents	(22,717)	(22,717)
Balances - Beginning of Year	76,774	76,774
	<u>54,057</u>	<u>54,057</u>
Balances - End of Year		
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ (62,914)	\$ (62,914)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used For) Operating Activities:		
Depreciation & Net Amortization	8,708	8,708
Increase/(Decrease) in Accounts Payable	(5,664)	(5,664)
Increase/(Decrease) in Unearned Revenue	(1,034)	(1,034)
(Increase)/Decrease in Inventories	(2,652)	(2,652)
	<u>(63,556)</u>	<u>(63,556)</u>
Net Cash Provided/(Used) by Operating Activities	\$ (63,556)	\$ (63,556)

Fiduciary Fund

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

ASSETS	PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION INSURANCE	AGENCY FUNDS		TOTALS
		STUDENT ACTIVITY	PAYROLL	JUNE 30, 2016
Cash & Cash Equivalents	\$ 21,554	\$ 33,549	\$ 207,101	\$ 262,204
Total Assets	21,554	33,549	207,101	262,204
LIABILITIES				
Payroll Deductions & Withholdings	-	-	207,101	207,101
Due to Student Groups	-	33,549	-	33,549
Total Liabilities	-	33,549	207,101	240,650
NET POSITION				
Restricted	21,554	-	-	21,554
Total Net Position	\$ 21,554	\$ -	\$ -	\$ 21,554

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

	PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION INSURANCE	<u>TOTALS</u> JUNE 30, 2016
ADDITIONS		
Local Sources:		
Employee Salary Deductions	\$ 13,879	\$ 13,879
	<u>13,879</u>	<u>13,879</u>
DEDUCTIONS		
Unemployment Compensation		
Insurance Claims	6,894	6,894
	<u>6,894</u>	<u>6,894</u>
Change in Net Position	6,985	6,985
Net Position - Beginning of the Year	<u>14,569</u>	<u>14,569</u>
Net Position - End of the Year	<u>\$ 21,554</u>	<u>\$ 21,554</u>

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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 prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

Reporting Entity

The Chesterfield Township School District (hereafter referred to as the "District") is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members' terms expire each year. The purpose of the District is to educate students in grades kindergarten through twelfth at its five schools. The District has an approximate enrollment at June 30, 2016 of 757 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- ◆ the organization is legally separate (can sue or be sued in their own name);
- ◆ the District holds the corporate powers of the organization;
- ◆ the District appoints a voting majority of the organization's board
- ◆ the District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the District
- ◆ there is a fiscal dependency by the organization on the District.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. The District had no component units as of for the year ended June 30, 2016.

Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued):

deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued):

in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The District's fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued):

revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund program are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

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

As required by the New Jersey Department of Education the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued):

Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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 issued to finance major property acquisition, construction and improvement programs.

The District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

Additionally, the District reports the following major fiduciary funds:

Private Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The district currently maintains the following private purpose trust funds:

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

Agency Funds - Agency funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity’s own operating programs. The district currently maintains Payroll funds and Student Activity Funds as Agency Funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued):

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. 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. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

Formal budgetary integration into the accounting system is employed as a management control device during the 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 the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the 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.

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

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 assigned 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 a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

Encumbrances (continued):

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

Cash and Cash Equivalents

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.

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from 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 the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2016 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued):

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

Compensated Absences

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

In the Government-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued):

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2016.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued):

Net Position

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

- Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended June 30, 2016, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the District is required to measure certain investments at fair value for financial reporting purposes. In addition, the District is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not have a significant impact on the District's financial statements

The District implemented GASB Statement No. 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*. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the District's financial statements.

Recently Issued and Adopted Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 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)

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued):

Impact of Recently Issued Accounting Principles (continued):

with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not*

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

Impact of Recently Issued Accounting Principles (continued):

within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

Deferred Outflows and Deferred Inflows of Resources

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

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

Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2016 through the date of November 29, 2016, which is the date the financial statements were available to be issued.

Pensions Section

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 pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 2. Cash Deposits and Investments

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2016, the District’s bank balance of \$1,026,040 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$	251,356
Collateralized By Securities Held By		
Pledging Financial Institution		445,806
Cash Management		38,033
Uninsured and Uncollateralized		290,845
 Total	 \$	 1,026,040

Investments

New Jersey statutes permit the Board to purchase the following types of securities:

1. Bonds and other obligations of the United State or obligations guaranteed by the United States.
2. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank , which have a maturity date not greater than twelve months from the date of purchase.
3. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA CLASS.

Custodial credit risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have custodial credit risk policies for investments.

Interest rate risk - This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure..

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 2. Cash Deposits and Investments (continued):

Investments (continued):

Concentrations - The District places no limit in the amount the District may invest in any one issuer

The District did not hold any investments at June 30, 2016.

Note 3. Reserve Accounts

A. Capital Reserve

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). 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 (June 1 to June 30) 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 *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 01, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$	37,941
Interest Earnings		92
Ending Balance, June 30, 2016	\$	38,033

The June 30, 2016 balance did not exceed the LRFP balance of local support costs of uncompleted capital projects.

Note 4. Accounts Receivable

Accounts receivable at June 30, 2016 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 4. Accounts Receivable (continued):

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Funds	Total
Intergovernmental	\$ 62,094	\$ 90,715	\$ -	\$ 1,399	\$ 154,208
Other	2,950	-	-	-	2,950
Total	\$ 65,044	\$ 90,715	\$ -	\$ 1,399	\$ 157,158

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2016 was as follows:

	Balance June 30, 2015	Increases	Decreases	Balance June 30, 2016
Governmental Activities:				
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:				
Buildings	32,739,780	-	-	32,739,780
Land Improvements	606,090	-	-	606,090
Machinery & Equipment	481,770	75,380	-	557,150
Total capital assets being depreciated	33,827,640	75,380	-	33,903,020
Less: accumulated depreciation:				
Buildings	(3,139,601)	(570,837)	-	(3,710,438)
Site Improvements	(164,656)	(30,305)	-	(194,961)
Machinery & Equipment	(328,128)	(32,279)	-	(360,407)
Total accumulated depreciation	(3,632,385)	(633,421)	-	(4,265,806)
Total capital assets being depreciated, net	30,195,255	(558,041)	-	29,637,214
Total Governmental Activities capital assets, net	\$ 30,755,255	\$ (558,041)	\$ -	\$ 30,197,214

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 5. Capital Assets (continued):

	Balance June 30, 2015	Increases	Decreases	Balance June 30, 2016
Business-Type Activities:				
Capital assets being depreciated:				
Machinery & Equipment	\$ 135,775	\$ -	\$ -	\$ 135,775
Total capital assets being depreciated	135,775	-	-	135,775
Less: accumulated depreciation:				
Machinery & Equipment	(54,045)	(8,708)	-	(62,754)
Total accumulated depreciation	(54,045)	(8,708)	-	(62,754)
Total capital assets being depreciated, net	81,730	(8,708)	-	73,021
Total Business-type activities capital assets, net	\$ 81,730	\$ (8,708)	\$ -	\$ 73,021

Depreciation expense was charged to governmental functions/programs as follows:

Governmental Activities:	
Unallocated	633,420
Total Depreciation Expense - Governmental Activities	\$ 633,420

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2016 are as follows:

Fund	Interfund Receivable	Interfund Payable
Capital Projects Fund	\$ 300,000	\$ 648
Debt Service Fund	648	300,000
	\$ 300,648	\$ 300,648

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 6. Interfund Receivables, Payables and Transfers (continued):

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
Capital Projects Fund	\$ 300,000	\$ 648
Debt Service Fund	648	300,000
	<u>\$ 300,648</u>	<u>\$ 300,648</u>

The purpose of interfund transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2016 the following changes occurred in long-term obligations:

	June 30, 2015	Additions	Reductions	June 30, 2016	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 288,096	\$ 20,212	\$ -	\$ 308,308	\$ -
General Obligation Bonds	34,885,000	34,430,000	(33,070,000)	36,245,000	1,110,000
Capital Lease	-	65,407	(13,600)	51,807	12,499
Net Pension Liability	2,091,219	442,593	-	2,533,812	-
Unamortized Bond Premiums	873,889	546,406	(894,317)	525,978	-
Total	<u>\$ 38,138,204</u>	<u>\$ 35,504,618</u>	<u>\$(33,977,917)</u>	<u>\$ 39,664,905</u>	<u>\$ 1,122,499</u>

For governmental activities, the bonds payable are liquidated from the District's debt service fund. Compensated absences and capital leases are liquidated by the general fund.

A. Bonds Payable:

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. At June 30, 2016, bonds payable consisted of the following individual issues:

Purpose	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding
2008 School Bonds	4.50%	2/1/2018	\$ 2,750,000	\$ 1,875,000
2015 Refunding Bonds	2.00% - 4.00%	2/1/2026	9,920,000	9,860,000
2016 Refunding Bonds	2.00% - 3.25%	2/1/2038	24,510,000	24,510,000
Total				<u>\$ 36,245,000</u>

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 7. Long-Term Obligations (continued):

Principal and Interest due on the outstanding bonds is as follows:

Year-ending June 30,	Principal	Interest	Total
2017	\$ 1,110,000	\$ 1,107,085	\$ 2,217,085
2018	1,140,000	1,158,113	2,298,113
2019	1,190,000	1,110,968	2,300,968
2020	1,220,000	1,076,288	2,296,288
2021	1,265,000	1,040,738	2,305,738
2022-2026	6,935,000	4,610,719	11,545,719
2027-2031	8,625,000	3,492,700	12,117,700
2032-2036	10,195,000	1,702,775	11,897,775
2037-2038	4,565,000	223,763	4,788,763
Total	\$ 36,245,000	\$ 15,523,149	\$ 51,768,149

Bonds Authorized But Not Issued:

As of June 30, 2016, the District had no authorized but not issued bonds.

C. Capital Leases

The District approved a lease purchase agreement in 2015-16 year in the amount of \$65,407 at a 2.38% interest rate maturing September 15, 2019 to finance the acquisition of a 24 passenger bus with lift. The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2016:

Year-ending June 30,	Amount
2017	\$ 13,732
2018	13,732
2019	13,732
2020	13,732
Minimum Lease Payments	54,928
Less: Interest	(3,121)
Present Value of Minimum Lease Payments	\$ 51,807

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

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

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Three-Year Trend Information for PERS

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2016	\$ 97,042	100%	\$ 2,533,812
6/30/2015	92,079	100%	2,091,219
6/30/2014	84,055	100%	2,132,053

Components of Pension Liability - At June 30, 2016, the District reported a liability of \$2,533,812 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The District's proportion measured as of June 30, 2015, was 0.01129% percent, which was an increase of 0.00012% from its proportion measured as of June 30, 2014.

Balances at June 30, 2016 and June 30, 2015

	<u>6/30/2016</u>	<u>6/30/2015</u>
Acturial valuation date	July 1, 2015	July 1, 2014
Deferred Outflows of Resources	353,134	67,992
Defferred Inflows of Resources	40,739	124,625
Net Pension Liability	2,533,812	2,091,219
District's portion of the Plan's total net pension Liability	0.01129%	0.01117%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2016, the District recognized pension expense of \$170,607. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	272,111	
Net difference between projected and actual earnings or pension plan investments	60,448	40,739
Changes in proportion and differences between District contributions and proportionate share of contributions	20,575	
Total	\$ 353,134	\$ 40,739

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

Year Ended June 30:	
2017	\$ 57,435
2018	57,435
2019	57,435
2020	88,591
2021	51,498
Thereafter	-

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.01%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.21%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals 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 actuarially determined contributions. Based on

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability as of June 30, 2015, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u> (3.90%)	<u>Discount</u> (4.90%)	<u>Increase</u> (5.90%)
District's proportionate share of the net pension liability	\$ 3,149,218	\$ 2,533,812	\$ 2,017,860

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

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

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation - The employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

**Three-Year Trend Information for TPAF & Post Retirement Medical Contributions
(Paid on behalf of the District)**

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2016	\$ 202,848	100%	-
6/30/2015	144,113	100%	-
6/30/2014	214,031	100%	-

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

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

	<u>TPAF</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

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, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Market Equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals 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 employers' 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 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.

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS & TPAF financial report.

Defined Contribution Retirement Plan (DCRP) – The District contributes to the New Jersey Defined Contribution Retirement Program (DCRP) which is a defined contribution retirement benefit plan, along with life insurance and disability coverage, for its employees who are ineligible for PERS or TPAF.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

Defined Contribution Retirement Plan (DCRP) (continued):

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution. For the year ended June 30, 2016, employee contributions total \$11,876, and the District recognized pension expense of \$6,860.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in District contributions and earnings on District contributions after commencement of their second year of employment, with some exceptions. Non-vested District contributions and earnings are forfeited upon separation from covered employment. Such forfeitures are reverted back to a forfeiture account for the employer and may be used to reduce pension expenses. For the year ended June 30, 2016, the District did not apply forfeitures to reduce the District's pension expense.

Note 9. Post-Retirement 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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the state contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

Note 10. Risk Management

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

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

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 District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 10. Risk Management (continued):

State for benefits paid and the ending balance of the School District's trust fund for the current and previous two years:

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2015-2016	\$ -	\$ 13,879	\$ 6,894	\$ 21,554
2014-2015	-	9,444	31,609	14,569
2013-2014	6	9,399	14,347	36,734

Joint Insurance Pool – The Robbinsville School District participates in the School Alliance Insurance Fund and, public entity risk pool. The Fund provides its members with the following coverage's:

Property – Blanket Building & Grounds	General & Automobile Liability
Boiler & Machinery	Workers' Compensation
School Board Legal Liability	Crime Coverage

Note 11. Contingencies

State and Federal Grantor Agencies - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2016 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Pending Litigation – The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Districts' attorney that resolution of these matters will not have a material adverse effect on the financial condition of the District.

Note 12. Economic Dependency

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

Note 13. Deferred Compensation

The District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 13. Deferred Compensation (continued):

Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment Planning, Inc.
Copeland Companies
Equitable
Dean Witter

Note 14. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2016 is \$308,308.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016 no liability existed for compensated absences in the proprietary fund types.

Note 15. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to *N.J.S.A.18A:7F-7*, as amended. 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. There is no excess fund balance at June 30, 2016 .

Note 16. Fund Balance

General Fund – Of the \$108,127 General Fund fund balance at June 30, 2016, \$38,033 has been reserved in the Capital Reserve Account; \$4,135 has been reserved for encumbrances; and \$65,959 is unassigned.

Capital Projects Fund – Of the \$307,303 Capital Projects Fund fund balance at June 30, 2016, \$300,000 is designated by the School District for subsequent year's transfer to debt service fund.

Debt Service Fund – All the \$36,546 Debt Service Fund fund balance is restricted for debt service expenditures.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

Note 17. Deficit in Net Position

As reflected on Exhibit A-1, Statement of Net position, a deficit in unrestricted net position of \$883,327 existed as of June 30, 2016 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments (\$30,819) and the recording of the long-term liability for compensated absences (\$308,308) and net pension (\$2,533,812). In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences and pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

The \$447,978 deficit in net position for debt service is a result of accruing interest expense in the government-wide financial statements.

Note 18. Defeased Debt

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 is removed from the fiscal year 2016 financial statements. The loss on early retirement of debt (difference between the book value of the refunded debt and the amount required to retire the debt) is deferred and amortized over the remaining life of the old debt using the effective interest method. The deferred loss totaled \$630,234. 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.

On February 15, 2016 the District issued \$24,510,000 Refunding School Bonds with interest rates ranging from 2.0% to 5.0% to refund the remaining unrefunded balance of the 2008 School Bonds with 4.5% interest rates by placing a portion of the 2016 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 \$22,660,000 of the 2008 Bonds is removed from the fiscal year 2016 financial statements. The loss on early retirement of debt (difference between the book value of the refunded debt and the amount required to retire the debt) is deferred and amortized over the remaining life of the old debt using the effective interest method. The deferred loss totaled \$988,476. As a result of the refunding, the District reduced its total debt service requirements by \$2,466,046, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,766,152.

Two irrevocable trust funds were created to defease the above bonds. New debt was issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. As of June 16, 2016 the amount of defeased debt amounted to \$11,741,000. This debt has been removed from the 2016 financial statements and will be called February 1, 2018.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 19. Prior Period Adjustment

It was determined that a prior period adjustment was needed to include \$33,282 of Extraordinary Aid in both the GAAP based financial statements and the government wide financial statements as of July 1, 2015. This amount was received in September of 2015 and was recognized in budgetary fund balance.

	Fund Balance	Net Position
Balance July 1, 2015, as previously state	\$ 338,336	\$(7,036,573)
Prior Period Adjustment	<u>33,282</u>	<u>33,282</u>
Balance July 1, 2015, restated	<u>\$ 371,618</u>	<u>\$(7,003,291)</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART II

This page intentionally left blank.

C. Budgetary Comparison Schedules

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 8,152,813	\$ -	\$ 8,152,813	\$ 8,152,813	\$ -
Tuition from Other Sources	10-1340	45,000	-	45,000	43,595	(1,405)
Miscellaneous	10-1990	87,125	6,081	93,206	81,969	(11,237)
Total Local Sources		8,284,938	6,081	8,291,019	8,278,377	(12,642)
State Sources:						
Categorical Transportation Aid	10-3121	69,303	-	69,303	69,303	-
Categorical Special Education Aid	10-3132	130,925	-	130,925	130,925	-
Categorical Security Aid	10-3177	43,022	-	43,022	43,022	-
Supplemental Growth Aid	10-3141	85,512	-	85,512	85,512	-
Under Adequacy Aid	10-3192	60,016	-	60,016	60,016	-
PARCC Readiness Aid	10-3190	7,380	-	7,380	7,380	-
Per Pupil Growth Aid	10-3190	7,380	-	7,380	7,380	-
Extraordinary Aid	10-3131	30,000	10,000	40,000	42,039	2,039
Nonpublic School Transportation Reimbursement	10-3190	4,000	1,000	5,000	5,568	568
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	352,362	352,362
On-Behalf TPAF Pension Contributions		-	-	-	295,923	295,923
Reimbursed TPAF Social Security Contributions		-	-	-	303,526	303,526
Total State Sources		437,538	11,000	448,538	1,402,956	954,418
Federal Sources:						
Special Education Medicaid Initiative (SEMI)	10-4200	2,561	-	2,561	369	(2,192)
Total Federal Services		2,561	-	2,561	369	(2,192)
Total Revenues		8,725,037	17,081	8,742,118	9,681,702	939,584
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool	105-100-101	28,923	6,384	35,307	35,307	-
Kindergarten	110-100-101	395,810	10,222	406,032	406,032	-
Grades 1 - 5	120-100-101	2,039,410	(104,383)	1,935,027	1,933,989	1,038
Grades 6 - 8	130-100-101	267,145	99,067	366,212	366,210	2
Home Instruction - Regular Programs:						
Salaries of Teachers	150-100-101	5,000	(5,000)	-	-	-
Purchased Professional/Educational Services	150-100-320	2,000	(2,000)	-	-	-
Regular Programs - Undistributed Instruction:						
Purchased Professional/Educational Services	190-100-320	11,000	(150)	10,850	10,850	-
Other Purchased Services	190-100-500	17,340	-	17,340	17,340	-
General Supplies	190-100-610	162,676	(41,942)	120,734	119,024	1,710
Textbooks	190-100-640	10,000	1,721	11,721	11,721	-
Total Regular Programs - Instruction		2,939,304	(36,081)	2,903,223	2,900,473	2,750
Resource Room/ Resource Center:						
Salaries of Teachers	213-100-101	619,792	(26,435)	593,357	593,357	-
General Supplies	213-100-610	1,100	1,480	2,580	2,580	-
Total Resource Room		620,892	(24,955)	595,937	595,937	-

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Preschool Disabilities - Part-Time:						
Salaries of Teachers	215-100-101	29,158	5,057	34,215	34,215	-
Other Salaries for Instruction	215-100-106	24,939	(279)	24,660	24,660	-
General Supplies	215-100-600	2,000	(1,110)	890	890	-
Total Preschool Disabilities - Part-Time		56,097	3,668	59,765	59,765	-
Total Special Education		676,989	(21,287)	655,702	655,702	-
Basic Skills/Remedial:						
Salaries of Teachers	230-100-101	150,399	(2,007)	148,392	148,392	-
General Supplies	230-100-610	900	(900)	-	-	-
Total Basic Skills/Remedial		151,299	(2,907)	148,392	148,392	-
School Sponsored Cocurricular Activities:						
Salaries of Teachers	401-100-101	3,000	1,779	4,779	4,779	-
Purchased Services	401-100-500	100	(100)	-	-	-
Supplies & Materials	401-100-600	3,000	(1,912)	1,088	1,088	-
Total School Sponsored Cocurricular Activities		6,100	(233)	5,867	5,867	-
Summer School:						
Salaries of Teachers	422-100-101	6,000	(176)	5,824	5,824	-
Total Summer School		6,000	(176)	5,824	5,824	-
Total Other Instructional Programs		12,100	(409)	11,691	11,691	-
Total - Instruction		3,779,692	(60,684)	3,719,008	3,716,258	2,750
Undistributed Expenditures:						
Instruction:						
Tuition to CSSD & Regional Day Schools	000-100-565	57,804	32,364	90,168	90,168	-
Tuition to Private School for the Handicap	000-100-566	44,692	(5,050)	39,642	39,642	-
Tuition - Other	000-100-569	12,000	-	12,000	12,000	-
Total Instruction		114,496	27,314	141,810	141,810	-
Attendance & Social Work Services:						
Salaries	000-211-100	15,433	(598)	14,835	14,835	-
Supplies & Materials	000-211-600	12,750	(897)	11,853	11,853	-
Total Attendance & Social Work Services		28,183	(1,495)	26,688	26,688	-
Health Services:						
Salaries	000-213-100	121,183	(1,953)	119,230	119,230	-
Purchased Professional & Technical Services	000-213-300	2,000	-	2,000	2,000	-
Other Purchased Services	000-213-500	475	(126)	349	349	-
Supplies and Materials	000-213-600	1,450	838	2,288	2,288	-
Total Health Services		125,108	(1,241)	123,867	123,867	-

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Related Services:						
Salaries	000-216-100	112,144	(13,435)	98,709	98,709	-
Purchased Professional/Educational Services	000-216-320	60,829	49,065	109,894	98,274	11,620
Supplies & Materials	000-216-600	750	3,102	3,852	3,852	-
Total Related Services		173,723	38,732	212,455	200,835	11,620
Extra Services:						
Salaries	000-217-100	92,758	584	93,342	93,342	-
Purchased Professional/Educational Services	000-217-320	282,900	166,770	449,670	403,613	46,057
Total Extra Services		375,658	167,354	543,012	496,955	46,057
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	000-218-104	27,150	-	27,150	27,150	-
Salaries of Secretarial & Clerical Assistants	000-218-105	9,729	(479)	9,250	9,250	-
Purchased Professional/Educational Services	000-218-390	7,500	(5,075)	2,425	2,425	-
Supplies & Materials	000-218-600	6,950	2,031	8,981	8,264	717
Total Other Support Services - Students - Regular		51,329	(3,523)	47,806	47,089	717
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	000-219-104	254,821	25,758	280,579	280,702	(123)
Salaries of Secretarial & Clerical Assistants	000-219-105	33,439	-	33,439	33,439	-
Purchased Professional/Educational Services	000-219-320	5,000	(5,000)	-	-	-
Miscellaneous Purchased Services	000-219-592	1,050	153	1,203	1,203	-
Supplies and Materials	000-219-600	750	5,887	6,637	6,630	7
Other Objects	000-219-800	900	84	984	984	-
Total Other Support Services - Students - Special Services		295,960	26,882	322,842	322,958	(116)
Improvement of Instruction:						
Salary of Supervisors of Instruction	000-221-102	116,988	(2,220)	114,768	114,768	-
Salary of Other Professional Staff	000-221-104	6,136	(3,692)	2,444	2,444	-
Salaries of Secretarial & Clerical Assistants	000-221-105	33,036	(598)	32,438	32,438	-
Supplies and Materials	000-221-600	800	(544)	256	256	-
Other Objects	000-221-800	900	9	909	909	-
Total Improvement of Instruction		157,860	(7,045)	150,815	150,815	-
Instructional Staff Training:						
Salaries of Other Professional Staff	000-223-104	1,000	(1,000)	-	-	-
Purchased Professional/Educational Services	000-223-320	2,000	(1,762)	238	238	-
Other Purchased Services	000-223-500	7,227	107	7,334	7,334	-
Supplies & Materials	000-223-600	200	(200)	-	-	-
Total Instructional Staff Training		10,427	(2,855)	7,572	7,572	-

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Educational Media Services/School Library:						
Salaries	000-222-100	76,283	(209)	76,074	76,074	-
Purchased Professional - Educational Services	000-222-300	1,600	(72)	1,528	1,528	-
Other Purchased Services	000-222-500	-	-	-	-	-
Supplies and Materials	000-222-600	4,500	(789)	3,711	3,711	-
Total Instructional Staff Training Services		82,383	(1,070)	81,313	81,313	-
Support Services General Administration:						
Salaries	000-230-100	96,645	-	96,645	96,645	-
Legal Services	000-230-331	15,700	11,196	26,896	26,896	-
Audit Services	000-230-332	16,700	1,000	17,700	17,700	-
Other Purchased Professional Services	000-230-339	9,600	(3,830)	5,770	5,770	-
Communications/Telephone	000-230-530	18,500	2,006	20,506	20,438	68
BOE Other Purchased Services	000-230-585	1,150	1,492	2,642	2,642	-
Other Purchased Services	000-230-590	19,766	1,662	21,428	21,428	-
General Supplies	000-230-610	1,200	509	1,709	1,709	-
BOE In-House Training/Meeting Supplies	000-230-630	100	(68)	32	32	-
Miscellaneous Expenditures	000-230-890	2,000	151	2,151	2,151	-
BOE Membership Dues & Fees	000-230-895	3,100	(26)	3,074	3,074	-
Total Support Services General Administration		184,461	14,092	198,553	198,485	68
Support Services School Administration:						
Salaries of Principals & Assistant Principals	000-240-103	188,452	(1,009)	187,443	187,065	378
Salaries of Secretarial & Clerical Assistants	000-240-105	74,393	(1,774)	72,619	72,523	96
Purchased Professional & Technical Services	000-240-300	1,500	325	1,825	1,825	-
Other Purchased Services	000-240-500	5,250	(3,892)	1,358	1,358	-
Supplies & Materials	000-240-600	1,400	(372)	1,028	1,028	-
Other Objects	000-240-800	1,427	(80)	1,347	1,347	-
Total Support Services School Administration		272,422	(6,802)	265,620	265,146	474
Support Services Central Services:						
Salaries	000-251-100	194,940	(9,518)	185,422	185,422	-
Purchased Professional Services	000-251-330	13,667	751	14,418	14,418	-
Other Purchased Professional Services	000-251-590	8,017	(5,012)	3,005	3,005	-
Supplies and Materials	000-251-600	2,278	(2)	2,276	2,276	-
Interest on Lease Purchase Agreements	000-251-832	-	132	132	132	-
Other Objects	000-251-890	5,610	(321)	5,289	5,289	-
Total Support Services Central Services		224,512	(13,970)	210,542	210,542	-
Administrative Information Technology:						
Salaries	000-252-100	13,817	-	13,817	13,817	-
Purchased Technical Services	000-252-340	60,000	(2,555)	57,445	57,445	-
Other Purchased Services	000-252-500	25,000	(134)	24,866	24,866	-
Total Administrative Information Technology		98,817	(2,689)	96,128	96,128	-
Total Central Services & Admin IT		323,329	(16,659)	306,670	306,670	-

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Operation & Maintenance of Plant:						
Required Maintenance for School Facilities:						
Salaries	000-261-100	55,611	(3,071)	52,540	52,540	-
Cleaning, Repair & Maintenance Services	000-261-420	49,874	3,857	53,731	53,531	200
General Supplies	000-261-610	1,000	(477)	523	523	-
Total Required Maintenance for School Facilities		106,485	309	106,794	106,594	200
Custodial Services:						
Salaries	000-262-100	344,419	(3,161)	341,258	341,020	238
Salaries of Non-Instructional Aides	000-262-107	94,564	(31,686)	62,878	62,878	-
Cleaning, Repair & Maintenance Services	000-262-420	30,750	(4,925)	25,825	25,732	93
Other Purchased Property Services	000-262-490	24,994	433	25,427	25,427	-
Insurance	000-262-520	46,355	(2,363)	43,992	43,992	-
Miscellaneous Purchased Services	000-262-590	621	(149)	472	472	-
General Supplies	000-262-610	34,459	5,625	40,084	40,084	-
Energy (Natural Gas)	000-262-621	15,000	(9,461)	5,539	3,958	1,581
Energy (Electricity)	000-262-622	180,000	(20,525)	159,475	137,488	21,987
Other Objects	000-262-800	750	(750)	-	-	-
Total Custodial Services		771,912	(66,962)	704,950	681,051	23,899
Care and Upkeep of Grounds:						
Salaries	000-263-100	3,239	-	3,239	3,239	-
Cleaning, Repair & Maintenance Services	000-263-420	5,750	(5,713)	37	37	-
General Supplies	000-263-610	3,000	(3,000)	-	-	-
Total Care and Upkeep of Grounds		11,989	(8,713)	3,276	3,276	-
Security:						
Cleaning, Repair & Maintenance Services	000-266-420	1,000	4,249	5,249	5,249	-
Total Security		1,000	4,249	5,249	5,249	-
Total Operation & Maintenance of Plant		891,386	(71,117)	820,269	796,170	24,099
Student Transportation Services:						
Salaries of Non-Instructional Aides	000-270-107	12,381	(64)	12,317	12,317	-
Salaries - Pupil Transportation (Bet Home & Sch) - Reg	000-270-160	20,287	(239)	20,048	20,048	-
Salaries - Pupil Transportation (Bet Home & Sch) - Sp Ed	000-270-161	41,488	(4,592)	36,896	36,896	-
Salaries - Pupil Transportation (Bet Home & Sch) - Nonpub	000-270-163	2,335	-	2,335	2,335	-
Management Fee - ESC Transportation Program	000-270-350	1,500	158	1,658	1,658	-
Cleaning, Repair & Maintenance Services	000-270-420	2,500	(2,149)	351	351	-
Contracted Services - (Other Than Between Home & School) Vendors	000-270-512	-	275	275	-	275
Contracted Services - (Between Home & School) - Joint Agreement	000-270-513	150,041	(8,661)	141,380	141,380	-
Contracted Services - Special Ed - vendors	000-270-514	100	(28)	72	72	-
Contracted Services - Special Ed - joint agreements	000-270-515	58,700	3,463	62,163	62,163	-
Contracted Services - Aid In Lieu of Payments - Nonpublic	000-270-503	20,000	7,203	27,203	27,203	-
Miscellaneous Purchased Services - Transportation	000-270-593	5,646	107	5,753	5,753	-
Transportation Supplies	000-270-615	2,750	(2,127)	623	623	-
Miscellaneous Expenditures	000-270-800	125	(15)	110	110	-
Total Student Transportation Services		317,853	(6,669)	311,184	310,909	275
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	000-291-220	96,040	14,323	110,363	108,825	1,538
PERS - Other Retirement	000-291-241	109,163	(2,546)	106,617	102,185	4,432
Workmen's Compensation	000-291-260	71,218	(600)	70,618	70,618	-

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Health Benefits	000-291-270	1,328,674	158,350	1,487,024	1,486,747	277
Tuition Reimbursements	000-291-280	15,000	(2,898)	12,102	12,102	-
Total Unallocated Benefits - Employee Benefits		1,620,095	166,629	1,786,724	1,780,477	6,247
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	352,362	(352,362)
On-Behalf TPAF Pension Contributions		-	-	-	295,923	(295,923)
Reimbursed TPAF Social Security Contributions		-	-	-	303,526	(303,526)
Total Undistributed Expenditures		5,024,673	322,527	5,347,200	6,209,570	(862,370)
Total Expenditures - Current Expense		8,804,365	261,843	9,066,208	9,925,828	(859,620)
Capital Outlay:						
Facilities Acquisition & Construction Services:						
Care and Upkeep of Grounds	000-263-730	-	9,972	9,972	9,972	-
Non-Instructional Services	000-300-730	-	3,935	3,935	-	3,935
Lease Purchase Agreements - Principal	000-400-721	10,560	3,040	13,600	13,600	-
Assets Acquired Under Capital Leases (nonbudgeted)						-
Transportation	000-270-733				65,407	(65,407)
Assessment for Debt Service on SDA Funding	000-400-896	74	-	74	49	25
Total Facilities Acquisition & Construction Services		10,634	16,947	27,581	89,028	(61,447)
Total Capital Outlay		10,634	16,947	27,581	89,028	(61,447)
Total Expenditures		8,814,999	278,790	9,093,789	10,014,856	(921,067)
Excess/(Deficiency) of Revenues						
Over/(Under) Expenditures		(89,962)	(261,709)	(351,671)	(333,154)	18,517
Other Financing Sources and (Uses):						
Capital Lease Proceeds (nonbudgeted)		-	-	-	65,407	65,407
Total Other Financing Sources and (Uses)		-	-	-	65,407	65,407
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures After Other Financing Sources/(Uses)		(89,962)	(261,709)	(351,671)	(267,747)	83,924
Fund Balances, July 1		406,693	-	406,693	406,693	-
Fund Balances, June 30		\$ 316,731	\$ (261,709)	\$ 55,022	\$ 138,946	\$ 83,924
<u>RECAPITULATION OF BUDGET TRANSFERS</u>						
Additional Surplus Budgeted			\$ (278,790)			
Additional Revenue Anticipated			17,081			
Total Budget Transfers			\$ (261,709)			
<u>RECAPITULATION OF FUND BALANCE</u>						
Restricted Fund Balance:						
Capital Reserve					\$ 38,033	
Assigned:						
Year-End Encumbrances					4,135	
Unassigned Fund Balance					96,778	
Subtotal					138,946	
Reconciliation to Governmental Fund Statements (GAAP):						
Last Two State Aid Payment Not Recognized on GAAP Basis					(30,819)	
Fund Balance per Governmental Funds (GAAP)					\$ 108,127	

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	JUNE 30, 2016			VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL
REVENUES				
Local Sources	2,802	\$ -	2,802	\$ -
State Sources	-	43,763	43,763	(9,507)
Federal Sources	151,539	20,972	172,511	(1,977)
Total Revenues	154,341	64,735	219,076	(11,484)
EXPENDITURES:				
Instruction:				
Salaries of Teachers	19,484	6,090	25,574	-
Purchased Professional Educational Services	-	29,545	29,545	23,103
Tuition	70,000	5,000	75,000	-
General Supplies	3,164	(2,191)	973	-
Textbooks	-	8,144	8,144	7,643
Total Instruction	92,648	46,588	139,236	6,943
Support Services:				
Personal Services - Employee Benefits	5,067	1,473	6,540	-
Purchased Professional Technical Services	53,824	8,898	62,722	1,799
Purchased Professional Educational Services	-	3,510	3,510	-
Other Purchased Services	-	1,524	1,524	-
General Supplies	2,802	2,742	5,544	2,742
Total Support Services	61,693	18,147	79,840	4,541
Total Expenditures	154,341	64,735	219,076	11,484
Total Outflows	154,341	64,735	219,076	11,484
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

This page intentionally left blank.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 9,681,702	\$ 207,592
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	35,075	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(30,819)	-
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 9,685,958</u>	<u>\$ 207,592</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>10,014,856</u>	<u>207,592</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds (B-2)	<u>\$ 10,014,856</u>	<u>\$ 207,592</u>

OTHER SUPPLEMENTARY INFORMATION

This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

This page intentionally left blank.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's proportion of the net pension liability (asset)	0.01129%	0.01000%	0.01000%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset)	\$ 2,533,812	\$ 2,091,219	\$ 2,132,053	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered-employee payroll	\$ 791,236	\$ 786,776	\$ 751,153	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	320.23%	265.80%	283.84%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of										

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 97,042	\$ 92,079	\$ 84,055	86,757	76,742	60,547	45,519	33,831	22,518	12,316
Contributions in relation to the contractually required contribution	97,042	92,079	84,055	86,757	76,742	60,547	45,519	33,831	22,518	12,316
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 791,236	\$ 786,776	\$ 751,153	771,781	756,746	715,061	655,529	531,808	475,085	399,311
Contributions as a percentage of covered-employee payroll	12.26%	11.70%	11.19%	11.24%	10.14%	8.47%	6.94%	6.36%	4.74%	3.08%

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's proportion of the net pension liability (asset)	0.03774%	0.03000%	0.03000%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 23,855,951	\$ 18,132,242	\$ 16,701,482	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered-employee payroll	\$ 4,010,608	\$ 3,868,985	\$ 3,372,550	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of										

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

CHESTERFIELD CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

Teachers Pension and Annuity Fund (TPAF)

Basis of Presentation. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated July 28, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

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

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

Public Employees' Retirement System (PERS)

Basis of Presentation. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated April 14, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

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

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

This page intentionally left blank.

D. School Based Budget Schedules

Not Applicable

E. Special Revenue Fund

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	NO CHILD LEFT BEHIND		I.D.E.A. PART B		INSURANCE SAFETY GRANT
	TITLE I	TITLE II PART A	REGULAR	PRESCHOOL	
Revenues:					
Federal Sources	\$ 14,543	\$ 13,961	\$ 135,923	\$ 6,107	\$ -
State Sources	-	-	-	-	-
Local Sources	-	-	-	-	2,802
Total Revenues	\$ 14,543	\$ 13,961	\$ 135,923	\$ 6,107	\$ 2,802
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 10,542	\$ 10,354	\$ -	\$ 4,678	\$ -
Tuition	-	-	75,000	-	-
General Supplies	760	-	-	213	-
Total Instruction	11,302	10,354	75,000	4,891	-
Support Services:					
Personal Services -					
Employee Benefits	2,741	2,583	-	1,216	-
Purchased Professional -					
Technical Services	-	-	60,923	-	-
Other Purchased Services (400-500 Series)	500	1,024	-	-	-
General Supplies	-	-	-	-	2,802
Total Support Services	3,241	3,607	60,923	1,216	2,802
Total Expenditures	\$ 14,543	\$ 13,961	\$ 135,923	\$ 6,107	\$ 2,802

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	NJ NON-PUBLIC AUXILIARY SERVICES CH. 192		NJ NON-PUBLIC HANDICAP SERVICES CH. 193			
	COMPENSATORY EDUCATION	ENGLISH AS A SECOND LANGUAGE	SUPPLEMENTAL EXAMINATION & INSTRUCTION	CORRECTIVE CLASSIFICATION	CORRECTIVE SPEECH	
Revenues:						
Federal Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	19,543	1,035	2,525	3,409		2,007
Local Sources	-	-	-	-	-	-
Total Revenues	\$ 19,543	\$ 1,035	\$ 2,525	\$ 3,409	\$	2,007
Expenditures:						
Instruction:						
Purchased Professional - Educational Services	\$ 19,543	\$ 1,035	\$ 2,525	\$ -	\$ -	\$ -
Textbooks	-	-	-	3,409		2,007
Total Instruction	19,543	1,035	2,525	3,409		2,007
Total Expenditures	\$ 19,543	\$ 1,035	\$ 2,525	\$ 3,409	\$	2,007

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	NJ NON-PUBLIC TEXTBOOK AID	NJ NON-PUBLIC NURSING AID	NJ NON-PUBLIC TECHNOLOGY AID	NJ NON-PUBLIC SECURITY AID	2016
Revenues:					
Federal Sources	\$ -	\$ -	\$ -	\$ -	\$ 170,534
State Sources	2,227	3,510	-	-	34,256
Local Sources	-	-	-	-	2,802
	<hr/>				
Total Revenues	\$ 2,227	\$ 3,510	\$ -	\$ -	\$ 207,592
<hr/>					
Expenditures:					
Instruction:					
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ 25,574
Purchased Professional - Educational Services	-	-	-	-	23,103
Tuition	-	-	-	-	75,000
General Supplies	-	-	-	-	973
Textbooks	2,227	-	-	-	7,643
	<hr/>				
Total Instruction	2,227	-	-	-	132,293
<hr/>					
Support Services:					
Personal Services - Employee Benefits	-	-	-	-	6,540
Purchased Professional - Technical Services	-	-	-	-	60,923
Purchased Professional - Educational Services	-	3,510	-	-	3,510
Other Purchased Services (400-500 Series)	-	-	-	-	1,524
General Supplies	-	-	-	-	2,802
	<hr/>				
Total Support Services	-	3,510	-	-	75,299
<hr/>					
Total Expenditures	\$ 2,227	\$ 3,510	\$ -	\$ -	\$ 207,592
<hr/>					

F. Capital Projects Fund

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2016**

PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE PRIOR YEARS	EXPENDITURES TO DATE CURRENT YEAR	TRANSFER TO DEBT SERVICE FUND	UNEXPENDED BALANCE JUNE 30, 2016
Construction of New Elementary School	12/11/2007	\$ 37,985,000	\$ 37,277,697	\$ -	\$ (400,000)	\$ 307,303
\$37,685,000 Bonds Issued Dated 2/28/08						
Total		\$ 37,985,000	\$ 37,277,697	\$ -	\$ (400,000)	\$ 307,303

Reconciliation - Unexpended Capital Project Balances to Fund Balance - June 30, 2016

Unexpended Project Balances June 30, 2016 \$ 307,303

Less:

SDA Grant Revenue not Recognized on GAAP Basis -

Total Fund Balance (GAAP Basis) - June 30, 2016 \$ 307,303

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

REVENUES:	
Bond Proceeds and Transfers	\$ -
Interest Earned	648
	<hr/>
Total Revenues	648
	<hr/>
EXPENDITURES:	
Purchased Professional & Technical Services	\$ -
	<hr/>
Total Expenditures	-
	<hr/>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	648
	<hr/>
Other Financing Sources/ (Uses):	
Transfer to Debt Service Fund	(648)
Transfer to Debt Service Fund	(400,000)
	<hr/>
Total Other Financing Sources/ (Uses)	(400,648)
	<hr/>
Net Change in Fund Balance	(400,000)
Fund Balance - Beginning	707,303
	<hr/>
Fund Balance - Ending	\$ 307,303
	<hr/> <hr/>

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
CONSTRUCTION OF NEW ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds and Transfers	\$ 37,685,000	\$ -	\$ 37,685,000	\$ 37,685,000
Sale of Old School	300,000	-	300,000	-
Total Revenues	37,985,000	-	37,985,000	37,685,000
Expenditures & Other Financing Uses:				
Legal/Accounting Services	193,707	-	193,707	160,000
Purchased Professional & Technical Services	3,124,930	-	3,124,930	3,118,640
Land & Improvements	1	-	1	2,440,743
Construction Services	27,649,657	-	27,649,657	27,649,657
Other Objects	2,332,108	-	2,332,108	1,203,960
Fire Expense (net)	715,806	-	715,806	-
Other Objects	549,488	-	549,488	-
Total Expenditures	34,565,697	-	34,565,697	34,573,000
Other Financing Sources/ (Uses):				
Transfer to Debt Service Fund	(2,712,000)	(400,000)	(3,112,000)	(3,112,000)
Total Other Financing Sources/ (Uses)	(2,712,000)	(400,000)	(3,112,000)	(3,112,000)
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 707,303	\$ (400,000)	\$ 307,303	\$ -

Additional Project Information:

Project Number	NJDOE #0830-N02-07-1000
Grant Date	N/A
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	0.00%
Percentage Completion	96.00%
Original Target Completion Date	9/1/2010
Revised Target Completion Date	12/17/2010

G. Proprietary Funds

Enterprise Funds

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2016

ASSETS	FOOD SERVICE	TOTALS
		JUNE 30, 2016
Current Assets:		
Cash & Cash Equivalents	\$ 54,057	\$ 54,057
Accounts Receivable:		
State	89	89
Federal	1,310	1,310
Other		-
Interfund		-
Inventories	9,005	9,005
	64,461	64,461
Total Current Assets		
Noncurrent Assets:		
Furniture, Machinery & Equipment	135,775	135,775
Less: Accumulated Depreciation	(62,753)	(62,753)
	73,022	73,022
Total Capital Assets		
	137,483	137,483
Total Assets		
LIABILITIES		
Accounts Payable	3,953	3,953
Unearned Revenue	4,839	4,839
	8,792	8,792
Total Liabilities		
NET ASSETS		
Net Investment in Capital Assets	73,022	73,022
Unrestricted	55,669	55,669
	128,691	128,691
Total Net Position		
	\$ 128,691	\$ 128,691

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES
EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	FOOD SERVICE FUND	<u>TOTALS</u> JUNE 30, 2016
Operating Revenues:		
Local Sources:		
Daily Sales - Reimbursable Programs	\$ 94,897	\$ 94,897
Daily Sales - Nonreimbursable Programs	57,472	57,472
Miscellaneous	13,579	13,579
	<hr/>	<hr/>
Total Operating Revenue	165,948	165,948
	<hr/>	<hr/>
Operating Expenses:		
Cost of Sales	70,190	70,190
Salaries & Benefits	103,832	103,832
Miscellaneous Expenses	16,346	16,346
Management Fee	13,000	13,000
Supplies and Materials	16,786	16,786
Depreciation	8,708	8,708
	<hr/>	<hr/>
Total Operating Expenses	228,862	228,862
	<hr/>	<hr/>
Operating Income/(Loss)	(62,914)	(62,914)
	<hr/>	<hr/>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	1,666	1,666
Federal Sources:		
National School Lunch Program	23,584	23,584
Healthy Hunger-Free Kids Act	2,400	2,400
Food Distribution Program	12,611	12,611
	<hr/>	<hr/>
Total Nonoperating Revenues/(Expenses)	40,261	40,261
	<hr/>	<hr/>
Other Financing Sources/(Uses):		
Interest Revenue - Board Contribution	-	-
	<hr/>	<hr/>
Total Other Financing Sources/(Uses)	-	-
	<hr/>	<hr/>
Change in Net Position	(22,653)	(22,653)
Total Net Position - Beginning	151,344	151,344
	<hr/>	<hr/>
Total Net Position - Ending	\$ 128,691	\$ 128,691
	<hr/> <hr/>	<hr/> <hr/>

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	FOOD SERVICE FUND	<u>TOTALS</u> JUNE 30, 2016
Cash Flows From Operating Activities:		
Receipts from Customers	\$ 164,914	\$ 164,914
Payments to Employees	(103,832)	(103,832)
Payments to Suppliers	(124,638)	(124,638)
	<u>(63,556)</u>	<u>(63,556)</u>
Cash Flows From Noncapital Financing Activities:		
State Sources	1,698	1,698
Federal Sources	39,141	39,141
	<u>40,839</u>	<u>40,839</u>
Cash Flows From Investing Activities:		
Purchase of Equipment	-	-
Interest & Dividends	-	-
	<u>-</u>	<u>-</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(22,717)	(22,717)
Balances - Beginning of Year	76,774	76,774
Balances - End of Year	<u>\$ 54,057</u>	<u>\$ 54,057</u>

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	\$ (62,914)	\$ (62,914)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used For) Operating Activities:		
Depreciation & Net Amortization	8,708	8,708
(Increase)/Decrease in Accounts Receivable	-	-
Increase/(Decrease) in Accounts Payable	(5,664)	(5,664)
Increase/(Decrease) in Unearned Revenue	(1,034)	(1,034)
(Increase)/Decrease in Inventories	(2,652)	(2,652)
Net Cash Provided/(Used) by Operating Activities	<u>\$ (63,556)</u>	<u>\$ (63,556)</u>

Internal Service Fund

Not Applicable

H. Fiduciary Fund

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

ASSETS	PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION INSURANCE	AGENCY FUNDS		2016
		STUDENT ACTIVITY	PAYROLL	
Assets:				
Cash & Cash Equivalents	\$ 21,554	\$ 33,549	\$ 207,101	\$ 262,204
Total Assets	21,554	33,549	207,101	262,204
LIABILITIES				
Liabilities:				
Payroll Deductions & Withholdings	-	-	207,101	207,101
Due to Student Groups	-	33,549	-	33,549
Total Liabilities	-	33,549	207,101	240,650
NET POSITION				
Restricted	21,554	-	-	21,554
Total Net Position	\$ 21,554	\$ -	\$ -	\$ 21,554

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2016**

	PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION INSURANCE	2016
Additions:		
Local Sources:		
Employee Salary Deductions	\$ 13,879	\$ 13,879
	<hr/>	<hr/>
Total Operating Revenues	13,879	13,879
	<hr/>	<hr/>
Total Additions	13,879	13,879
	<hr/>	<hr/>
Deductions:		
Quarterly Contributions and Unemployment Claims	6,894	6,894
	<hr/>	<hr/>
Change in Net Position	6,985	6,985
Net Position, July 1	14,569	14,569
	<hr/>	<hr/>
Net Position, June 30	\$ 21,554	\$ 21,554
	<hr/> <hr/>	<hr/> <hr/>

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
FIDICIARY FUNDS
STUDENT ACTIVITY AGENCY FUND SCHEDULE
OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	BALANCE JULY 1, 2015	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2016
Chesterfield Township Elementary School	\$ 13,054	\$ 97,913	\$ 77,418	\$ 33,549
Total Student Activity	<u>\$ 13,054</u>	<u>\$ 97,913</u>	<u>\$ 77,418</u>	<u>\$ 33,549</u>

**PAYROLL FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ASSETS	BALANCE JULY 1, 2015	ADDITIONS	DISBURSEMENTS	BALANCE JUNE 30, 2016
Cash & Cash Equivalents	\$ 203,639	\$ 6,176,675	\$ 6,173,213	\$ 207,101
Total Assets	<u>\$ 203,639</u>	<u>\$ 6,176,675</u>	<u>\$ 6,173,213</u>	<u>\$ 207,101</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$ 203,639	\$ 6,176,675	\$ 6,173,213	\$ 207,101
Total Liabilities	<u>\$ 203,639</u>	<u>\$ 6,176,675</u>	<u>\$ 6,173,213</u>	<u>\$ 207,101</u>

I. Long-Term Debt

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL PAYMENTS		INTEREST RATE	AMOUNT OUTSTANDING JUNE 30, 2015	ISSUED	REFUNDED	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2016				
			DATE	AMOUNT										
New Elementary School	8/26/2010	\$ 37,685,000	2/1/2017	\$ 915,000	4.500%	\$ 34,885,000	\$ -	\$ 32,135,000	\$ 875,000	\$ 1,875,000				
			2/1/2018	960,000										
2015 Refunding Bonds	9/16/2015	9,920,000	2/1/2017	75,000	2.000%	-	9,920,000	-	60,000	9,860,000				
			2/1/2018	75,000										
			2/1/2019	1,085,000										
			2/1/2020	1,115,000										
			2/1/2021	1,155,000										
			2/1/2022	790,000										
			2/1/2022	400,000										
			2/1/2023	1,230,000										
			2/1/2024	1,270,000										
			2/1/2025	1,310,000										
2/1/2026	1,355,000													
2016 Refunding Bonds	1/27/2016	24,510,000	2/1/2017	120,000	2.000%	-	24,510,000	-	-	24,510,000				
			2/1/2018	105,000										
			2/1/2019	105,000										
			2/1/2020	105,000										
			2/1/2021	110,000										
			2/1/2022	110,000										
			2/1/2023	115,000										
			2/1/2024	115,000										
			2/1/2025	120,000										
			2/1/2026	120,000										
			2/1/2027	1,575,000										
			2/1/2028	1,655,000										
			2/1/2029	1,745,000										
			2/1/2030	1,795,000										
			2/1/2031	1,855,000										
			2/1/2032	1,910,000										
			2/1/2033	1,975,000										
			2/1/2034	2,040,000										
2/1/2035	2,100,000													
2/1/2036	2,170,000													
2/1/2037	2,245,000													
2/1/2038	2,320,000													
Total										\$ 34,885,000	\$ 34,430,000	\$ 32,135,000	\$ 935,000	\$ 36,245,000

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES
FOR FISCAL YEAR ENDED JUNE 30, 2016**

DATE OF LEASE	SERIES	INTEREST RATE PAYABLE	BALANCE OUSTANDING JULY 1, 2015	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	BALANCE OUSTANDING JUNE 30, 2016
7/15/2015	24 Passenger School Bus	2.380%	\$ -	\$ 65,407	\$ 13,600	\$ 51,807
			\$ -	\$ 65,407	\$ 13,600	\$ 51,807

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	JUNE 30, 2016				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 1,675,997	\$ -	\$ 1,675,997	\$ 1,675,997	\$ -
State Sources:					
Debt Service Aid Type II	358,059	-	358,059	358,059	-
Miscellaneous	-	-	-	-	-
Total Revenues	2,034,056	-	2,034,056	2,034,056	-
Expenditures:					
Regular Debt Service:					
Redemption of Principal	875,000	-	875,000	935,000	(60,000)
Interest	1,569,825	-	1,569,825	1,474,622	95,203
Total Regular Debt Service	2,444,825	-	2,444,825	2,409,622	35,203
Excess/(Deficiency) of Revenues Over (Under) Expenditures	(410,769)	-	(410,769)	(375,566)	(35,203)
Other Financing Sources/(Uses):					
Operating Transfers In:					
Capital Projects Fund - Unexpended Bond Proceeds	400,450		400,450	400,000	(450)
Capital Projects Fund - Intrest Earned			-	648	648
Total Other Financing Sources/(Uses)	400,450	-	400,450	400,648	198
Excess/(Deficiency) of Revenues Over (Under) Expenditures and Other Sources and Uses	(10,319)	-	(10,319)	25,082	(35,005)
Fund Balance, July 1,	11,464		11,464	11,464	-
Fund Balance, June 30	\$ 1,145	\$ -	\$ 1,145	\$ 36,546	\$ (35,005)

STATISTICAL SECTION (Unaudited)

This page intentionally left blank.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
 (Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities:										
Net Investment in Capital Assets	\$ (6,625,571)	\$ (4,296,331)	\$ (4,302,083)	\$ (3,693,237)	\$ (3,044,034)	\$ (2,814,350)	\$ 2,160,907	\$ (30,819,547)	\$ (34,490,820)	\$ 1,084,441
Restricted	(102,642)	49,405	40,587	139,875	230,202	227,760	14,839,120	33,513,318	37,106,857	173,044
Unrestricted	(883,327)	(2,789,647)	(278,645)	593,387	651,067	1,306,504	(15,170,967)	(595,406)	(470,922)	87,716
Total Governmental Activities	\$ (7,611,540)	\$ (7,036,573)	\$ (4,540,141)	\$ (2,959,975)	\$ (2,162,765)	\$ (1,280,086)	\$ 1,829,060	\$ 2,098,365	\$ 2,145,115	\$ 1,345,201
Business-Type Activities:										
Net Investment in Capital Assets	\$ 73,022	\$ 81,730	\$ 90,438	\$ 99,146	\$ 107,854	\$ 114,188	\$ -	\$ -	\$ -	\$ -
Unrestricted	55,669	69,614	69,556	60,250	48,786	29,682	53,275	59,536	47,197	45,104
Total Business-Type Activities	\$ 128,691	\$ 151,344	\$ 159,994	\$ 159,396	\$ 156,640	\$ 143,870	\$ 53,275	\$ 59,536	\$ 47,197	\$ 45,104
Government-Wide:										
Net Investment in Capital Assets	\$ (6,552,549)	\$ (4,214,601)	\$ (4,211,645)	\$ (3,594,091)	\$ (2,936,180)	\$ (2,700,162)	\$ 2,160,907	\$ (30,819,547)	\$ (34,490,820)	\$ 1,084,441
Restricted	(102,642)	49,405	40,587	139,875	230,202	227,760	14,839,120	33,513,318	37,106,857	173,044
Unrestricted	(827,658)	(2,720,033)	(209,089)	653,637	699,853	1,336,180	(15,117,692)	(535,870)	(423,725)	132,820
Total Net Position	\$ (7,482,849)	\$ (6,885,229)	\$ (4,380,147)	\$ (2,800,579)	\$ (2,006,125)	\$ (1,136,222)	\$ 1,882,335	\$ 2,157,901	\$ 2,192,312	\$ 1,390,305

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses:										
Governmental Activities										
Instruction:										
Instruction - Regular Programs	\$ 2,900,473	\$ 3,694,988	\$ 3,460,393	\$ 3,333,123	\$ 3,116,593	\$ 2,754,097	\$ 2,714,457	\$ 2,411,829	\$ 2,260,357	\$ 1,893,380
Special Education	787,995	769,470	725,318	586,367	489,239	481,159	385,893	371,341	316,935	263,194
Other Special Instruction	148,392	180,066	125,653	158,061	188,620	185,778	166,301	108,051	75,317	87,178
Other Instruction	11,691	15,685	11,992	10,986	13,402	7,489	22,445	27,921	39,716	19,622
Support Services:										
Tuition	141,810	114,912	90,794	65,914	8,320	31,065	120,524	46,377	31,241	91,362
Attendance & Social Work Services	26,688	-	-	-	-	-	-	-	-	-
Health Services	123,867	1,651,278	1,378,069	1,303,090	1,173,038	1,134,999	1,012,979	962,572	885,903	763,510
Student & Instruction Related Services	1,294,983	257,947	242,069	305,387	296,577	298,312	193,328	211,981	162,350	199,692
Educational Media Services/School Library	81,313	346,325	313,975	257,191	243,636	208,266	274,594	196,078	197,645	125,849
General Administrative Services	198,485	279,639	281,538	250,252	256,895	269,388	254,595	240,278	227,266	197,161
School Administrative Services	265,146	1,042,551	1,039,886	979,579	945,928	770,171	61,130	644,845	538,609	393,845
Central Services	210,542	89,461	87,413	81,790	79,514	64,098	641,621	41,164	150	6,312
Administrative Information Services	96,128	342,058	346,905	313,597	273,059	299,783	423,474	415,871	342,986	249,313
Plant Operations & Maintenance	796,170	1,596,536	643,799	720,841	539,234	421,174	389,796	343,026	441,222	411,252
Pupil Transportation	310,909	-	-	-	-	-	-	7,131	5,684	4,521
Employee Benefits	4,564,937	-	-	-	12,997	-	-	-	-	-
Interest on Long-Term Debt	1,675,886	1,550,959	1,581,427	1,606,623	1,629,799	1,648,019	1,664,395	1,676,335	584,611	25,136
Unallocated Depreciation	633,420	601,340	601,342	603,671	596,954	1,016,567	121,773	76,528	15,940	69,973
Increase/(Decrease) In Compensated Absences	20,212	-	-	41,597	43,644	43,649	58,487	43,716	70,070	2,052
Total Governmental Activities Expenses	14,289,047	12,533,215	10,930,573	10,618,069	9,907,449	9,634,014	8,505,792	7,825,044	6,196,002	4,803,352
Business-Type Activities:										
Food Service	228,862	203,894	191,139	178,143	163,396	182,867	148,196	137,406	144,550	119,767
Total Business-Type Activities Expense	228,862	203,894	191,139	178,143	163,396	182,867	148,196	137,406	144,550	119,767
Total District Expenses	\$ 14,517,909	\$ 12,737,109	\$ 11,121,712	\$ 10,796,212	\$ 10,070,845	\$ 9,816,881	\$ 8,653,988	\$ 7,962,450	\$ 6,340,552	\$ 4,923,119

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
Operating Grants & Contributions	\$ 2,911,947	\$ 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	2,911,947	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	152,369	83,260	92,822	107,798	114,747	116,249	136,636	142,587	153,536	154,000
Operating Grants:										
Food Service	40,261	19,231	26,884	27,578	31,242	30,071	37,135	38,258	38,192	41,244
Total Business Type Activities Program Revenues	192,630	102,491	119,706	135,376	145,989	146,320	173,771	180,845	191,728	195,244
Total District Program Revenues	\$ 3,104,577	\$ 2,353,949	\$ 1,393,698	\$ 1,482,220	\$ 1,261,516	\$ 1,128,083	\$ 1,056,931	\$ 954,615	\$ 724,235	\$ 678,704
Net/(Expense)/Revenue:										
Governmental Activities	\$ (11,377,100)	\$ (10,374,510)	\$ (9,728,890)	\$ (9,316,694)	\$ (8,819,704)	\$ (8,652,251)	\$ (7,594,850)	\$ (7,005,805)	\$ (5,591,473)	\$ (4,227,139)
Business-Type Activities	(36,232)	(8,650)	589	2,702	10,375	(36,547)	(2,207)	(2,030)	(24,844)	(17,276)
Total District-Wide Net Expense	\$ (11,413,332)	\$ (10,383,160)	\$ (9,728,301)	\$ (9,313,992)	\$ (8,809,329)	\$ (8,688,798)	\$ (7,597,057)	\$ (7,007,835)	\$ (5,616,317)	\$ (4,244,415)

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property taxes levied for general purposes, net	\$ 9,828,810	\$ 7,905,426	\$ 7,105,255	\$ 6,764,011	\$ 5,243,789	\$ 6,298,785	\$ 5,410,410	\$ 5,289,387	\$ 4,845,926	\$ 3,911,199
Taxes levied for debt service	-	1,266,528	1,295,229	1,335,580	2,564,573	1,027,479	1,293,188	504,293	96,516	95,351
Federal and State Aid Unrestricted	811,027	424,262	371,325	317,880	217,298	106,575	272,181	340,275	343,209	316,997
Tuition received	43,595	46,059	42,157	43,950	37,450	36,153	-	-	2,430	11,698
Investment earnings	-	1,169	1,448	3,186	2,600	75,383	343,164	722,557	369,150	55,708
Miscellaneous income	85,419	66,686	54,290	54,877	56,237	408,218	6,602	13,552	14,826	3,395
Capital asset adjustment	-	-	-	-	29,250	(100,081)	-	88,991	-	-
Extraordinary Item - Fire loss impairment, net	-	-	-	-	(214,172)	(807,238)	-	-	-	-
Extraordinary Item - Fire insurance recovery	-	300,000	5,000	-	-	-	-	-	-	-
Special item - Value of donated property	-	-	-	-	-	(1,375,294)	-	-	738,530	-
Special item - Route 528 school impaired	-	-	-	-	-	-	-	-	-	-
Special Item - Gain on Sale of Property	-	-	300,000	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	(126,875)	-	-	(19,200)	(12,400)
Total Governmental Activities	10,768,851	10,010,130	9,174,704	8,519,484	7,937,025	5,543,105	7,325,545	6,959,055	6,391,387	4,381,948
Business-type Activities										
Investment earnings	-	-	9	54	21	167	146	176	737	969
Miscellaneous income	13,579	-	-	-	-	100	-	-	-	14,000
Other	-	-	-	-	2,374	-	(4,200)	14,193	7,000	-
Transfers	-	-	-	-	-	126,875	-	-	19,200	12,400
Total business-type activities	13,579	-	9	54	2,395	127,142	(4,054)	14,369	26,937	27,369
Total District-Wide	10,768,851	10,010,130	9,174,704	8,519,484	7,937,025	5,543,105	7,325,545	6,959,055	6,391,387	4,381,948
Change in Net Position:										
Governmental Activities	(608,249)	(364,380)	(554,186)	(797,210)	(882,679)	(3,109,146)	(269,305)	(46,750)	799,914	154,809
Business-Type Activities	(22,653)	(8,650)	598	2,756	12,770	90,595	(6,261)	12,339	2,093	10,093
Total District	\$ (630,902)	\$ (373,030)	\$ (553,588)	\$ (794,454)	\$ (869,909)	\$ (3,018,551)	\$ (275,566)	\$ (34,411)	\$ 802,007	\$ 164,902

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's

This page intentionally left blank.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310,997	\$ 290,108	\$ 153,838	\$ 39,576
Unreserved	-	-	-	-	-	-	219,830	612,115	525,835	374,361
Restricted	38,033	37,941	37,916	132,559	224,238	202,550	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	4,135	89,962	159,325	334,971	238,544	335,701	-	-	-	-
Unassigned	65,959	210,433	195,780	241,999	253,828	243,972	-	-	-	-
Total General Fund	\$ 108,127	\$ 338,336	\$ 393,021	\$ 709,529	\$ 716,610	\$ 782,223	\$ 530,827	\$ 902,223	\$ 679,673	\$ 413,937
All Other Governmental Funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,677,132	\$ 24,534,768	\$ 795,200	\$ -
Restricted, reported in:										
Capital projects fund	7,303	-	-	-	-	-	-	-	-	-
Debt Service fund	36,546	-	-	-	-	-	-	-	-	-
Committed, reported in:										
Capital projects fund	300,000	707,303	887,331	1,554,160	2,139,058	-	-	-	-	-
Debt Service fund	-	11,464	2,671	7,316	5,964	25,210	-	-	-	-
Unreserved, reported in:										
Capital projects fund	-	-	-	-	-	-	4,837,382	8,153,022	35,578,213	-
Debt Service fund	-	-	-	-	-	-	14,568	135,928	319,709	-
Assigned	-	-	-	-	-	-	-	-	-	-
Capital Projects fund	-	-	-	-	-	3,210,747	-	-	-	-
Total All Other Governmental Funds	\$ 343,849	\$ 718,767	\$ 890,002	\$ 1,561,476	\$ 2,145,022	\$ 3,235,957	\$ 14,529,082	\$ 32,823,718	\$ 36,693,122	\$ -

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
Tax Levy	\$ 9,828,810	\$ 9,171,954	\$ 8,400,484	\$ 8,099,591	\$ 7,808,362	\$ 7,326,264	\$ 6,703,598	\$ 5,793,680	\$ 4,942,442	\$ 4,006,550
Interest Earnings	-	1,169	42,157	43,950	37,450	36,153	-	-	2,430	13,698
Tuition	43,595	46,059	1,448	3,186	2,600	75,383	343,164	722,557	369,150	53,708
Miscellaneous	85,419	366,686	54,290	56,861	56,237	408,218	6,602	13,552	14,826	3,395
State Sources	1,799,527	1,640,787	1,386,171	1,403,428	1,104,042	863,226	1,051,880	994,310	830,695	776,675
Federal Sources	170,903	170,554	187,124	215,827	201,001	225,112	131,243	165,204	117,043	116,535
Total Revenue	11,928,254	11,397,209	10,071,674	9,822,843	9,209,692	8,934,356	8,236,487	7,689,303	6,276,586	4,970,561
Expenditures:										
Instruction:										
Regular Instruction	2,900,473	2,884,424	2,698,563	2,571,024	2,439,152	2,203,448	2,190,083	1,979,548	1,880,779	1,554,643
Special Instruction	936,387	593,118	547,209	453,890	372,689	373,572	303,656	298,986	258,057	211,827
Other Instruction	11,691	149,229	116,490	117,166	154,525	142,826	148,479	109,957	92,051	89,100
Support Services										
Tuition	141,810	114,912	90,794	65,914	8,320	31,065	120,524	46,377	31,241	91,362
Attendance & Social Work Services	26,688	-	-	-	-	-	-	-	-	-
Health Services	123,867	-	-	-	-	-	-	-	-	-
Student and Instructional Related services	1,294,983	1,391,610	1,152,187	1,036,781	935,072	930,354	842,167	829,266	754,186	643,061
Educational Media Services/School Library	81,313	-	-	-	-	-	-	-	-	-
General Administration	198,485	192,349	183,271	180,790	173,107	181,464	168,155	161,417	194,938	181,972
School Administrative Services	265,146	264,838	235,000	233,685	226,337	226,659	212,278	161,149	156,596	102,662
Central services	210,542	214,709	216,894	184,340	211,947	206,891	199,713	199,391	189,562	161,820
Administrative Information Technology	96,128	89,461	87,413	81,790	79,514	64,098	61,130	41,164	150	700
Plant Operations and Maintenance	796,170	893,941	888,888	828,386	832,319	655,852	565,627	583,117	499,487	350,501
Pupil Transportation	310,909	319,374	318,472	279,568	251,353	279,374	400,651	393,158	328,699	237,012
Other support services	-	-	-	-	-	-	-	-	-	-
Employee benefits	2,738,828	2,431,512	2,225,897	2,138,896	1,923,405	1,601,477	1,425,091	1,165,201	1,170,017	1,051,221
Special Schools	-	-	-	-	-	-	-	-	7,131	4,521
Education Jobs	-	-	-	-	12,997	-	-	-	-	-
Capital Outlay - Fire Restoration	-	-	-	-	318,114	1,601,399	-	-	-	-
Capital outlay	89,028	30,077	46,878	35,125	389,323	10,213,362	18,195,286	3,693,714	1,319,189	24,182
Debt service:										
Principal	935,000	750,000	625,000	587,000	465,000	365,000	360,000	80,000	80,000	75,000
Interest and other charges	1,474,622	1,603,575	1,631,700	1,656,310	1,677,008	1,693,405	1,709,679	1,586,581	22,892	26,651
Total Expenditures	12,632,070	11,923,129	11,064,656	10,450,665	10,470,182	20,770,246	26,902,519	11,336,157	6,983,528	4,806,235
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(703,816)	(525,920)	(992,982)	(627,822)	(1,260,490)	(11,835,890)	(18,666,032)	(3,646,854)	(706,942)	164,326
Other Financing Sources/(Uses):										
Bond proceeds	34,976,406	-	-	-	-	-	-	-	37,685,000	-
Deposit to Refunding Escrow	(34,627,649)	-	-	-	-	-	-	-	-	-
Capital leases (non-budgeted)	65,407	-	-	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-	-	1,156,618	-
Costs of issuing bonds	(348,757)	-	-	-	-	-	-	-	(1,156,618)	-
Prior year accounts payable/retainage payable cancelled	-	-	-	39,179	-	-	-	-	-	-
Prior year accounts receivable cancelled	-	-	-	(1,984)	-	-	-	-	-	-
Transfers in	400,648	751,145	626,319	-	-	344,714	331,567	702,277	319,709	-
Transfers out	(400,648)	(751,145)	(626,319)	-	-	(344,714)	(331,567)	(702,277)	(338,909)	(12,400)
Total Other Financing Sources/(Uses)	65,407	-	-	37,195	-	-	-	-	37,665,800	(12,400)
Extraordinary Item - Fire restoration costs	-	300,000	5,000	-	103,942	794,161	-	-	-	-
Net Change in Fund Balances	\$ (638,409)	\$ (225,920)	\$ (987,982)	\$ (590,627)	\$ (1,156,548)	\$ (11,041,729)	\$ (18,666,032)	\$ (3,646,854)	\$ 36,958,858	\$ 151,926
Debt Service as a Percentage of Noncapital Expenditures	19.2%	19.8%	20.5%	21.5%	21.2%	19.5%	23.8%	21.8%	1.8%	2.1%

Source: District Records

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

Fiscal Year Ending June 30,	Tuition	Interest Income	E-Rate	Solar SRECS	Refund of Prior Year		Facility Use	Sale of Furniture	Other	Total Miscellaneous
					Expenditures	Expenditures				
2016	\$ 43,595	\$ 92	\$ 21,375	\$ 9,030	\$ 53	\$ 38,480	\$ -	\$ 12,939	\$ 125,564	
2015	46,059	24	14,718	11,034	-	-	-	33,451	105,286	
2014	42,157	130	14,266	9,776	-	-	-	30,251	96,580	
2013	43,950	1,292	5,016	6,445	41	-	2,600	32,760	92,104	
2012	37,450	1,269	13,286	15,560	30	-	10,408	12,936	90,939	
2011	36,153	5,669	10,135	-	-	-	-	15,255	67,212	
2010	-	343,164	-	-	-	-	-	6,602	349,766	
2009	-	722,557	-	-	-	-	-	13,552	736,109	
2008	2,430	369,150	-	-	514	-	-	14,312	386,406	
2007	11,698	55,708	-	-	737	-	-	2,658	70,801	

Source: District records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

This page intentionally left blank.

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Add: Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	District School Tax Rate		Regional School Tax Rate	
												b	b	b	b
2016	\$ 10,765,800	\$ 647,224,400	\$ 60,875,400	\$ 6,334,300	\$ 20,480,200	\$ 289,700	\$ 311,900	\$ 746,281,700	\$ 1,197,510	\$ 747,479,210	\$ 747,461,210	\$ 1.429	\$ 0.605		
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	729,679,569	1.345	0.593		
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	708,256,288	1.267	0.602		
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		
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		
2011	17,452,700	595,722,000	64,404,000	6,406,500	28,426,700	-	311,900	712,723,800	1,414,385	714,138,185	732,263,237	1.094	0.544		
2010	28,535,250	646,753,950	74,048,800	6,365,000	29,487,200	-	336,700	785,526,900	1,473,969	787,000,869	713,517,932	0.931	0.501		
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		
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		
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		

Source: Municipal Tax Assessor

Note:

Property values were reassessed effective for 2007.

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

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	
2016	\$ 1.258	\$ 0.171	\$ 1.429	\$ 0.513	\$ 0.415	\$ 0.605	\$ 2.962
2015	1.172	0.173	1.345	0.224	0.413	0.593	2.575
2014	1.088	0.179	1.267	0.177	0.372	0.602	2.418
2013	0.972	0.184	1.156	0.129	0.378	0.575	2.238
2012	0.939	0.185	1.124	0.295	0.392	0.597	2.408
2011	0.906	0.188	1.094	0.053	0.388	0.544	2.079
2010	0.767	0.164	0.931	0.041	0.362	0.501	1.835
2009	0.817	0.066	0.883	0.041	0.354	0.461	1.739
2008 *	0.790	0.013	0.803	0.041	0.348	0.446	1.638
2007	0.719	0.015	0.734	0.042	0.376	0.408	1.560

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

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

Taxpayer	2016			2007		
	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	0.56%	\$ 4,279,200	6	0.64%
Historical Old York Country Club Mekwin, LLC	3,000,000	2	0.40%	8,238,900	4	1.22%
Taxpayer 1	1,921,700	3	0.26%	27,949,500	1	4.15%
Taxpayer 2	1,420,300	4	0.19%	13,518,100	2	2.01%
Taxpayer 3	1,190,400	5	0.16%	12,357,700	3	1.83%
Taxpayer 4	1,107,400	6	0.15%	6,633,000	5	0.98%
Taxpayer 5	999,000	7	0.13%	3,328,800	7	0.49%
Crosbie Enterprises	990,400	8	0.13%			
Transcontinental Gas Pipeline Corp.	982,100	9	0.13%			
Public Service Electric & Gas Company	936,500	10	0.13%	2,743,000	9	0.41%
Taxpayer 6				2,832,000	8	0.42%
Taxpayer 7				2,480,000	10	0.37%
Total	\$ 16,749,900		2.24%	\$ 84,360,200		12.52%
Total Municipal Assessment	\$ 747,479,210			\$ 673,598,296		

Source: Municipal Tax Assessor

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

Year Ended December 30,	Taxes Levied for the Fiscal Year	Collected within the Current Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	N/A	N/A	N/A	N/A
2015	\$ 19,912,446	\$ 19,568,519	98.27%	\$ 343,927
2014	18,332,062	18,019,405	98.29%	312,657
2013	17,096,481	16,617,881	97.20%	478,600
2012	18,144,304	17,708,206	97.60%	436,098
2011	15,636,762	15,331,418	98.05%	305,344
2010	15,297,862	14,963,940	97.82%	333,922
2009	14,247,769	13,845,963	97.18%	401,806
2008	13,091,448	12,656,448	96.68%	435,000
2007	11,645,348	11,277,634	96.84%	367,714

Source: Municipal Audit Reports

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the school District's outstanding debt and its debt capacity.

This page intentionally left blank.

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

Fiscal Year Ended June 30,	Governmental Activities			Business- Type Activities		Total District	Percentage of Personal Income ^a	
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Per Capita ^a			
2016	\$ 36,245,000	\$ 51,807	\$ -	\$ -	\$ 36,296,807	N/A	N/A	
2015	34,885,000	-	-	-	34,885,000	N/A	4,607	
2014	35,635,000	-	-	-	35,635,000	8.60%	4,624	
2013	36,260,000	-	-	-	36,260,000	9.00%	4,662	
2012	36,847,000	-	-	-	36,847,000	9.34%	4,802	
2011	37,312,000	-	-	-	37,312,000	9.56%	4,776	
2010	37,677,000	-	-	-	37,677,000	10.09%	4,850	
2009	38,037,000	-	-	-	38,037,000	10.48%	4,992	
2008	38,117,000	-	-	-	38,117,000	10.74%	5,136	
2007	512,000	-	-	-	512,000	0.16%	73	

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

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b	J14 Population
	Obligation	Deductions	Debt Outstanding			
2016	\$ 36,245,000	\$ -	\$ 36,245,000	4.86%	N/A	N/A
2015	34,885,000	-	34,885,000	4.78%	4,607	7,572
2014	35,635,000	-	35,635,000	4.93%	4,624	7,706
2013	36,260,000	-	36,260,000	5.00%	4,662	7,777
2012	36,847,000	-	36,847,000	5.11%	4,802	7,674
2011	37,312,000	-	37,312,000	5.24%	4,776	7,812
2010	37,677,000	-	37,677,000	4.80%	4,850	7,768
2009	38,037,000	-	38,037,000	5.02%	4,992	7,620
2008	38,117,000	-	38,117,000	5.29%	5,136	7,421
2007	512,000	-	512,000	0.08%	73	6,973

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.

Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2016**

<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, 2015:			
Issued Debt	\$ 2,165,000		
Authorized But Not Issued Debt	6,259,721		
	<u>8,424,721</u>	100.000%	\$ 8,424,721
Burlington County Gross Debt at December 31, 2015 - Issued and Authorized But Not Issued - Gross Debt of the County	282,131,755	2.583%	7,288,219
Other Debt			
Chesterfield Township Sewer Utility Debt Outstanding - December 31, 2015	2,197,579		
Chesterfield Township Sewer Utility Debt Authorized But Not Issued Debt	58,360		
	<u>2,255,939</u>	100.000%	<u>2,255,939</u>
Subtotal, Overlapping Debt			\$ 17,968,879
Chesterfield Township District Direct Debt			<u>36,245,000</u>
Total Direct and Overlapping Debt			<u>\$ 54,213,879</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.

The basic approach to estimating the applicable percentage of overlapping debt, as described in the Statement, is to divide the value of the revenue base within the overlapping geographic area by the total revenue base of the overlapping government, and multiply this ratio by the overlapping government's outstanding debt.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 24,942,738	\$ 17,875,745	\$ 18,146,265	\$ 17,989,557	\$ 17,781,208	\$ 17,517,608	\$ 16,591,365	\$ 14,697,365	\$ 12,708,115	\$ 10,817,990
Total Net Debt Applicable to Limit	36,245,000	34,885,000	35,635,000	36,260,000	36,847,000	37,312,000	37,677,000	38,037,000	38,117,000	512,000
Legal Debt Margin	<u>\$ (11,302,262)</u>	<u>\$ (17,009,255)</u>	<u>\$ (17,488,735)</u>	<u>\$ (18,270,443)</u>	<u>\$ (19,065,792)</u>	<u>\$ (19,794,392)</u>	<u>\$ (21,085,635)</u>	<u>\$ (23,339,635)</u>	<u>\$ (25,408,885)</u>	<u>\$ 10,305,990</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	145.31%	195.15%	196.38%	201.56%	207.22%	213.00%	227.09%	258.80%	299.94%	4.73%

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized Valuation Basis	
2015	\$ 708,713,580
2014	720,521,819
2013	<u>708,713,580</u>
	<u>\$ 2,137,948,979</u>
Average Equalized Valuation of Taxable Property	<u>\$ 712,649,660</u>
Debt Limit (3.5% of Average Equalization Value)	24,942,738
Net Bonded School Debt	<u>36,245,000</u>
Legal Debt Margin	<u>\$ (11,302,262)</u>

Source:
Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation. Limit set by N.J.S.A.18A:24-19 for K through 12 district; other % limits would be applicable for other districts.

Demographic and Economic Information

Demographic and Economic information is intended to (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District's operates.

This page intentionally left blank.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME (b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2016	N/A	N/A	N/A	N/A
2015	7,572	N/A	N/A	4.7%
2014	7,706	414,174,382	53,747	5.7%
2013	7,777	402,731,945	51,785	5.1%
2012	7,674	394,366,860	51,390	9.0%
2011	7,812	390,248,460	49,955	8.6%
2010	7,768	373,229,096	48,047	8.9%
2009	7,620	363,085,380	47,649	8.3%
2008	7,421	354,842,536	47,816	4.8%
2007	6,973	322,068,924	46,188	3.5%

Source:

(a) Population information provided by US Bureau of the Census; Population Division, 7/1/08

(b) Personal income calculated using population and per capita personal income

(c) Per Capita personal income provided by the NJ Dept of Labor and Workforce Development

(d) Unemployment data provided by the NJ Dept of Labor and Workforce Development

N/A - Information not available.

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2016		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment
Garden State Youth Correctional Cntr.	529	1	19.5%
Albert C. Wagner Youth Correctional Facility	505	2	18.6%
Chesterfield Twp. School District	109	3	4.0%
James Durr Wholesale Florist	85	4	3.1%
Olde York Country Club & Restaurant Services	75	4	2.8%
Chesterfield Twp. Municipal Government	30	6	1.1%
Rappleyea Nursery & Central Jersey Landscaping	30	7	1.1%
Chesterfield Inn	25	8	0.9%
Townsend Machine Inc.	25	9	0.9%
Fernbrook Nursery	17	10	0.6%
Meadow View Junior Academy	6	11	0.2%
	1,436		53.0%
Total Municipal Employment			^a 2,710

2007

Information Not Available

Source: District Personnel

^a 2015 NJ Annual Average Labor Force Estimates by Municipality

Operation Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

This page intentionally left blank.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEAR**

<u>Function/Program</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction									
Regular	27	28	32	33	34	36	39	41	43
Special education	5	5	5	6	6	7	11	11	11
Other special education	2	2	2	2	2	2	2	2	2
Vocational	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-
Adult/continuing education program	-	-	-	-	-	-	-	-	-
Support Services:									
Student & instruction related services	11	11	14	15	15	15	13	14	15
General administration	1	1	1	1	1	1	1	1	1
School administrative services	2	3	3	3	3	3	3	3	3
Other administrative services	-	-	-	-	-	-	-	-	-
Central services	3	3	3	4	4	4	4	4	4
Administrative Information Technol	-	-	-	-	-	-	-	-	-
Plant operations and maintenance	6	8	8	10	10	12	12	12	12
Pupil transportation	1	1	1	2	2	2	2	2	2
Other support services	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-
Total	58	62	69	76	77	82	87	90	93

Source: District Personnel Records

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	TEACHER/PUPIL RATIO ELEMENTARY	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2016	757	\$ 10,014,856	\$ 13,230	10.52%	56	13.5:1	764.4	736.7	4.97%	96.38%
2015	728	8,714,618	11,971	-3.95%	54	13.5:1	728.2	698.5	4.60%	95.92%
2014	703	8,761,078	12,462	-1.79%	52	13.5:1	696.2	667.3	8.87%	95.85%
2013	644	8,172,230	12,690	-1.76%	45	14.3:1	639.5	607.8	9.77%	95.04%
2012	590	7,620,737	12,917	5.44%	49	11.3:1	582.6	553.7	5.14%	95.04%
2011	563	6,897,080	12,251	-9.01%	46	11.73:1	554.1	522.1	13.59%	94.22%
2010	493	6,637,554	13,464	0.71%	42	11.73:1	487.8	466.5	10.81%	95.63%
2009	447	5,975,862	13,369	-0.72%	38	11.76:1	440.2	421.6	8.77%	95.77%
2008	413	5,561,447	13,466	4.15%	39	10.1:1	404.7	387.7	14.06%	95.80%
2007	362	4,680,402	12,929	-3.66%	38	9.16:1	354.8	339.0	19.38%	95.55%

Sources: District records

Note: Enrollment based on annual October District count.

a. Operating expenditures equal total general fund expenditures.

b. Teaching staff includes only full-time equivalents of certificated staff.

c. Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District Building (NOT IN SERVICE EFFECTIVE 1/1/11)										
Elementary										
Chesterfield Elementary School (1964)	-	-	-	-	-	-	39,740	39,740	39,740	39,740
Square Feet	-	-	-	-	-	-	306	306	306	306
Capacity (students)	-	-	-	-	-	-	493	447	413	362
Enrollment										
District Building										
Elementary										
Chesterfield Elementary School (2011)	116,000	116,000	116,000	116,000	116,000	116,000	-	-	-	-
Square Feet	918	918	918	918	918	918	-	-	-	-
Capacity (students)	757	728	703	644	590	563	-	-	-	-
Enrollment										

Number of Schools at June 30, 2016
 Elementary = 1
 Middle School = 0
 Senior High School = 0
 Other = 0

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

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

* School Facilities	Chesterfield Elementary	Total
Project # (s)	N/A	
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	127,068	127,068
2016	106,594	106,594
	<u>\$ 832,377</u>	<u>\$ 832,377</u>
Total School Facilities	<u>\$ 832,377</u>	<u>\$ 832,377</u>

EXHIBIT J-20

**INSURANCE SCHEDULE
JUNE 30, 2016**

	Coverage	Deductible
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

SINGLE AUDIT SECTION

This page intentionally left blank.



EXHIBIT K-1

INDEPENDENT AUDITOR'S 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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Chesterfield Township School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Chesterfield Township School District's basic financial statements, and have issued our report thereon dated November 29, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our 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 Chesterfield Township School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

John J. Maley, Jr.
Certified Public Accountant
Public School Accountant, No. 454

Bordentown, New Jersey
November 29, 2016

EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

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

Report on Compliance for Each Major State Program

We have audited Chesterfield Township School District’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major state programs for the year ended June 30, 2016. Chesterfield Township School District’s major state programs are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Chesterfield Township School District’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB’s Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to

above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Chesterfield Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, Chesterfield Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we 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 our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

John J. Maley, Jr.
Certified Public Accountant
Public School Accountant, No. 454

Bordentown, New Jersey
November 29, 2016

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL FAIN NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2015	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB-RECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) 2016	DEFERRED REVENUE 2016
Enterprise Fund:											
Child Nutrition Cluster:											
Noncash Assistance:											
Food Distribution Program	10.555	1616INJ304N1099	\$ 17,450	7/1/15-6/30/16	\$ -	\$ -	\$ 17,450	\$ (12,611)	\$ -	\$ -	\$ 4,839
Cash Assistance:											
National School Lunch Program	10.555	1616INJ304N1099	23,584	7/1/15-6/30/16	-	-	22,402	(23,584)	-	(1,182)	-
National School Lunch Program	10.555	1616INJ304N1099	22,940	7/1/14-6/30/15	(1,682)	-	1,682	-	-	-	-
Subtotal			2,400	7/1/15-6/30/16	(1,682)	-	24,084	(23,584)	-	(1,182)	-
Healthy Hungers-Free Kids Act	10.551	1616INJ304N1099	2,391	7/1/14-6/30/15	(174)	-	1,714	(2,400)	-	(128)	-
Healthy Hungers-Free Kids Act	10.551	1616INJ304N1099	2,391	7/1/14-6/30/15	(174)	-	2,446	(2,400)	-	(128)	-
Subtotal			2,391	7/1/14-6/30/15	(174)	-	2,446	(2,400)	-	(128)	-
Total Child Nutrition Cluster					(1,856)	-	43,980	(38,595)	-	(1,310)	4,839
Total Enterprise Fund Assistance					(1,856)	-	43,980	(38,595)	-	(1,310)	4,839
Total U.S. Department of Agriculture					(1,856)	-	43,980	(38,595)	-	(1,310)	4,839

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:

General Fund:											
Special Education Medicaid Initiative (SEMI)	93.778	1605NISM5MAP	2,561	9/1/15-8/31/16	-	-	369	(369)	-	-	-
Total General Fund					-	-	369	(369)	-	-	-
Total U.S. Department of Health & Human Services					-	-	369	(369)	-	-	-

U.S. DEPARTMENT OF EDUCATION PASSED-
THROUGH STATE DEPARTMENT OF EDUCATION:

Special Revenue Fund:											
N.C.L.B.:											
Title I - Part A	84.010	S010A150030	14,543	9/1/15-8/31/16	-	1,159	2,690	(14,543)	-	(10,694)	-
Title I - Part A	84.010	S010A150030	13,039	9/1/14-8/31/15	(4,010)	(1,159)	5,169	-	-	-	-
Subtotal			14,139	9/1/15-8/31/16	(4,010)	-	7,859	(14,543)	-	(10,694)	-
Title II - Part A, Improving Teacher Quality	84.367	S367A150029	7,407	9/1/14-8/31/15	(1,925)	(6,897)	8,822	(13,961)	-	(12,361)	-
Title II - Part A, Improving Teacher Quality	84.367	S367A150029	7,407	9/1/14-8/31/15	(1,925)	-	3,525	(13,961)	-	(12,361)	-
Subtotal			7,407	9/1/14-8/31/15	(1,925)	-	3,525	(13,961)	-	(12,361)	-
Special Education Cluster:											
I.D.E.A. Part B, Basic Regular	84.027A	H027A150100	137,722	9/1/15-8/31/16	-	2,797	69,703	(135,923)	-	(63,423)	-
I.D.E.A. Part B, Basic Regular	84.027A	H027A150100	125,415	9/1/14-8/31/15	(1,364)	(2,797)	4,161	-	-	-	-
Subtotal			6,107	9/1/15-8/31/16	(1,364)	-	73,864	(135,923)	-	(63,423)	-
I.D.E.A. Preschool Program	84.173A	H173A150114	5,678	9/1/14-8/31/15	(1,493)	(212)	1,659	(6,107)	-	(4,236)	-
I.D.E.A. Preschool Program	84.173A	H173A150114	5,678	9/1/14-8/31/15	(1,493)	-	1,705	(6,107)	-	(4,236)	-
Subtotal			5,678	9/1/14-8/31/15	(2,857)	-	3,364	(6,107)	-	(67,659)	-
Total Special Education Cluster					(8,792)	-	77,228	(142,030)	-	(90,714)	-
Total Special Revenue Fund Assistance					(8,792)	-	88,612	(170,534)	-	(90,714)	-
Total U.S. Department of Education					(8,792)	-	88,612	(170,534)	-	(90,714)	-
Total Federal Financial Assistance					\$ (10,648)	\$ -	\$ 132,961	\$ (209,498)	\$ -	\$ (92,024)	\$ 4,839

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2015	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB-RECIPIENT EXPENDITURES	REPAYMENT OF PRIOR YEAR BALANCES	ADJUSTMENTS	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2016	DUE TO GRANTOR AT JUNE 30, 2016	MEMO	
												BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:													
General Fund:													
State Aid Cluster:													
Categorical Special Education Aid	495-034-5120-089	\$ 130,925	7/1/15-6/30/16	\$ -	130,925	(130,925)	\$ -	\$ -	\$ -	\$ -	\$ -	3,553	\$ 130,925
Categorical Security Aid	495-034-5120-084	43,022	7/1/15-6/30/16	-	43,022	(43,022)	-	-	-	-	-	4,304	43,022
Supplemental Enrollment Growth Aid	495-034-5120-094	85,512	7/1/15-6/30/16	-	85,512	(85,512)	-	-	-	-	-	8,551	85,512
Under Adequacy Aid	495-034-5120-096	60,016	7/1/15-6/30/16	-	60,016	(60,016)	-	-	-	-	-	6,002	60,016
PARCC Readiness Aid	495-034-5120-098	7,380	7/1/15-6/30/16	-	7,380	(7,380)	-	-	-	-	-	738	7,380
Per Pupil Growth Aid	495-034-5120-097	7,380	7/1/15-6/30/16	-	7,380	(7,380)	-	-	-	-	-	738	7,380
Total State Aid Cluster					334,235	(334,235)						23,886	334,235
Categorical Transportation Aid	495-034-5120-014	69,303	7/1/15-6/30/16	-	69,303	(69,303)	-	-	-	-	-	6,933	69,303
Extraordinary Aid	495-034-5120-044	42,039	7/1/15-6/30/16	-	-	(42,039)	-	-	-	(42,039)	-	-	42,039
Reimbursed Non-Public Transportation Costs	100-034-5120-067	5,568	7/1/15-6/30/16	(3,132)	-	(5,568)	-	-	-	(5,568)	-	-	5,568
Reimbursed Non-Public Transportation Costs	100-034-5120-067	3,132	7/1/14-6/30/15	-	3,132	-	-	-	-	-	-	-	-
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	100-034-5095-116	352,362	7/1/15-6/30/16	-	352,362	(352,362)	-	-	-	-	-	-	352,362
On-Behalf TPAF Pension	100-034-5095-116	295,923	7/1/15-6/30/16	-	295,923	(295,923)	-	-	-	-	-	-	295,923
Contributions (Nonbudgeted)	100-034-5095-002	303,526	7/1/15-6/30/16	-	289,040	(303,526)	-	-	-	(14,486)	-	-	303,526
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	100-034-5095-002	296,909	7/1/14-6/30/15	(14,302)	14,302	-	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	100-034-5095-002			(17,434)	1,358,297	(1,402,956)	-	-	-	(62,093)	-	30,819	1,402,956
Total General Fund Assistance													
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Textbook Aid													
C.192 - Auxiliary Services:	16-100-034-5120-064	2,227	7/1/15-6/30/16	-	2,227	(2,227)	-	-	-	-	-	-	2,227
Compensatory Education	16-100-034-5120-067	25,381	7/1/15-6/30/16	-	25,381	(19,543)	-	-	-	-	5,838	-	19,543
Compensatory Education	15-100-034-5120-067	24,903	7/1/14-6/30/15	358	-	-	(358)	-	-	-	-	-	-
English As a Second Language	16-100-034-5120-067	1,639	7/1/15-6/30/16	-	1,639	(1,035)	-	-	-	-	604	-	1,035
English As a Second Language	15-100-034-5120-067	1,097	7/1/14-6/30/15	1	-	-	(1)	-	-	-	-	-	-
C.193 - Handicapped Services													
Examination & Classification	16-100-034-5120-066	3,409	7/1/15-6/30/16	-	3,409	(3,409)	-	-	-	-	1	-	3,409
Examination & Classification	15-100-034-5120-066	3,242	7/1/14-6/30/15	361	-	-	(361)	-	-	-	-	-	-
Corrective Speech	16-100-034-5120-066	2,508	7/1/15-6/30/16	-	2,508	(2,007)	-	-	-	-	501	-	2,007
Corrective Speech	15-100-034-5120-066	3,534	7/1/14-6/30/15	2,032	-	-	(2,032)	-	-	-	-	-	-
Supplemental Instruction	16-100-034-5120-066	2,525	7/1/15-6/30/16	-	2,525	(2,525)	-	-	-	-	-	-	2,525
Supplemental Instruction	15-100-034-5120-066	2,354	7/1/14-6/30/15	863	-	-	(863)	-	-	-	-	-	-
Other Special Projects:													
Nonpublic Nursing	16-100-034-5120-070	3,510	7/1/15-6/30/16	-	3,510	(3,510)	-	-	-	-	-	-	3,510
Nonpublic Technology Initiative	16-100-034-5120-373	1,014	7/1/15-6/30/16	-	1,014	-	-	-	-	-	1,014	-	-
Nonpublic Technology Initiative	15-100-034-5120-373	1,600	7/1/14-6/30/15	1,600	-	-	(1,600)	-	-	-	-	-	-
Nonpublic Security Aid	16-100-034-5120-509	1,550	7/1/15-6/30/16	-	1,550	-	-	-	-	-	1,550	-	-
Parent Survey Grant	15-100-034-5065-086	300	12/1/14-1/15	(200)	200	-	-	-	-	-	-	-	-
Total Special Revenue Fund Assistance				5,015	43,963	(34,256)	-	(5,215)	1	-	9,508	-	34,256
Debt Service Fund:													
Debt Service Type II													
495-034-5120-125		358,059	7/1/15-6/30/16	-	358,059	(358,059)	-	-	-	-	-	-	358,059
Total Debt Service Fund Assistance					358,059	(358,059)							358,059
Total State Department of Education				(12,419)	1,760,319	(1,795,271)	-	(5,215)	1	(62,093)	9,508	30,819	1,795,271
State Department of Agriculture:													
Enterprise Fund:													
National School Lunch Program - State Share	100-010-3360-067	1,666	7/1/15-6/30/16	(121)	1,577	(1,666)	-	-	-	(89)	-	-	1,666
National School Lunch Program - State Share	100-010-3360-067	1,602	7/1/14-6/30/15	-	121	-	-	-	-	-	-	-	-
Total Enterprise Fund Assistance				(121)	1,698	(1,666)	-	-	-	(89)	-	-	1,666
Total State Department of Agriculture				(121)	1,698	(1,666)	-	-	-	(89)	-	-	1,666
Total State Financial Assistance				\$ (12,540)	\$ 1,762,017	(1,796,937)	\$ -	(5,215)	1	\$ (62,182)	\$ 9,508	\$ 30,819	\$ 1,796,937
Less: Grants Not Subject to Major Program Determination:													
On-Behalf TPAF Pension and Medical Contributions	100-034-5095-116	648,285	7/1/15-6/30/16										648,285
Total State Financial Assistance Subject to Major Program Determination													\$ (1,148,652)

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2016

Note 1. General

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Chesterfield Township School District. The School District is defined in Note 1 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 are included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the District's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Of the federal and state expenditures presented in the schedules of expenditures federal awards and of state financial assistance, the Chesterfield Township School District did not provide any federal or state awards to sub recipients.

Chesterfield Township School District has not elected to use the 10% de minimis cost rate allowed by the Uniform Guidance.

Noncash assistance is reported in the schedule of expenditures of federal awards as the entitlement value, as determined by the United States Department of Agriculture, of the food commodities received and disbursed during the year ended June 30, 2016. Unearned revenue represents the value of commodities left in the ending inventory of the District as of June 30, 2016.

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 accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.18A:22-44.2*. For GAAP purposes, the payments are not recognized

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2016**

Note 3. Relationship to Basic Financial Statements (continued):

until the subsequent budget year due to the state deferral and recording of the last state aid payments 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 two state aid payments 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 \$4,256 for the general fund and \$-0- for the special revenue fund. See Note 1 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 a GAAP basis as presented as follows:

	State	Federal	Total
General Fund	\$1,407,212	\$ 369	\$1,407,581
Special Revenue Fund	34,256	170,534	204,790
Capital Projects Fund	-	-	-
Debt Service Fund	358,059	-	358,059
Food Service Fund	<u>1,666</u>	<u>38,595</u>	<u>40,261</u>
Total Financial Assistance	<u>\$1,801,193</u>	<u>\$209,498</u>	<u>\$2,010,691</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Other

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. 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, 2016.

Note 6. Federal and State Loans Outstanding

Chesterfield Township School District had no loan balances outstanding at June 30, 2016.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	No

Federal Awards – NOT APPLICABLE

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

Auditee qualified as low-risk auditee?

Internal Control over major programs:

- 1) Material weakness(es) identified?
- 2) Significant deficiencies identified that are not considered To be material weaknesses?

Type of auditor’s report issued on compliance for major programs

Any audit findings disclosed that are required to be reported in accordance With 2 CFR 200 Section .516(a) of the Uniform Guidance?

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
		NOT APPLICABLE

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section I – Summary of Auditor’s Results (continued):

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes
Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of the Uniform Guidance or NJ OMB Circular Letter 15-08 as applicable?	No

Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5120-125	Debt Service Aid
100-034-5095-002	Reimbursed TPAF Social Security Contributions

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

No Current Year Findings

Section III – Schedule of Federal Award Finding & Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Not Applicable

Section IV – State Financial Assistance Finding & Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular Letter 15-08, as applicable.

No Current Year Findings

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2016**

This section identifies the status of prior-year findings related to the basic financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (.511 (a)(b)) and New Jersey OMB's Circular Letter 04-04 and/or 15-08, as applicable.

No Prior Year Findings