

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT

Chesterfield, New Jersey

County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT

CHESTERFIELD, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Prepared by

Chesterfield Township Board of Education
Finance Department

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INTRODUCTORY SECTION

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Chesterfield Township Board of Education

*30 Saddle Way
Chesterfield, New Jersey 08515*



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January 25, 2019

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

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Chesterfield Township School District for the fiscal year ended June 30, 2018, 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 Chesterfield Township School District. 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, 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 district as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The Comprehensive Annual Financial Report is presented in four sections as follows:

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors’ Report and includes the Management’s Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB’s Circular 15-08 OMB, “*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*”. Information related to this Single Audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

The Chesterfield Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The School District provides a full range of educational services appropriate to grade levels Kindergarten through 6th grade. These include regular and vocational as well as special education for children with special needs. The School District’s enrollment, as of October 15th, for the current and past nine fiscal years are detailed below.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2017-2018	758	-1.17%
2016-2017	767	1.32%
2015-2016	757	3.98%
2014-2015	728	3.56%
2013-2014	703	9.16%
2012-2013	644	9.15%
2011-2012	590	4.80%
2010-2011	563	14.20%
2009-2010	493	10.29%
2008-2009	447	8.23%

ECONOMIC CONDITION AND OUTLOOK

Chesterfield Township is entering the final phase of residential expansion. A total of 1,188 homes have been built in Chesterfield Township since 2004 with 38 homes receiving their Certificate of

Occupancy's in 2018. There are 62 additional dwellings that remain to be constructed in the PVD (Planned Village Development) zone. In addition , there are two commercial buildings which will consist of 10 apartment units for each structure. These remaining homes and apartments should be permitted out by the end of 2019, with final housing certificates being issued during 2020. There remains one 61 acre parcel left in the PVD1 zone that has the potential for subdivision, but no application has been filed for such as of this date.

MAJOR INITIATIVES

During the 2017-2018 school year, the Chesterfield Township School District focused on several major initiatives.

In grades 5 & 6, a committee of teachers and an administrator worked collaboratively to create a 5th/6th grade standards-based report card and the rubrics to support them based on the NJ Student Learning Standards in reading, writing, and math.

In grades K-5, teachers worked to implement new science units based on the Next Generation Science Standards (NGSS). This was the result of the Science Committee's work to unpack the new NGSS and write the districts new curriculum. During the school year, grade level teams met on several occasions to review and plan instruction for their new units. This work was done in collaboration with the regional districts.

As a district, we formed a Data Analysis committee to dive more deeply into the data that we have available to us. The committee met and worked to disaggregate and analyze data from P|ARCC to look for trends and patterns. Additionally, our 5th & 6th grade teachers and administrator met with our regional partners and the 7th grade teachers to analyze math PARCC data.

Additionally as a district, another major initiative for the year was the work with a Literacy Consultant toward the strengthening of the district's reading instruction. The coach worked with grade level groups to model strategies and method for teaching within the Readers Workshop.

INTERNAL ACCOUNTING CONTROLS

Management of the School 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 and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general 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 delivered; and (2) the valuation of costs and benefits require 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 evaluations by the district management.

As part of the School 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.

BUDGETARY CONTROLS

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

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

OTHER INFORMATION

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holman, Frenia & Allison, P.C., Certified Public Accounts, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting 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.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,

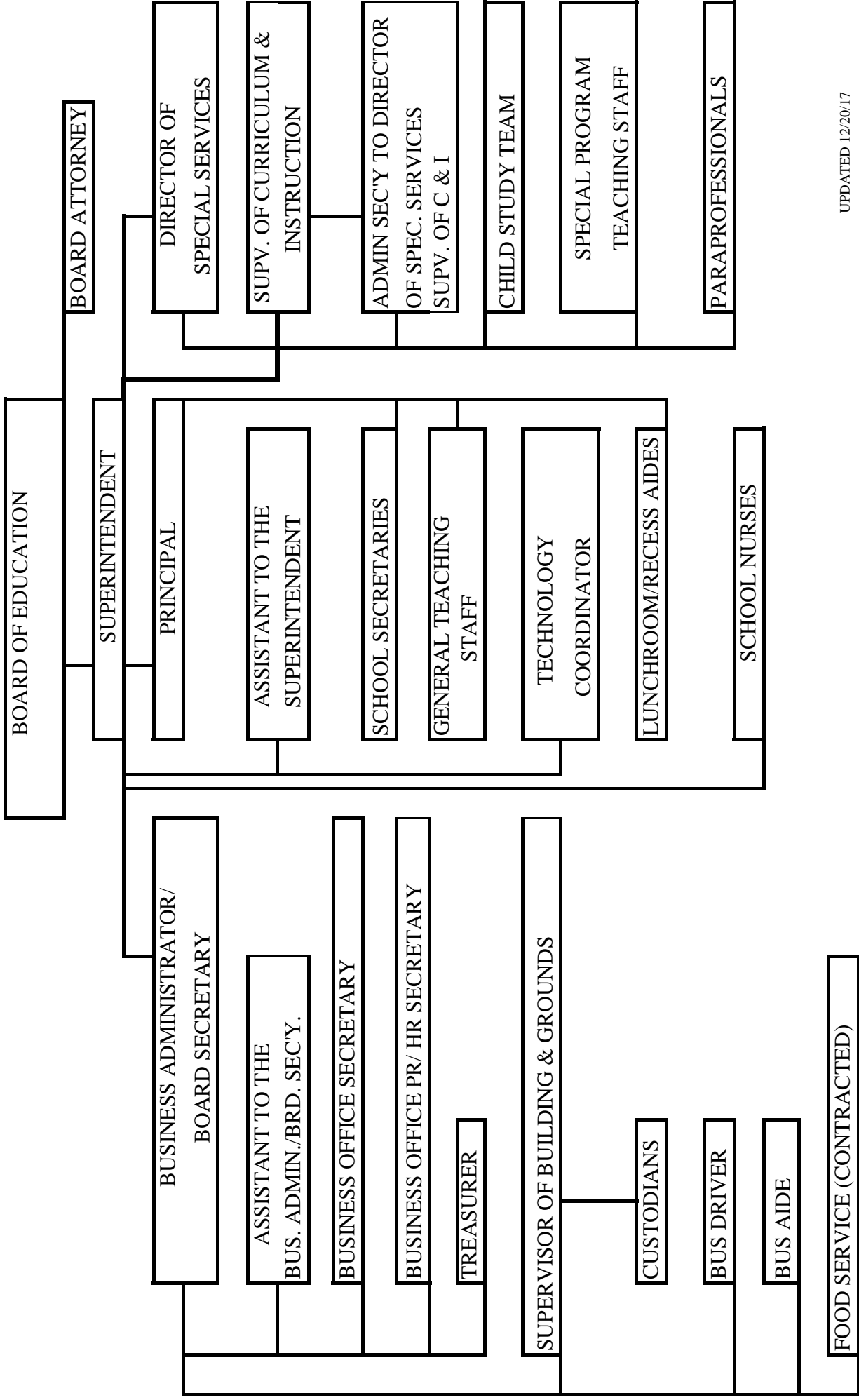


Superintendent



School Business Administrator/Board Secretary

Chesterfield Township Board of Education
 ORGANIZATIONAL CHART



UPDATED 12/20/17

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

ROSTER OF OFFICIALS

JUNE 30, 2018

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Jignesh Shah, President	2019
Laura Bond, Vice President	2018
Terran Brown	2019
Amy Jablonski	2020
Christina Hoggan	2020

OTHER OFFICIALS

Scott Heino, Superintendent

Patrick Pisano, Business Administrator/Board Secretary

Janice L. Jones, Treasurer

Robery 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.
Michael Holt CPA, PSA
Medford, New Jersey

ATTORNEY

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

OFFICIAL DEPOSITORY

First Bank
2465 Kusher Roaad
Hamilton, New Jersey 08690

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

FINANCIAL SECTION

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HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

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INDEPENDENT AUDITOR'S REPORT

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

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, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2018 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions - an Amendment of GASB Statement No. 45, 57, &74. Our opinion is not modified with respect to this matter

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions and other post employment benefits, 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, statistical section and schedule of expenditures of federal awards 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 state financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules, and the schedules of expenditures of federal awards and state financial assistance are the responsibility of

management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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 related major fund supporting statements and schedules and schedules 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 February 13, 2019 on our consideration of the 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 the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
February 13, 2019

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

As management of the Chesterfield Township School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) Government-Wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with financial-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements,

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited) (Continued)

Overview of the Basic Financial Statements (continued)

Fund Financial Statements (continued)

the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The School District maintains one type of proprietary fund – the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the government-wide financial statements, only in more detail.

The School District's one enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole

Table 1 provides a summary of the School Districts net position for the fiscal years 2018 compared to fiscal year 2017.

Table 1
Summary of Net Position

	June 30, <u>2018</u>	June 30, <u>2017</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 1,291,869	\$ 589,047	\$ 702,822	119.3%
Capital Assets, Net	<u>29,174,413</u>	<u>29,931,699</u>	<u>(757,286)</u>	-2.5%
Total Assets	<u>30,466,282</u>	<u>30,520,746</u>	<u>(54,464)</u>	-0.2%
Deferred Outflow of Resources	<u>2,113,615</u>	<u>2,530,009</u>	<u>(416,394)</u>	-16.5%
Current and other Liabilities	806,338	681,962	124,376	18.2%
Noncurrent Liabilities	<u>37,278,080</u>	<u>39,353,961</u>	<u>(2,075,881)</u>	-5.3%
Total Liabilities	<u>38,084,418</u>	<u>40,035,923</u>	<u>(1,951,505)</u>	-4.9%
Deferred Inflow of Resources	<u>611,086</u>	-	<u>611,086</u>	100.0%
Net Position:				
Net Investment in Capital Assets	(465,841)	(794,764)	328,923	-41.4%
Restricted	758,310	185,600	572,710	308.6%
Unrestricted (Deficit)	<u>(6,408,076)</u>	<u>(6,376,004)</u>	<u>(32,072)</u>	0.5%
Total Net Position	<u>\$ (6,115,607)</u>	<u>\$ (6,985,168)</u>	<u>\$ 869,561</u>	-12.4%

Table 2 shows the changes in net position for fiscal year 2018 compared to fiscal year 2017.

Table 2
Summary of Changes in Net Position

	June 30, <u>2018</u>	June 30, <u>2017</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 147,777	\$ 154,521	\$ (6,744)	-4.4%
Operating Grants & Contributions	3,637,954	1,360,214	2,277,740	167.5%
General Revenues:				
Property Taxes	11,164,177	10,685,317	478,860	4.5%
Federal & State Aid	1,144,207	798,846	345,361	43.2%
Other General Revenues	144,446	113,219	31,227	27.6%
Special Items:				
Adjustment to Capital Assets	-	1,107,771	(1,107,771)	100.0%
Total Revenues	<u>16,238,561</u>	<u>14,219,888</u>	<u>2,018,673</u>	14.2%
Function/Program Expenditures:				
Regular Instruction	3,170,802	3,169,018	1,784	0.1%
Special Education Instruction	735,799	753,928	(18,129)	-2.4%
Other Instruction	199,922	155,882	44,040	28.3%
Tuition	282,909	269,716	13,193	4.9%
Student & Instruction Related Services	1,633,039	1,472,248	160,791	10.9%
General Administrative	308,341	278,678	29,663	10.6%
School Administrative Services	246,782	226,140	20,642	9.1%
Central Services	238,821	203,094	35,727	17.6%
Administrative Info. Technology	84,471	85,228	(757)	-0.9%
Plant Operations & Maintenance	838,026	780,094	57,932	7.4%
Pupil Transportation	282,498	322,851	(40,353)	-12.5%
Unallocated Benefits	3,023,453	1,987,462	1,035,991	52.1%
On Behalf TPAF Pension and Social Security Contributions	2,193,067	1,139,311	1,053,756	92.5%
Interest & Other Charges	1,192,296	1,234,885	(42,589)	-3.4%
Unallocated Depreciation	746,783	1,439,503	(692,720)	-48.1%
Food Service	191,991	204,169	(12,178)	-6.0%
Total Expenditures	<u>15,369,000</u>	<u>13,722,207</u>	<u>1,646,793</u>	12.0%
Change In Net Position	869,561	497,681	371,880	74.7%
Net Position - Beginning	<u>(6,985,168)</u>	<u>(7,482,849)</u>	<u>497,681</u>	-6.7%
Net Position - Ending	<u>\$ (6,115,607)</u>	<u>\$ (6,985,168)</u>	<u>\$ 869,561</u>	-12.4%

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited) (Continued)

Governmental Activities

During the fiscal year 2018, the net position of governmental activities increased by \$880,667 or 12.38%.

The assets and deferred outflows of the primary government activities was less than the liabilities and deferred inflows by \$6,115,607, with an unrestricted deficit balance of \$6,462,543. The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last 2 state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

The School District's governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	\$	(6,462,543)
Add back: PERS Pension Liability		2,560,191
Less: Deferred Outflows related to pensions		(769,097)
Add back: Deferred Inflows related to pensions		611,086
Unrestricted Net Position (Without GASB 68)	\$	(4,060,363)

Business-type Activities

During the fiscal year 2018, the net position of business-type activities decreased by \$11,106 or -8.82%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$114,866.

General Fund Budgeting Highlights

Final budgeted revenues was \$10,138,206, which was \$401,205 more than the original budget due to increase in State Aid. Excluding nonbudgeted revenues, the School District's actual revenues exceeded budgeted revenues by \$89,995.

Final budgeted appropriations was \$10,138,206, which was an increase of \$401,205 from the original budget. The increase is primarily due to increase in State Aid. Excluding nonbudgeted revenues, the School District's budget appropriations exceeded actual expenditures by \$556,854.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$1,079,141 at June 30, 2018, an increase of \$649,849 from the prior year.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited) (Continued)

Governmental Funds

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$1,009,814, an increase of \$573,366 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund increased by \$608,756 to \$1,001,799 at June 30, 2018, compared to an increase of \$284,916 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the general fund is as follows:

- Local tax levy increased by \$478,860 or 4.48% from the prior fiscal year
- State aid increased by \$470,777 or 23.96% from the prior fiscal year
- Expenditures increased by \$403,847 or 3.12% from the prior fiscal year

Special revenue fund – At June 30, 2018, the special revenue fund had no fund balance, which was the same for the prior year.

Capital projects fund: At June 30, 2018, the fund balance was \$7,303, which was the same for the prior year

Debt service fund - During the current fiscal year, the fund balance of the School District's debt service fund decreased by \$35,390 to \$712 at June 30, 2018.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund decreased by \$11,106 to \$114,866 at June 30, 2018 compared to a decrease in net position of \$2,719 in the prior year. The primary factor(s) affecting the change in net position of the food service fund is as follows:

- The School District's food service did not have any salaries and wages for cafeteria aids in the 2017-18 year.

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2018, totaled \$29,174,413 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net increase in the School District's investment in capital assets for the current fiscal year in the amount of \$339,428. This increase is primarily due to the payment of bond principal.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited) (Continued)

Capital Assets (continued)

Table 4 shows fiscal 2018 balances compared to 2017.

Table 4
Summary of Capital Assets

<u>Capital Asset (Net of Depreciation):</u>	June 30, <u>2018</u>	June 30, <u>2017</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land	\$ 560,000	\$ 560,000	\$ -	0.0%
Land Improvements	350,520	380,825	(30,305)	-8.0%
Building and Improvements	28,095,410	28,772,406	(676,996)	-2.4%
Equipment	168,483	218,468	(49,985)	-22.9%
	<u>\$ 29,174,413</u>	<u>\$ 29,931,699</u>	<u>\$ (757,286)</u>	-2.5%

Depreciation expense for the year was \$757,285. Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$33,995,000, which is a decrease of \$1,140,000 from the prior year.

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

Factors on the School District's Future

At the time these financial statements were prepared and audited, the School 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 School 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 School Districts Financial Management

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Chesterfield Township School District, 30 Saddle Way, Chesterfield, New Jersey, 08515.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash & Cash Equivalents	\$ 577,228	\$ 55,728	\$ 632,956
Receivables, Net (Note 4)	113,053	1,562	114,615
Inventory	-	5,769	5,769
Restricted Cash & Cash Equivalents	538,529	-	538,529
Capital Assets, Net (Note 5)			
Non-depreciable	560,000	-	560,000
Depreciable	28,554,014	60,399	28,614,413
	<hr/>		
Total Assets	30,342,824	123,458	30,466,282
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	753,756	-	753,756
Related to Loss on Debt Refunding	1,359,859	-	1,359,859
	<hr/>		
Total Deferred Outflow of Resources	2,113,615	-	2,113,615
LIABILITIES:			
Accounts Payable	202,918	-	202,918
Due to Other Governments	131,937	-	131,937
Unearned Revenue	-	8,592	8,592
Accrued Interest	462,891	-	462,891
Noncurrent Liabilities (Note 7):			
Due within one year	1,244,433	-	1,244,433
Due in more than one year	36,033,647	-	36,033,647
	<hr/>		
Total Liabilities	38,075,826	8,592	38,084,418
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	611,086	-	611,086
	<hr/>		
Total Deferred Inflow of Resources	611,086	-	611,086
NET POSITION:			
Net Investment in Capital Assets	(526,240)	60,399	(465,841)
Restricted for:			
Capital Projects	45,832	-	45,832
Maintenance	500,000	-	500,000
Debt Service	712	-	712
Excess Surplus	211,766	-	211,766
Unrestricted (Deficit)	(6,462,543)	54,467	(6,408,076)
	<hr/>		
Total Net Position	\$ (6,230,473)	\$ 114,866	\$ (6,115,607)

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

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 3,170,802		\$ 45,006	(3,125,796)		\$ (3,125,796)
Special Education Instruction	735,799			(735,799)		(735,799)
Other Instruction	199,922			(199,922)		(199,922)
Support Services:						
Tuition	282,909		75,000	(207,909)		(207,909)
Student & Instruction Related Services	1,633,039		76,353	(1,556,686)		(1,556,686)
General Administrative	308,341			(308,341)		(308,341)
School Administrative Services	246,782			(246,782)		(246,782)
Central Services	238,821			(238,821)		(238,821)
Administrative Technology	84,471			(84,471)		(84,471)
Plant Operations & Maintenance	838,026			(838,026)		(838,026)
Pupil Transportation	282,498			(282,498)		(282,498)
Unallocated Benefits	3,023,453		1,215,420	(1,808,033)		(1,808,033)
On Behalf TPAF Pension and Social Security Contributions	2,193,067		2,193,067	-		-
Interest & Other Charges	1,192,296			(1,192,296)		(1,192,296)
Unallocated Depreciation	746,783			(746,783)		(746,783)
Total Governmental Activities	15,177,009	-	3,604,846	(11,572,163)	-	(11,572,163)
Business-Type Activities:						
Food Service	191,991	\$ 147,777	33,108	-	(11,106)	(11,106)
Total Business-Type Activities	191,991	147,777	33,108	-	(11,106)	(11,106)
Total Primary Government	\$ 15,369,000	\$ 147,777	\$ 3,637,954	(11,572,163)	(11,106)	(11,583,269)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				9,221,448		9,221,448
Property Taxes, Levied for Debt Service				1,942,729		1,942,729
Federal & State Aid Restricted				319,983		319,983
Federal & State Aid Not Restricted				824,224		824,224
Tuition Charges				46,675		46,675
Miscellaneous				97,771		97,771
Total General Revenues				12,452,830	-	12,452,830
Change In Net Position				880,667	(11,106)	869,561
Net Position - Beginning				(7,111,140)	125,972	(6,985,168)
Net Position - Ending				(6,230,473)	114,866	(6,115,607)

B. Fund Financial Statements

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**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash & Cash Equivalents	\$ 596,808	\$ -	\$ 7,313	\$ 702	\$ 604,823
Receivables, Net:					
Interfund Receivable		-	-	10	10
Due from Other Governments:					
State	54,555	-	-	-	54,555
Federal		43,673	-	-	43,673
Other Receivables	14,825	-	-	-	14,825
Restricted Cash & Cash Equivalents	538,529	-	-	-	538,529
Total Assets	\$ 1,204,717	\$ 43,673	\$ 7,313	\$ 712	\$ 1,256,415
LIABILITIES & FUND BALANCES:					
Liabilities:					
Cash Deficit	\$ -	\$ 27,595	\$ -	\$ -	\$ 27,595
Due to Other Governments	-	16,078	-	-	16,078
Accounts Payable	202,918	-	-	-	202,918
Interfund Payable	-	-	10	-	10
Total Liabilities	202,918	43,673	10	-	246,601
Fund Balances:					
Restricted for:					
Capital Reserve	38,529	-	-	-	38,529
Maintenance reserve	500,000	-	-	-	500,000
Excess Surplus - Current year	107,815	-	-	-	107,815
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	103,951	-	-	-	103,951
Capital Projects	-	-	7,303	-	7,303
Debt Service	-	-	-	712	712
Assigned to:					
Designated for Subsequent Year's Expenditures	40,097	-	-	-	40,097
Other Purposes	-	-	-	-	-
Unassigned	211,407	-	-	-	211,407
Total Fund Balances	1,001,799	-	7,303	712	1,009,814
Total Liabilities & Fund Balances	\$ 1,204,717	\$ 43,673	\$ 7,313	\$ 712	

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 \$35,529,618 and the accumulated depreciation is \$6,415,604	29,114,014
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.	
Deferred Outflows related to pensions	753,756
Deferred Inflows related to pensions	(611,086)
Deferred Outflow related to the loss on bond refunding of debt	1,359,859
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(462,891)
Accrued pension contributions for the June 30, 2018 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(115,859)
Long-term liabilities, including net pension liability an bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(37,278,080)</u>
Net Position of Governmental Activities	<u>\$ (6,230,473)</u>

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

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 9,221,448	\$ -	\$ -	\$ 1,942,729	\$ 11,164,177
Tuition Charges	46,675	-	-	-	46,675
Miscellaneous	97,761	4,568	10	-	102,339
Total Local Sources	9,365,884	4,568	10	1,942,729	11,313,191
State Sources	2,087,063	28,192	-	319,983	2,435,238
Federal Sources	-	163,599	-	-	163,599
Total Revenues	11,452,947	196,359	10	2,262,712	13,912,028
Expenditures:					
Instruction:					
Regular Instruction	3,125,796	45,006	-	-	3,170,802
Special Education Instruction	735,799	-	-	-	735,799
Other Instruction	199,922	-	-	-	199,922
Support Services:					
Tuition	207,909	75,000	-	-	282,909
Student & Instruction Related Services	1,556,686	76,353	-	-	1,633,039
General Administrative	308,341	-	-	-	308,341
School Administrative Services	246,782	-	-	-	246,782
Central Services	238,821	-	-	-	238,821
Administrative Technology	84,471	-	-	-	84,471
Plant Operations & Maintenance	838,026	-	-	-	838,026
Pupil Transportation	282,498	-	-	-	282,498
Unallocated Benefits	1,756,252	-	-	-	1,756,252
On Behalf TPAF Pension and Social Security Contributions	1,262,839	-	-	-	1,262,839
Debt Service:					
Principal	-	-	-	1,140,000	1,140,000
Interest & Other Charges	49	-	-	1,158,112	1,158,161
Total Expenditures	10,844,191	196,359	-	2,298,112	13,338,662
Excess/(Deficiency) of Revenues over Expenditures	608,756	-	10	(35,400)	573,366
Other Financing Sources (Uses):					
Transfers in	-	-	-	10	10
Transfers out	-	-	(10)	-	(10)
Total Other Financing Sources (Uses)	-	-	(10)	10	-
Net changes in fund balances	608,756	-	-	(35,390)	573,366
Fund Balance, July 1	393,043	-	7,303	36,102	436,448
Fund Balance, June 30	\$ 1,001,799	\$ -	\$ 7,303	\$ 712	\$ 1,009,814

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

**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 FISCAL YEAR ENDED JUNE 30, 2018**

Total Net Changes in Fund Balances - Governmental Funds (B-2)	\$	573,366
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	<u>(746,783)</u>	(746,783)
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		(74,594)
Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		1,140,000
Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:		
Amortization of premium on bonds	54,432	
Amortization of loss on Bond Refunding	<u>(108,223)</u>	(53,791)
In the statement of activities, 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. The accrued interest is an addition in the reconciliation (+).		19,656
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		<u>22,813</u>
Change in Net Position of Governmental Activities	\$	<u><u>880,667</u></u>

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2018**

ASSETS	FOOD SERVICE <u>FUND</u>
Current Assets:	
Cash & Cash Equivalents	\$ 55,728
Accounts Receivable:	
State	136
Federal	1,426
Inventories	<u>5,769</u>
Total Current Assets	<u>63,059</u>
Noncurrent Assets:	
Equipment	190,433
Less: Accumulated Depreciation	<u>(130,034)</u>
Total Capital Assets	<u>60,399</u>
Total Assets	<u>123,458</u>
LIABILITIES	
Unearned Revenue	<u>8,592</u>
Total Liabilities	<u>8,592</u>
NET POSITION	
Investment in Capital Assets	60,399
Unrestricted	<u>54,467</u>
Total Net Position	<u><u>\$ 114,866</u></u>

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

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>FOOD SERVICE FUND</u>
Operating Revenues:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 86,694
Daily Sales - Nonreimbursable Programs	54,411
Miscellaneous	6,672
	147,777
 Total Operating Revenue	 147,777
 Operating Expenses:	
Cost of Sales - Reimbursable	54,396
Cost of Sales - Non Reimbursable	20,216
Supplies and Materials	5,508
Salaries & Benefits	72,871
Management Fee	13,195
Repairs & Maintenance	7,554
Miscellaneous Expenses	7,749
Depreciation	10,502
	191,991
 Total Operating Expenses	 191,991
 Operating Income/(Loss)	 (44,214)
 Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	1,705
Federal Sources:	
National School Lunch Program	16,233
Healthy Hunger-Free Kids Act	2,034
Food Distribution Program	13,136
	33,108
 Total Nonoperating Revenues/(Expenses)	 33,108
 Change in Net Position	 (11,106)
Total Net Position - Beginning	125,972
 Total Net Position - Ending	 \$ 114,866

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

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>FOOD SERVICE FUND</u>
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 147,703
Payments to Employees	(72,871)
Payments to Suppliers	<u>(96,025)</u>
Net Cash Provided/(Used) by Operating Activities	<u>(21,193)</u>
Cash Flows From Noncapital Financing Activities:	
State Sources	1,662
Federal Sources	<u>18,133</u>
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>19,795</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(1,398)
Balances - Beginning of Year	<u>57,126</u>
Balances - End of Year	<u><u>\$ 55,728</u></u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Operating Income/(Loss)	\$ (44,214)
Adjustments to Reconcile Operating Income/(Loss) to	
Net Cash Provided/(Used For) Operating Activities:	
Depreciation & Net Amortization	10,502
Food Distribution Program	13,136
Increase/(Decrease) in Unearned Revenue	(74)
(Increase)/Decrease in Inventories	<u>(543)</u>
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ (21,193)</u></u>

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

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018**

ASSETS	PRIVATE PURPOSE TRUST		AGENCY FUNDS		TOTAL
	UNEMPLOYMENT COMPENSATION TRUST	STUDENT ACTIVITY	PAYROLL		
Cash & Cash Equivalents	\$ 10,543	\$ 34,358	\$ 234,917	\$	279,818
Total Assets	10,543	34,358	234,917		279,818
LIABILITIES					
Payroll Deductions & Withholdings	-	-	234,917		234,917
Account Payable	9,320	-	-		9,320
Due to Student Groups	-	34,358	-		34,358
Total Liabilities	9,320	34,358	234,917		278,595
NET POSITION					
Held in Trust for:					
Unemployment Claims	1,223	-	-		1,223
Total Net Position	\$ 1,223	\$ -	\$ -	\$	1,223

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

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018**

	PRIVATE PURPOSE TRUST <u>UNEMPLOYMENT COMPENSATION TRUST</u>
ADDITIONS	
Local Sources:	
Payroll Deductions	\$ 31,133
Total Additions	31,133
DEDUCTIONS	
Unemployment Claims	51,363
Total Deductions	51,363
Change in Net Position	(20,230)
Net Position - Beginning of the Year	21,453
Net Position - End of the Year	\$ 1,223

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

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

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CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

Note 1. Summary of Significant Accounting Policies

The financial statements of the 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 five 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 sixth grade at its one elementary school. The District has an approximate enrollment at June 30, 2018 of 758 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, 2018.

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, 2018

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, 2018

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, 2018

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 non-operating 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 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 non-operating 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 non-instructional 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, 2018

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, 2018**

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.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

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

Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. 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.

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, 2018 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

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

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.

Interfund Receivables/Payables

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.

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:

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

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the 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.

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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

Compensated Absences (continued)

funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

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.

Accounting 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 reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

Note 1. Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

- 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, 2018.
- 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.

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.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2018:

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.

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 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.

Recently Issued Accounting Pronouncements

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

Statement No. 83, Certain Asset Retirement Obligations. An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Statement No. 83 establishes guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to such obligations. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 84, Fiduciary Activities. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2018. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 87, Leases. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after December 15, 2019. Management has not yet determined the potential impact on the School District's financial statements.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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

Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. The Governmental Accounting Standards Board (GASB) has issued a new standard with guidance the GASB believes will enhance debt-related disclosures in notes to financial statements, including those addressing direct borrowings and direct placements. The new standard clarifies which liabilities governments should include in their note disclosures related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management has not yet determined the potential impact on the School 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.

Pensions

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, 2018**

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

Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2018 and February 13, 2019, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

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, 2018, the District’s bank balance of \$1,811,536 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	1,502,402
Uninsured and Uncollateralized		309,134
		\$ 1,811,536

Investments

The School District has no investments at June 30, 2018.

Note 3. Reserve Accounts

A. Capital Reserve

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

Funds placed in the capital reserve account are restricted to capital projects in the 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 1, 2017 to June 30, 2018 fiscal year is as follows:

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2018**

Note 3. Reserve Accounts (Continued):

A. Capital Reserve (Continued):

Beginning Balance, July 1, 2017	\$	38,244
Increased by:		
Interest Earnings		285
Ending Balance, June 30, 2018	\$	38,529

The June 30, 2018 balance did not exceed the LRFP balance of local support costs of uncompleted capital projects.

B. Maintenance Reserve Account

The District established a Maintenance Reserve Account for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The Maintenance Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Maintenance Plan (M-1). A district may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both

The activity of the maintenance reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance, July 1, 2017	\$	-
Increased by:		
Deposits approved by Board		500,000.00
Ending Balance, June 30, 2018	\$	500,000.00

Note 4. Accounts Receivable

Accounts receivable at June 30, 2018 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, 2018**

Note 4. Accounts Receivable (continued)

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>
Federal Awards	\$ -	\$ 43,673	\$ 43,673	\$ 1,426	\$ 1,426
State Awards	54,555	-	54,555	136	136
Other	14,825	-	14,825	-	-
Total	\$ 69,380	\$ 43,673	\$ 113,053	\$ 1,562	\$ 1,562

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2018 was as follows:

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2018</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 560,000	\$ -	\$ -	\$ 560,000
Total Capital Assets not being depreciated	560,000	-	-	560,000
Capital Assets being depreciated:				
Land Improvements	606,090	-	-	606,090
Buildings and Improvements	33,849,891	-	-	33,849,891
Equipment	513,637	-	-	513,637
Total Capital Assets being depreciated	34,969,618	-	-	34,969,618
Less: Accumulated Depreciation:				
Land Improvements	(225,265)	(30,305)		(255,570)
Buildings and Improvements	(5,077,485)	(676,996)		(5,754,481)
Equipment	(366,071)	(39,482)		(405,553)
Total Accumulated Depreciation	(5,668,821)	(746,783)	-	(6,415,604)
Total Capital Assets being depreciated, net	29,300,797	(746,783)	-	28,554,014
Total Governmental Activities Capital Assets, net	\$ 29,860,797	\$ (746,783)	\$ -	\$ 29,114,014

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

Note 5. Capital Assets (continued)

	Balance July 1, <u>2017</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2018</u>
Business-Type Activities:				
Equipment	\$ 190,433	\$ -		\$ 190,433
	<u>190,433</u>	<u>-</u>	<u>-</u>	<u>190,433</u>
Less: Accumulated Depreciation:				
Buildings and Improvements				-
Equipment	(119,531)	(10,503)	-	(130,034)
	<u>(119,531)</u>	<u>(10,503)</u>	<u>-</u>	<u>(130,034)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 70,902</u>	<u>\$ (10,503)</u>	<u>\$ -</u>	<u>\$ 60,399</u>

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2018 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Capital Projects Fund	\$ -	\$ 10
Debt Service Fund	<u>10</u>	<u>-</u>
	<u>\$ 10</u>	<u>\$ 10</u>

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.

The summary of interfund transfers follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Capital Projects Fund		\$ 1,349
Debt Service Fund	<u>\$ 1,349</u>	<u>-</u>
	<u>\$ 1,349</u>	<u>\$ 1,349</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.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2018 the following changes occurred in long-term obligations:

	Balance <u>July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2018</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 35,135,000	\$ -	\$ 1,140,000	\$ 33,995,000	\$ 1,190,000
Unamortized Bond Premiums	471,545	-	54,432	417,113	54,432
Compensated Absences	328,588	\$ -	22,812	305,776	-
Net Pension Liability	3,418,827	-	858,636	2,560,191	-
	<u>\$ 39,353,960</u>	<u>\$ -</u>	<u>\$ 2,075,880</u>	<u>\$ 37,278,080</u>	<u>\$ 1,244,432</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.

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 2010 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 financial statements. As a result of the refunding, the District reduced its total debt service requirements by \$417,403, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$374,655.

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 2010 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 financial statements. 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.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

Note 7. Long-Term Obligations (Continued):

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

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,300,000	1,003,888	2,303,888
2023	1,345,000	961,988	2,306,988
2024-2028	7,520,000	4,131,894	11,651,894
2029-2033	9,280,000	2,567,450	11,847,450
2034-2038	10,875,000	1,064,738	11,939,738
	<u>\$ 33,995,000</u>	<u>\$ 12,957,952</u>	<u>\$ 46,952,952</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2018, the District had no authorized but not issued bonds.

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/annrpts.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

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

Note 8. Pension Plans (Continued):

A. Public Employees' Retirement System (PERS) (Continued)

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.

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 2017, 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 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.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2018, the School District reported a liability of \$2,560,191 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017. 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, 2016, to the measurement date of June 30, 2017. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The School District's proportion measured as of June 30, 2017, was .0109981377%, which was a decrease of .0005452717% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the School District recognized full accrual pension expense of \$176,479 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date. At June 30, 2018 the School 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, 2018**

Note 8. Pension Plans (Continued):

A. Public Employees' Retirement System (PERS) (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 60,284	\$ -
Changes of Assumptions	515,790	513,899
Net Difference between Projected and Actual Earnings on Pension Plan Investments	17,433	-
Changes in Proportion and Differences between Chesterfield Township School District Contributions and Proportionate Share of Contributions	44,390	97,187
School District contributions subsequent to measurement date	115,859	-
	\$ 753,756	\$ 611,086

\$115,859 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2017-2018 total salaries for PERS employees multiplied by an employer pension contribution rate of 13.37%. The payable is due on April 1, 2019 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Client Year Ending	Amount
<u>June 30,</u>	
2019	\$ 59,261
2020	90,417
2021	52,371
2022	(109,964)
2023	(65,274)
	\$ 26,811

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

Note 8. Pension Plans (Continued):

A. Public Employees' Retirement System (PERS) (Continued)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
Changes in Proportion and Differences between Bordertown Regional School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.48, 5.57, 5.72 and 6.44 years for the 2017, 2016, 2015, and 2014 amounts, respectively.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

Note 8. Pension Plans (Continued):

A. Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions – The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. 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.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

Note 8. Pension Plans (Continued):

A. Public Employees' Retirement System (PERS) (Continued)

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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 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 contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

Note 8. Pension Plans (Continued):

A. Public Employees' Retirement System (PERS) (Continued)

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2017, calculated using the discount rate of 5.00% as well as what the School 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 or 1-percentage point higher than the current rate:

	1% Decrease <u>(4.00%)</u>	Current Discount Rate <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
Chesterfield Township School District's Proportionate Share of the Net Pension Liability	<u>\$ 3,176,090</u>	<u>\$ 2,560,191</u>	<u>\$ 2,047,070</u>

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2018 and 2017

Collective Balances at June 30, 2018 and June 30, 2017

	<u>6/30/2018</u>	<u>6/30/2017</u>
	June 30, 2017	June 30, 2016
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resources	\$ 637,897	\$ 960,041
Deferred Inflows of Resources	611,086	-
Net Pension Liability	2,560,191	3,418,827
 Chesterfield Township School District's portion of the Plan's total net pension Liability	 0.01100%	 0.01154%

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.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

Note 8. Pension Plans (Continued):

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

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

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.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.2% in State fiscal year 2017. 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 2017, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, 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, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the School District does 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.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2017 was \$26,994,616. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2017, the State proportionate share of the TPAF net pension liability attributable to the School District was .0100373368%, which was a decrease of .0269234546% from its proportion measured as of June 30, 2016.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

Note 8. Pension Plans (Continued):

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

For the fiscal year ended June 30, 2018, the School District recognized \$1,870,050 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2017 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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, 2016 are summarized in the following table:

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

Note 8. Pension Plans (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>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, 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 contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined 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 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 4.25% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

Note 8. Pension Plans (Continued):

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

	1% Decrease <u>(3.25%)</u>	Current Discount Rate <u>(4.25%)</u>	1% Increase <u>(5.25%)</u>
Chesterfield Township School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Chesterfield Township School District	<u>\$ 32,070,451</u>	<u>\$ 26,994,616</u>	<u>\$ 22,813,121</u>
	<u>\$ 32,070,451</u>	<u>\$ 26,994,616</u>	<u>\$ 22,813,121</u>

Pension Plan Fiduciary Net Position - 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.

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2018 and 2017:

	<u>6/30/2018</u>	<u>6/30/2017</u>
Collective Deferred Outflows of Resources	\$ 14,353,461,035.00	\$ 17,581,004,496.00
Collective Deferred Inflows of Resources	\$ 11,992,821,439.00	\$ 300,836,088.00
Collective Net Pension Liability	\$ 67,670,209,171.00	\$ 79,028,907,033.00
School District's portion	0.03749%	0.03432%

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

Note 8. Pension Plans (Continued):

C. Defined Contribution Plan (DCRP) (Continued)

- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2017 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% 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% contribution from the School District.

For the year ended June 30, 2018, employee contributions totaled \$6,557 and the District recognized pension expense of \$4,886.

Note 9. Post-Retirement Benefits

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

Note 9. Post-Retirement Benefits (Continued):

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

Basis of Presentation

The Schedule presents the State of New Jersey’s obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey 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.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 4.55%	2.15 - 4.15%	2.10 - 8.98%
	based on years of service	based on age	based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15%	3.10 - 9.98%
	based on years of service	based on age	based on age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount- Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF, PFRS and PERS, respectively.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

Note 9. Post-Retirement Benefits (Continued):

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2017 was \$17,509,189. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2017, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2017, the State proportionate share of the OPEB Obligation attributable to the School District was 0.0326%, which was an increase of 0.09% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the State of New Jersey recognized an OPEB expense in the amount of \$1,214,192 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2017 measurement date.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

The following presents the total nonemployer OPEB liability as of June 30, 2017 and 2016, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

Note 9. Post-Retirement Benefits (Continued):

	June 30, 2017		
	At 1% Decrease (2.58%)	At Discount Rate (3.58%)	At 1% Increase (4.58%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 20,784,670.57	\$ 17,509,189.00	\$ 14,911,045.89
State of New Jersey's Total Nonemployer OPEB Liability	\$ 63,674,362,200.00	\$ 53,639,841,858.00	\$ 45,680,364,953.00
	June 30, 2016		
	At 1% Decrease (1.85%)	At Discount Rate (2.85%)	At 1% Increase (3.85%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 22,595,066.12	\$ 18,860,322.00	\$ 15,920,599.67
State of New Jersey's Total Nonemployer OPEB Liability	\$ 69,283,705,084.00	\$ 57,831,784,184.00	\$ 48,817,654,566.00

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate

The following presents the total nonemployer OPEB liability as of June 30, 2017 and 2016, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1- percentage point higher than the current rate:

	June 30, 2017		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 14,399,615.34	\$ 17,509,189.00	\$ 21,638,666.23
State of New Jersey's Total Nonemployer OPEB Liability	\$ 44,113,584,560.00	\$ 53,639,841,858.00	\$ 66,290,599,457.00
	June 30, 2016		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 15,475,419.34	\$ 18,860,322.00	\$ 23,385,614.34
State of New Jersey's Total Nonemployer OPEB Liability	\$ 47,452,589,164.00	\$ 57,831,784,184.00	\$ 71,707,778,970.00

* See Healthcare Cost Trend Assumptions for details of rates.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

Note 9. Post-Retirement Benefits (Continued):

Additional Information

Collective balances of the Local Group at June 30, 2017 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ 99,843,255.00	\$ (99,843,255.00)
Change in Assumptions	-	(6,343,769,032.00)
Contributions Made in Fiscal Year Year Ending 2018 After June 30, 2017 Measurement Date **	1,190,373,242.00	-
	\$ 1,290,216,497.00	\$ (6,443,612,287.00)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,		
2018	\$	(742,830,097.00)
2019		(742,830,097.00)
2020		(742,830,097.00)
2021		(742,830,097.00)
2022		(742,830,097.00)
Thereafter		(2,629,618,547.00)
	\$	(6,343,769,032.00)

** Employer Contributions made after June 30, 2017 are reported as a deferred outflow of resources, but are not amortized in expense.

Plan Membership

At June 30, 2016, the Program membership consisted of the following:

	June 30, 2016
Active Plan Members	223,747.00
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	142,331.00
	366,078.00

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2018 (measurement date June 30, 2017) is as follows:

Total OPEB Liability	
Service Cost	\$ 2,391,878,884.00
Interest Cost	1,699,441,736.00
Changes of Assumptions	(7,086,599,129.00)
Contributions: Member	45,748,749.00
Gross Benefit Payments	(1,242,412,566.00)
Net Change in Total OPEB Liability	(4,191,942,326.00)
Total OPEB Liability (Beginning)	57,831,784,184.00
Total OPEB Liability (Ending)	\$ 53,639,841,858.00
Total Covered Employee Payroll	13,493,400,208.00
Net OPEB Liability as a Percentage of Payroll	398%

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2018, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$570,269, \$323,017, \$368,325 and \$1,228, respectively.

Note 11. 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 State for benefits paid and the ending balance of the School District's trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$ 31,133	\$ 51,363	\$ 1,223
2016-2017	14,440	14,541	21,453
2015-2016	13,879	6,894	21,554

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
Environmental Impairment Liability	Workers' Compensation
School Board Legal Liability	Crime Coverage

Note 12. 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, 2018 may

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

Note 12. Contingencies (continued)

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 13. 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 14. 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. 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
Copeland Companies
AXA Equitable
Dean Witter

Note 15. 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, 2018 is \$305,776.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

Note 15. Compensated Absences (continued)

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, 2018 no liability existed for compensated absences in the proprietary fund types.

Note 16. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

Note 17. 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. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2018 was \$107,815.

Note 18. Fund Balance

General Fund – Of the \$1,001,799 General Fund fund balance at June 30, 2018, \$38,529 has been reserved in the Capital Reserve Account; \$500,000 has been reserved in the Maintenance Reserve Account; \$107,815 is restricted for current year excess surplus; \$103,951 is restricted for prior year excess surplus designated for subsequent year's expenditures; \$ 40,097 designated for subsequent budget; and \$211,407 is unassigned.

Capital Projects Fund – Of the \$7,303 Capital Projects Fund fund balance at June 30, 2018, \$7,303 is restricted for capital projects.

Debt Service Fund – Of the \$712 Debt Service Fund fund balance at June 30, 2018, \$712 is restricted for future debt service.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District’s governmental activities had a deficit in unrestricted net position in the amount of \$6,462,543. The primary causes of the deficit are the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employees’ Retirement System (PERS) as of June 30, 2018. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>ACCOUNT NUMBERS</u>	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>POSITIVE/ (NEGATIVE) FINAL TO ACTUAL</u>
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 9,221,448	\$ -	\$ 9,221,448	\$ 9,221,448	\$ -
Tuition from Individuals	10-1310	45,000	-	45,000	46,675	1,675
Rents and Royalties	10-1910	32,550	-	32,550	25,099	(7,451)
Interest Earned on Capital Reserve Funds		20	-	20	285	265
Miscellaneous	10-1990	18,000	-	18,000	72,377	54,377
Total Local Sources		9,317,018	-	9,317,018	9,365,884	48,866
State Sources:						
Categorical Transportation Aid	10-3121	71,680	-	71,680	71,680	-
Categorical Special Education Aid	10-3132	136,277	-	136,277	136,277	-
Equalization	10-3176		401,205	401,205	401,205	
Categorical Security Aid	10-3177	43,728	-	43,728	43,728	-
Supplemental Growth Aid	10-3141	85,512	-	85,512	85,512	-
Under Adequacy Aid	10-3180	60,016	-	60,016	60,016	-
PARCC Readiness Aid	10-3181	7,380	-	7,380	7,380	-
Per Pupil Growth Aid	10-3182	7,380	-	7,380	7,380	-
Extraordinary Aid	10-3131	-	-	-	30,339	30,339
Professional Learning Community Aid	10-3183	8,010	-	8,010	8,010	-
Non-Public Transportation Aid	10-3190	-	-	-	8,410	8,410
Lead Testing for Schools Aid	10-3300	-	-	-	2,380	2,380
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	368,325	368,325
On-Behalf TPAF Pension Contributions		-	-	-	570,269	570,269
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	1,228	1,228
Reimbursed TPAF Social Security Contributions		-	-	-	323,017	323,017
Total State Sources		419,983	401,205	821,188	2,125,156	1,303,968
Total Revenues		9,737,001	401,205	10,138,206	11,491,040	1,352,834
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool	105-100-101	31,290	716	32,006	32,006	-
Kindergarten	110-100-101	375,955	35,870	411,825	410,043	1,782
Grades 1 - 5	120-100-101	2,007,072	87,155	2,094,227	2,091,270	2,957
Grades 6 - 8	130-100-101	415,060	(36,877)	378,183	343,180	35,003
Home Instruction - Regular Programs:						
Salaries of Teachers	150-100-101	6,000	(13)	5,987	645	5,342
Purchased Professional/Educational Services	150-100-320	1,000	546	1,546	1,546	-
Regular Programs - Undistributed Instruction:						
Purchased Professional/Educational Services	190-100-320	-	18,796	18,796	18,796	-
Other Purchased Services	190-100-500	15,000	(1,000)	14,000	10,511	3,489
General Supplies	190-100-610	262,000	21,955	283,955	217,799	66,156
Total Regular Programs - Instruction		3,113,377	127,148	3,240,525	3,125,796	114,729
Resource Room/ Resource Center:						
Salaries of Teachers	213-100-101	618,225	9,507	627,732	626,847	885
General Supplies	213-100-610	2,300	(628)	1,672	1,659	13
Total Resource Room		620,525	8,879	629,404	628,506	898

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>ACCOUNT NUMBERS</u>	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>POSITIVE/ (NEGATIVE) FINAL TO ACTUAL</u>
Preschool Disabilities - Part-Time:						
Salaries of Teachers	215-100-101	104,380	1,733	106,113	106,113	-
Other Salaries for Instruction	215-100-106	3,300	-	3,300	-	3,300
General Supplies	215-100-600	1,300	-	1,300	1,180	120
Total Preschool Disabilities - Part-Time		108,980	1,733	110,713	107,293	3,420
Total Special Education		729,505	10,612	740,117	735,799	4,318
Basic Skills/Remedial:						
Salaries of Teachers	230-100-101	172,600	19,363	191,963	191,713	250
General Supplies	230-100-610	900	(653)	247	247	-
Total Basic Skills/Remedial		173,500	18,710	192,210	191,960	250
School Sponsored Cocurricular Activities:						
Salaries of Teachers	401-100-101	4,800	47	4,847	-	4,847
Purchased Services	401-100-500	100	-	100	-	100
Supplies & Materials	401-100-600	4,000	-	4,000	2,322	1,678
Total School Sponsored Cocurricular Activities		8,900	47	8,947	2,322	6,625
Summer School:						
Salaries of Teachers	422-100-101	6,120	-	6,120	5,640	480
Total Summer School		6,120	-	6,120	5,640	480
Total Other Instructional Programs		188,520	18,757	207,277	199,922	7,355
Total - Instruction		4,031,402	156,517	4,187,919	4,061,517	126,402
Undistributed Expenditures:						
Instruction:						
Tuition to Other LEAs within State Special	000-100-562	-	18,200	18,200	18,094	106
Tuition to CSSD & Regional Day Schools	000-100-565	91,330	(36,645)	54,685	54,685	-
Tuition to Private School for the Handicap	000-100-566	126,620	29,864	156,484	134,930	21,554
Tuition - Other	000-100-569	12,000	-	12,000	200	11,800
Total Instruction		229,950	11,419	241,369	207,909	33,460
Attendance & Social Work Services:						
Salaries	000-211-100	14,885	186	15,071	15,071	-
Supplies & Materials	000-211-600	500	-	500	-	500
Total Attendance & Social Work Services		15,385	186	15,571	15,071	500
Health Services:						
Salaries	000-213-100	143,185	2,360	145,545	141,344	4,201
Purchased Professional & Technical Services	000-213-300	2,200	-	2,200	2,200	-
Other Purchased Services	000-213-500	800	-	800	93	707
Supplies and Materials	000-213-600	2,500	-	2,500	1,945	555
Total Health Services		148,685	2,360	151,045	145,582	5,463
Related Services:						
Salaries	000-216-100	95,530	11,036	106,566	106,116	450
Purchased Professional/Educational Services	000-216-320	73,300	58,455	131,755	128,353	3,402
Supplies & Materials	000-216-600	1,300	(580)	720	720	-
Total Related Services		170,130	68,911	239,041	235,189	3,852

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Extra Services:						
Salaries	000-217-100	-	29	29	29	-
Purchased Professional/Educational Services	000-217-320	485,328	25,682	511,010	501,588	9,422
Total Extra Services		485,328	25,711	511,039	501,617	9,422
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	000-218-104	57,560	733	58,293	58,293	-
Salaries of Secretarial & Clerical Assistants	000-218-105	9,180	119	9,299	9,299	-
Purchased Professional/Educational Services	000-218-390	2,500	570	3,070	2,830	240
Other Purchased Services	000-218-500	8,900	(8,900)			-
Supplies & Materials	000-218-600	-	5,502	5,502	3,841	1,661
Total Other Support Services - Students - Regular		78,140	(1,976)	76,164	74,263	1,901
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	000-219-104	281,805	4,588	286,393	285,590	803
Salaries of Secretarial & Clerical Assistants	000-219-105	34,790	443	35,233	35,233	-
Purchased Professional/Educational Services	000-219-320	3,000	205	3,205	3,205	-
Miscellaneous Purchased Services	000-219-592	1,100	(825)	275	182	93
Supplies and Materials	000-219-600	6,500	(1,778)	4,722	3,326	1,396
Total Other Support Services - Students - Special Services		327,195	2,633	329,828	327,536	2,292
Improvement of Instruction:						
Salary of Supervisors of Instruction	000-221-102	113,860	1,445	115,305	115,305	-
Salary of Other Professional Staff	000-221-104	3,000	13,437	16,437	16,437	-
Salaries of Secretarial & Clerical Assistants	000-221-105	33,195	288	33,483	33,483	-
Supplies and Materials	000-221-600	300	(30)	270	48	222
Other Objects	000-221-800	1,000	-	1,000	984	16
Total Improvement of Instruction		151,355	15,140	166,495	166,257	238
Educational Media Services/School Library:						
Salaries	000-222-100	31,140	37,464	68,604	67,114	1,490
Purchased Professional/Educational Services	000-222-300	-	-			-
Supplies and Materials	000-222-600	1,500	1,710	3,210	3,210	-
Total Instructional Staff Training Services		32,640	39,174	71,814	70,324	1,490
Instructional Staff Training:						
Salaries of Other Professional Staff	000-223-104	250	-	250	-	250
Purchased Professional/Educational Services	000-223-320	-	20,000	20,000	15,046	4,954
Other Purchased Services	000-223-500	25,000	(19,750)	5,250	4,232	1,018
Supplies & Materials	000-223-600	250	1,319	1,569	1,569	-
Total Instructional Staff Training		25,500	1,569	27,069	20,847	6,222
Support Services General Administration:						
Salaries	000-230-100	150,500	(142)	150,358	150,358	-
Legal Services	000-230-331	50,000	35,622	85,622	85,391	231
Audit Services	000-230-332	17,100	1,300	18,400	18,400	-
Other Purchased Professional Services	000-230-339	7,700	(4,580)	3,120	3,120	-
Communications/Telephone	000-230-530	21,450	(3,132)	18,318	18,318	-
BOE Other Purchased Services	000-230-585	2,850	(1,226)	1,624	1,624	-
Other Purchased Services	000-230-590	23,610	1,412	25,022	25,022	-
General Supplies	000-230-610	1,800	(1,190)	610	610	-
BOE In-House Training/Meeting Supplies	000-230-630	100	(15)	85	85	-
Miscellaneous Expenditures	000-230-890	2,350	(11)	2,339	2,339	-
BOE Membership Dues & Fees	000-230-895	3,075	(1)	3,074	3,074	-

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>ACCOUNT NUMBERS</u>	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>POSITIVE/ (NEGATIVE) FINAL TO ACTUAL</u>
Total Support Services General Administration		280,535	28,037	308,572	308,341	231
Support Services School Administration:						
Salaries of Principals & Assistant Principals	000-240-103	160,550	2,025	162,575	162,575	-
Salaries of Secretarial & Clerical Assistants	000-240-105	74,760	1,042	75,802	75,309	493
Purchased Professional & Technical Services	000-240-300	1,925	(150)	1,775	1,775	-
Other Purchased Services	000-240-500	4,250	(595)	3,655	3,655	-
Supplies & Materials	000-240-600	1,300	(112)	1,188	1,188	-
Other Objects	000-240-800	1,575	731	2,306	2,280	26
Total Support Services School Administration		244,360	2,941	247,301	246,782	519
Support Services Central Services:						
Salaries	000-251-100	207,100	1,451	208,551	205,981	2,570
Purchased Professional Services	000-251-330	15,000	98	15,098	15,098	-
Other Purchased Professional Services	000-251-592	4,250	981	5,231	4,944	287
Supplies and Materials	000-251-600	2,500	4,180	6,680	6,579	101
Interest on Lease Purchase Agreements	000-251-832	1,235	(1,235)	-	-	-
Other Objects	000-251-890	5,925	294	6,219	6,219	-
Total Support Services Central Services		236,010	5,769	241,779	238,821	2,958
Administrative Information Technology:						
Salaries	000-252-100	14,500	171	14,671	14,671	-
Purchased Technical Services	000-252-340	61,500	-	61,500	61,500	-
Other Purchased Services	000-252-500	10,000	(1,700)	8,300	8,300	-
Total Administrative Information Technology		86,000	(1,529)	84,471	84,471	-
Operation & Maintenance of Plant:						
Required Maintenance for School Facilities:						
Salaries	000-261-100	57,860	-	57,860	53,549	4,311
Cleaning, Repair & Maintenance Services	000-261-420	67,150	(5,000)	62,150	51,022	11,128
General Supplies	000-261-610	1,500	(1,500)	-	-	-
Total Required Maintenance for School Facilities		126,510	(6,500)	120,010	104,571	15,439
Custodial Services:						
Salaries	000-262-100	343,260	12,518	355,778	346,779	8,999
Salaries of Non-Instructional Aides	000-262-107	103,375	7,371	110,746	93,392	17,354
Cleaning, Repair & Maintenance Services	000-262-420	31,050	22,137	53,187	48,572	4,615
Other Purchased Property Services	000-262-490	26,500	-	26,500	25,804	696
Insurance	000-262-520	50,000	-	50,000	46,199	3,801
Miscellaneous Purchased Services	000-262-590	1,250	-	1,250	100	1,150
General Supplies	000-262-610	41,000	2,038	43,038	42,162	876
Energy (Natural Gas)	000-262-621	7,000	-	7,000	4,574	2,426
Energy (Electricity)	000-262-622	180,000	(50,919)	129,081	121,247	7,834
Other Objects	000-262-800	750	-	750	560	190
Total Custodial Services		784,185	(6,855)	777,330	729,389	47,941
Care and Upkeep of Grounds:						
Salaries	000-263-100	3,370	42	3,412	3,412	-
Cleaning, Repair & Maintenance Services	000-263-420	200	-	200	-	200
General Supplies	000-263-610	1,000	-	1,000	-	1,000
Total Care and Upkeep of Grounds		4,570	42	4,612	3,412	1,200

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>ACCOUNT NUMBERS</u>	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>POSITIVE/ (NEGATIVE) FINAL TO ACTUAL</u>
Security:						
Cleaning, Repair & Maintenance Services	000-266-420	5,500	15,000	20,500	654	19,846
General Supplies	000-266-610	200	-	200	-	200
Total Security		5,700	15,000	20,700	654	20,046
Total Operation & Maintenance of Plant		920,965	1,687	922,652	838,026	84,626
Student Transportation Services:						
Salaries of Non-Instructional Aides	000-270-107	15,795	801	16,596	16,596	-
Salaries - Pupil Transportation (Bet Home & Sch) - Reg	000-270-160	20,640	260	20,900	20,900	-
Salaries - Pupil Transportation (Bet Home & Sch) - Sp Ed	000-270-161	45,980	331	46,311	45,717	594
Salaries - Pupil Transportation (Bet Home & Sch) - Nonpub	000-270-163	2,430	30	2,460	2,460	-
Management Fee - ESC Transportation Program	000-270-350	2,150	65	2,215	1,965	250
Cleaning, Repair & Maintenance Services	000-270-420	1,000	640	1,640	1,640	-
Lease Purchase Payments - School Buses	000-270-443	12,500	(12,500)			-
Contracted Services - Aid In Lieu of Payments - Nonpublic	000-270-503	21,000	9,500	30,500	30,500	-
Contracted Services - (Between Home & School) - Joint Agreement	000-270-513	156,500	(11,705)	144,795	116,646	28,149
Contracted Services - Special Ed - vendors	000-270-514	850	-	850	-	850
Contracted Services - Special Ed - joint agreements	000-270-515	33,100	35,241	68,341	41,711	26,630
Miscellaneous Purchased Services - Transportation	000-270-593	6,000	-	6,000	2,471	3,529
Transportation Supplies	000-270-615	3,200	-	3,200	1,842	1,358
Miscellaneous Expenditures	000-270-800	125	-	125	50	75
Total Student Transportation Services		321,270	22,663	343,933	282,498	61,435
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	000-291-220	111,800	-	111,800	96,864	14,936
PERS - Other Retirement	000-291-241	122,105	-	122,105	108,413	13,692
Unemployment Compensation	000-291-250	46,035	-	46,035	16,920	29,115
Workmen's Compensation	000-291-260	80,000	-	80,000	69,663	10,337
Health Benefits	000-291-270	1,546,842	19,993	1,566,835	1,431,317	135,518
Tuition Reimbursements	000-291-280	15,000	-	15,000	2,775	12,225
Other Employee Benefits	000-291-290	30,300	-	30,300	30,300	-
Total Unallocated Benefits - Employee Benefits		1,952,082	19,993	1,972,075	1,756,252	215,823
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	368,325	(368,325)
On-Behalf TPAF Pension Contributions		-	-	-	570,269	(570,269)
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	1,228	(1,228)
Reimbursed TPAF Social Security Contributions		-	-	-	323,017	(323,017)
Total Undistributed Expenditures		5,705,530	244,688	5,950,218	6,782,625	(832,407)
Total Expenditures - Current Expense		9,736,932	401,205	10,138,137	10,844,142	(706,005)
Capital Outlay:						
Non Instructional Services:						
Assessment for Debt Service on SDA Funding	000-400-896	49	-	49	49	-
Total Facilities Acquisition & Construction Services		49	-	49	49	-
Interest Deposit on Capital Reserve	10-604	20	-	20	-	20
Total Capital Outlay		69	-	69	49	20
Total Expenditures		9,737,001	401,205	10,138,206	10,844,191	(705,985)

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>ACCOUNT NUMBERS</u>	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Excess/(Deficiency) of Revenues						
Over/(Under) Expenditures		-	-	-	646,849	646,849
<hr/>						
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures After Other Financing Sources/(Uses)		-	-	-	646,849	646,849
Fund Balances, July 1		432,292		432,292	432,292	-
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Fund Balances, June 30		\$ 432,292	\$ -	\$ 432,292	\$ 1,079,141	\$ 646,849
<hr/> <hr/>						
<u>RECAPITULATION OF BUDGET TRANSFERS</u>						
Prior Year Reserve for Encumbrances			\$ -			
<hr/>						
Total Budget Transfers			\$ -			
<hr/> <hr/>						
<u>RECAPITULATION OF FUND BALANCE</u>						
Restricted Fund Balance:						
Capital Reserve					\$ 38,529	
Maintenance Reserve					500,000	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures					103,951	
Excess Surplus					107,815	
Assigned:						
Year-End Encumbrances					-	
Designated for Subsequent Year's Expenditures					40,097	
Unassigned Fund Balance					288,749	
<hr/>						
Subtotal					1,079,141	
Reconciliation to Governmental Fund Statements (GAAP):						
Last Two State Aid Payment Not Recognized on GAAP Basis					(77,342)	
<hr/>						
Fund Balance per Governmental Funds (GAAP)					\$ 1,001,799	
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**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO <u>ACTUAL</u>
REVENUES					
Local Sources	\$ -	\$ 4,568	\$ 4,568	\$ 4,568	\$ -
State Sources	9,941	34,329	44,270	28,192	(16,078)
Federal Sources	133,005	49,873	182,878	163,599	(19,279)
Total Revenues	142,946	88,770	231,716	196,359	(35,357)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	18,305	(6,180)	12,125	-	12,125
Purchased Professional Educational Services	-	34,239	34,239	22,459	11,780
Tuition	75,000	-	75,000	75,000	-
General Supplies	-	23,474	23,474	20,892	2,582
Textbooks	1,753	-	1,753	1,655	98
Total Instruction	95,058	51,533	146,591	120,006	26,585
Support Services:					
Purchased Professional Technical Services	42,804	32,669	75,473	70,811	4,662
General Supplies	5,084	4,568	9,652	5,542	4,110
Total Support Services	47,888	37,237	85,125	76,353	8,772
Total Expenditures	142,946	88,770	231,716	196,359	35,357
Total Outflows	142,946	88,770	231,716	196,359	35,357
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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)	\$ 11,491,040	\$ 196,359
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	39,249	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(77,342)	-
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 11,452,947</u>	<u>\$ 196,359</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$ 10,844,191</u>	<u>\$ 196,359</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds (B-2)	<u>\$ 10,844,191</u>	<u>\$ 196,359</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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

	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.01100%	0.01154%	0.01129%	0.01117%	0.01116%
School District's proportionate share of the net pension liability	2,560,191	\$ 3,418,827	\$ 2,533,812	\$ 2,092,219	\$ 2,132,053
School District's covered payroll	801,111	\$ 791,236	\$ 786,776	\$ 751,153	\$ 742,136
School District's proportionate share of the net pension liability as a percentage of its covered payroll	319.58%	432.09%	322.05%	278.40%	287.29%
Plan fiduciary net position as a percentage of the total pension liability	48.10%	40.14%	47.93%	52.08%	48.72%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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 SCHOOL DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST FIVE FISCAL YEARS**

	2018		2017		2016		2015		2014
School District's contractually required contribution	115,859	\$	101,886	\$	102,550	\$	97,042	\$	92,079
Contributions in relation to the contractually required contribution	(115,859)		(101,886)		(102,550)		(97,042)		(92,079)
Contribution deficiency (excess)	\$ -	\$	-	\$	-	\$	-	\$	-
School District's covered payroll	\$ 683,359	\$	801,111	\$	791,236	\$	786,776	\$	751,153
Contributions as a percentage of covered payroll	16.95%		12.72%		12.96%		12.33%		12.26%

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 THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST FIVE FISCAL YEARS*

	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	26,994,616	29,075,712	23,855,951	18,132,242	16,701,482
	<u>\$ 26,994,616</u>	<u>\$ 29,075,712</u>	<u>\$ 23,855,951</u>	<u>\$ 18,132,242</u>	<u>\$ 16,701,482</u>
School District's covered payroll	\$ 4,188,719	\$ 4,010,608	\$ 3,868,985	\$ 3,372,550	\$ 3,170,197
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	48.10%	22.33%	28.71%	33.64%	33.76%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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.

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**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST EMPLOYMENT BENEFITS
(GASB 75)**

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EXHIBIT M-1

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
 STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
 LAST FISCAL YEAR***

	<u>2018</u>
Total OPEB Liability Associated with the School District	
Service Cost	\$ 900,342
Interest Cost	557,652
Changes of Assumptions	(2,418,510)
Contributions: Member	14,933
Gross Benefit Payments	<u>(405,550)</u>
Net Change in Total OPEB Liability	(1,351,133)
Total Associated OPEB Liability (Beginning)	<u>18,860,322</u>
Total Associated OPEB Liability (Ending)	<u>\$ 17,509,189</u>
District's Covered Employee Payroll	\$ 4,872,078
Net Associated OPEB Liability as a Percentage of Payroll	359%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

*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.

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**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
YEAR ENDED JUNE 30, 2018**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.22% as of June 30, 2016, to 4.25% as of June 30, 2017.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.98% as of June 30, 2016, to 5.00% as of June 30, 2017.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 2.85% as of June 30, 2016, to 3.58% as of June 30, 2017.

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OTHER SUPPLEMENTARY INFORMATION

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E. Special Revenue Fund

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CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	TITLE I	TITLE II PART A	TITLE IV PART A	I.D.E.A. PART B		INSURANCE SAFETY GRANT
				REGULAR	PRESCHOOL	
Revenues:						
Federal Sources	\$ 13,802	\$ 6,769	\$ 7,622	\$ 130,205	\$ 5,201	\$ -
State Sources	-	-	-	-	-	-
Local Sources	-	-	-	-	-	4,568
Total Revenues	\$ 13,802	\$ 6,769	\$ 7,622	\$ 130,205	\$ 5,201	\$ 4,568
Expenditures:						
Instruction:						
Tuition	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ -
General Supplies	6,710	-	3,563	5,418	5,201	-
Total Instruction	6,710	-	3,563	80,418	5,201	-
Support Services:						
Purchased Professional - Technical Services General Supplies	7,092	6,769	4,059	49,787	-	-
Total Support Services	7,092	6,769	4,059	49,787	-	4,568
Total Expenditures	\$ 13,802	\$ 6,769	\$ 7,622	\$ 130,205	\$ 5,201	\$ 4,568

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	NJ NON-PUBLIC AUXILIARY SERVICES		NJ NON-PUBLIC HANDICAP SERVICES				NON-PUBLIC		NON-PUBLIC		TOTAL
	CH. 192	CH. 193	ENGLISH AS A SECOND LANGUAGE	SUPPLEMENTAL INSTRUCTION	EXAMINATION & CLASSIFICATION	CORRECTIVE SPEECH	TEXTBOOK AID	NURSING AID	TECHNOLOGY AID		
Revenues:											
Federal Sources											
State Sources	\$ 17,539	\$ 317	\$ 1,269	\$ 1,638	\$ 1,696	\$ 1,655	\$ 3,104	\$ -	\$ -	\$ 163,599	
Local Sources										28,192	
Total Revenues	\$ 17,539	\$ 317	\$ 1,269	\$ 1,638	\$ 1,696	\$ 1,655	\$ 3,104	\$ 974	\$ -	\$ 4,568	
Expenditures:											
Instruction:											
Purchased Professional - Educational Services	\$ 17,539	\$ 317	\$ 1,269	\$ 1,638	\$ 1,696	\$ -	\$ -	\$ -	\$ -	\$ 22,459	
Tuition	-	-	-	-	-	-	-	-	-	75,000	
General Supplies	-	-	-	-	-	-	-	-	-	20,892	
Textbooks	-	-	-	-	-	1,655	-	-	-	1,655	
Total Instruction	\$ 17,539	\$ 317	\$ 1,269	\$ 1,638	\$ 1,696	\$ 1,655	\$ -	\$ -	\$ -	\$ 120,006	
Support Services:											
Purchased Professional - Technical Services	-	-	-	-	-	-	3,104	-	-	70,811	
General Supplies	-	-	-	-	-	-	-	974	-	5,542	
Total Support Services	-	-	-	-	-	-	3,104	974	-	76,353	
Total Expenditures	\$ 17,539	\$ 317	\$ 1,269	\$ 1,638	\$ 1,696	\$ 1,655	\$ 3,104	\$ 974	\$ 974	\$ 196,359	

F. Capital Projects Fund

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**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>PROJECT TITLE/ISSUE</u>	<u>ORIGINAL DATE</u>	<u>ORIGINAL APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>TRANSFER TO DEBT SERVICE FUND</u>	<u>UNEXPENDED BALANCE JUNE 30, 2018</u>
			<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>		
Construction of New Elementary School \$37,685,000 Bonds Issued Dated 2/28/08	12/11/2007	\$ 37,985,000	\$ 34,565,697	\$ -	\$ (3,412,000)	\$ 7,303
Total		\$ 37,985,000	\$ 34,565,697	\$ -	\$ (3,412,000)	\$ 7,303

**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, 2018**

REVENUES AND OTHER FINANCING SOURCES:

Interest Earned	\$ 10
Total Revenues and Other Financing Sources	10

EXPENDITURES AND OTHER FINANCING USES:

Transfer to Debt Service Fund	10
Total Expenditures and Other Financing Uses	10
Net Change in Fund Balance	-
Fund Balance - Beginning	7,303
Fund Balance - Ending	\$ 7,303

**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, 2018**

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
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	\$ 300,000
Total Revenues	37,985,000	-	37,985,000	37,985,000
Expenditures & Other Financing Uses:				
Legal/Accounting Services	193,707		193,707	193,707
Purchased Professional & Technical Services	3,124,930		3,124,930	3,124,930
Land & Improvements	1		1	1
Construction Services	27,649,657		27,649,657	27,656,960
Other Objects	2,332,108		2,332,108	2,332,108
Fire Expense (net)	715,806		715,806	715,806
Other Objects	549,488		549,488	549,488
Total Expenditures	34,565,697	-	34,565,697	34,573,000
Other Financing Sources/ (Uses):				
Transfer to Debt Service Fund	(3,412,000)	-	(3,412,000)	(3,412,000)
Total Other Financing Sources/ (Uses)	(3,412,000)	-	(3,412,000)	(3,412,000)
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 7,303	\$ -	\$ 7,303	\$ -

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	\$ 37,985,000
Additional Authorized Cost	\$ (3,412,000)
Revised Authorized Cost	\$ 34,573,000

Percentage Increase Over Original Authorized Cost	-8.98%
Percentage Completion	100.00%
Original Target Completion Date	9/1/2010
Revised Target Completion Date	12/17/2010

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G. Proprietary Funds

See Exhibit B-4, B-5 and B-6

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H. Fiduciary Fund

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CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018

ASSETS	PRIVATE		AGENCY FUNDS		TOTAL
	UNEMPLOYMENT COMPENSATION TRUST	PURPOSE TRUST	STUDENT ACTIVITY	PAYROLL	
Assets:					
Cash & Cash Equivalents	\$ 10,543	\$ 34,358	\$ 234,917	\$ 279,818	
Total Assets	10,543	34,358	234,917	279,818	
LIABILITIES					
Liabilities:					
Payroll Deductions & Withholdings	-	-	234,917	234,917	
Accounts Payable	9,320	-	-	9,320	
Due to Student Groups	-	34,358	-	34,358	
Total Liabilities	9,320	34,358	234,917	278,595	
NET POSITION					
Held in Trust for:					
Unemployment Claims	1,223	-	-	1,223	
Total Net Position	\$ 1,223	\$ -	\$ -	\$ 1,223	

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2018**

	<u>PRIVATE PURPOSE TRUST UNEMPLOYMENT COMPENSATION TRUST</u>
Additions:	
Local Sources:	
Payroll Deductions	\$ 31,133
Total Operating Revenues	<u>31,133</u>
Total Additions	<u>31,133</u>
Deductions:	
Unemployment Claims	<u>51,363</u>
Change in Net Position	(20,230)
Net Position, July 1	<u>21,453</u>
Net Position, June 30	<u><u>\$ 1,223</u></u>

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I. Long-Term Debt

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
FIDICIARY FUNDS
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	BALANCE JULY 1, <u>2017</u>	CASH <u>RECEIPTS</u>	CASH <u>DISBURSEMENTS</u>	BALANCE JUNE 30, <u>2018</u>
Chesterfield Township Elementary School	\$ 32,150	\$ 68,843	\$ 66,635	\$ 34,358
Total Student Activity	<u>\$ 32,150</u>	<u>\$ 68,843</u>	<u>\$ 66,635</u>	<u>\$ 34,358</u>

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
FIDICIARY FUNDS
SCHEDULE OF CHANGES IN PAYROLL AGENCY ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

ASSETS	BALANCE JULY 1, <u>2017</u>	<u>ADDITIONS</u>	<u>DISBURSEMENTS</u>	BALANCE JUNE 30, <u>2018</u>
Cash & Cash Equivalents	\$ 248,312	\$ 6,330,426	\$ 6,343,821	\$ 234,917
Total Assets	<u>\$ 248,312</u>	<u>\$ 6,330,426</u>	<u>\$ 6,343,821</u>	<u>\$ 234,917</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$ 248,312	\$ 6,330,426	\$ 6,343,821	\$ 234,917
Total Liabilities	<u>\$ 248,312</u>	<u>\$ 6,330,426</u>	<u>\$ 6,343,821</u>	<u>\$ 234,917</u>

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**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL PAYMENTS		INTEREST RATE	AMOUNT OUTSTANDING JUNE 30, 2017	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2018
			DATE	AMOUNT				
New Elementary School	8/26/2010	\$ 37,685,000				\$ 960,000	\$ 960,000	\$ -
2015 Refunding Bonds	9/16/2015	9,920,000	2/1/2019	1,085,000	3.000%	9,785,000	75,000	9,710,000
			2/1/2020	1,115,000	3.000%			
			2/1/2021	1,155,000	3.000%			
			2/1/2022	790,000	3.000%			
			2/1/2022	400,000	4.000%			
			2/1/2023	1,230,000	3.000%			
			2/1/2024	1,270,000	3.000%			
			2/1/2025	1,310,000	3.000%			
			2/1/2026	1,355,000	4.000%			
			2016 Refunding Bonds	2/15/2016	24,510,000			
2/1/2020	105,000	2.000%						
2/1/2021	110,000	2.000%						
2/1/2022	110,000	2.000%						
2/1/2023	115,000	2.125%						
2/1/2024	115,000	2.125%						
2/1/2025	120,000	2.250%						
2/1/2026	120,000	2.500%						
2/1/2027	1,575,000	5.000%						
2/1/2028	1,655,000	5.000%						
2/1/2029	1,745,000	3.000%						
2/1/2030	1,795,000	3.000%						
2/1/2031	1,855,000	3.000%						
2/1/2032	1,910,000	3.000%						
2/1/2033	1,975,000	3.000%						
2/1/2034	2,040,000	3.000%						
2/1/2035	2,100,000	3.125%						
2/1/2036	2,170,000	3.125%						
2/1/2037	2,245,000	3.250%						
2/1/2038	2,320,000	3.250%						
Total						\$ 35,135,000	\$ 1,140,000	\$ 33,995,000

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO <u>ACTUAL</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 1,942,729	\$ -	\$ 1,942,729	\$ 1,942,729	\$ -
State Sources:					
Debt Service Aid Type II	319,983	-	319,983	319,983	-
Total Revenues	2,262,712	-	2,262,712	2,262,712	-
Expenditures:					
Regular Debt Service:					
Redemption of Principal	1,140,000		1,140,000	1,140,000	-
Interest	1,158,113		1,158,113	1,158,112	1
Total Regular Debt Service	2,298,113	-	2,298,113	2,298,112	1
Excess/(Deficiency) of Revenues Over (Under) Expenditures	(35,401)	-	(35,401)	(35,400)	(1)
Other Financing Sources/(Uses):					
Transfers In:					
Capital Projects Fund - Interest	-	-	-	10	(10)
Total Other Financing Sources/(Uses)	-	-	-	10	(10)
Excess/(Deficiency) of Revenues Over (Under) Expenditures and Other Sources and Uses	(35,401)	-	(35,401)	(35,390)	(11)
Fund Balance, July 1,	36,102		36,102	36,102	-
Fund Balance, June 30	\$ 701	\$ -	\$ 701	\$ 712	\$ (11)

STATISTICAL SECTION (Unaudited)

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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 financial performance.

The Exhibits are presented for the last ten fiscal years.

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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities:										
Net Investment in Capital Assets	\$ (526,240)	\$ (865,666)	\$ (6,625,571)	\$ (4,296,331)	\$ (4,302,083)	\$ (3,693,237)	\$ (3,044,034)	\$ (2,814,350)	\$ 2,160,907	\$ (30,819,547)
Restricted	758,310	185,600	(102,642)	49,405	40,587	139,875	230,202	227,760	14,839,120	33,513,318
Unrestricted	(6,462,543)	(6,431,074)	(883,327)	(2,789,647)	(278,645)	593,387	651,067	1,306,504	(15,170,967)	(595,406)
Total Governmental Activities	\$ (6,230,473)	\$ (7,111,140)	\$ (7,611,540)	\$ (7,036,573)	\$ (4,540,141)	\$ (2,959,975)	\$ (2,162,765)	\$ (1,280,086)	\$ 1,829,060	\$ 2,098,365
Business-Type Activities:										
Net Investment in Capital Assets	\$ 60,399	\$ 70,902	\$ 73,022	\$ 81,730	\$ 90,438	\$ 99,146	\$ 107,854	\$ 114,188	\$ -	\$ -
Unrestricted	54,467	55,070	55,669	69,614	69,556	60,250	48,786	29,682	53,275	59,536
Total Business-Type Activities	\$ 114,866	\$ 125,972	\$ 128,691	\$ 151,344	\$ 159,994	\$ 159,396	\$ 156,640	\$ 143,870	\$ 53,275	\$ 59,536
Government-Wide:										
Net Investment in Capital Assets	\$ (465,841)	\$ (794,764)	\$ (6,552,549)	\$ (4,214,601)	\$ (4,211,645)	\$ (3,594,091)	\$ (2,936,180)	\$ (2,700,162)	\$ 2,160,907	\$ (30,819,547)
Restricted	758,310	185,600	(102,642)	49,405	40,587	139,875	230,202	227,760	14,839,120	33,513,318
Unrestricted	(6,408,076)	(6,376,004)	(827,658)	(2,720,033)	(209,089)	653,637	699,853	1,336,180	(15,117,692)	(535,870)
Total Net Position	\$ (6,115,607)	\$ (6,985,168)	\$ (7,482,849)	\$ (6,885,229)	\$ (4,380,147)	\$ (2,800,579)	\$ (2,006,125)	\$ (1,136,222)	\$ 1,882,335	\$ 2,157,901

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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses:										
Governmental Activities										
Instruction:										
Regular Instruction	\$ 3,170,802	\$ 3,169,018	\$ 2,900,473	\$ 3,694,988	\$ 3,460,393	\$ 3,333,123	\$ 3,116,593	\$ 2,754,097	\$ 2,714,457	\$ 2,411,829
Special Education	735,799	753,928	787,995	769,470	725,318	586,367	489,239	481,159	385,893	371,341
Other Instruction	199,922	155,882	160,083	195,751	137,645	169,047	202,022	193,267	188,746	135,972
Support Services:										
Tuition	282,909	269,716	141,810	114,912	90,794	65,914	8,320	31,065	120,524	46,377
Student & Instruction Related Services	1,633,039	1,472,248	1,445,538	1,909,225	1,620,138	1,608,477	1,469,615	1,433,311	1,206,307	1,174,553
Educational Media Services/School Library			81,313	279,639	281,538	250,252	256,895	269,388	254,595	240,278
General Administrative Services	308,341	278,678	198,485	1,042,551	1,039,886	979,579	945,928	770,171	61,130	644,845
School Administrative Services	246,782	226,140	265,146	89,461	87,413	81,790	79,514	64,098	641,621	41,164
Central Services	238,821	203,094	210,542	342,058	346,905	313,597	273,059	299,783	423,474	415,871
Administrative Technology	84,471	85,228	96,128	-	-	-	-	-	-	-
Plant Operations & Maintenance	838,026	780,094	796,170	1,596,536	643,799	720,841	539,234	421,174	389,796	343,026
Pupil Transportation	282,498	322,851	310,909	-	-	-	-	-	-	7,131
Employee Benefits	3,023,453	1,987,462	4,564,937	-	-	-	12,997	-	-	-
On Behalf TPAF Pension and Social Security Contributions										
Interest on Long-Term Debt	2,193,067	1,139,311								
Unallocated Depreciation	1,192,296	1,234,885								
Increase/(Decrease) In Compensated Absences	746,783	1,439,503								
Total Governmental Activities Expenses	15,177,009	13,518,038	14,289,047	12,533,215	10,930,573	10,618,069	9,907,449	9,634,014	8,505,792	7,825,044
Business-Type Activities:										
Food Service	191,991	204,169	228,862	203,894	191,139	178,143	163,396	182,867	148,196	137,406
Total Business-Type Activities Expense	191,991	204,169	228,862	203,894	191,139	178,143	163,396	182,867	148,196	137,406
Total District	\$ 15,369,000	\$ 13,722,207	\$ 14,517,909	\$ 12,737,109	\$ 11,121,712	\$ 10,796,212	\$ 10,070,845	\$ 9,816,881	\$ 8,653,988	\$ 7,962,450

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
FISCAL YEAR ENDING JUNE 30.										
Revenues:										
Operating Grants & Contributions	\$ 3,604,846	\$ 1,321,905	\$ 2,911,947	\$ 576,213	\$ 604,529	\$ 819,239	\$ 910,942	\$ 981,763	\$ 1,087,745	\$ 1,301,375
Total Governmental Activities	3,604,846	1,321,905	2,911,947	576,213	604,529	819,239	910,942	981,763	1,087,745	1,301,375
Program Revenues										
Business-Type Activities:										
Charges for Services:										
Food Service	147,777	154,521	152,369	83,260	92,822	107,798	114,747	116,249	136,636	142,587
Operating Grants:										
Food Service	33,108	38,309	40,261	19,231	26,884	27,578	31,242	30,071	37,135	38,258
Total Business Type Activities	180,885	192,830	192,630	102,491	119,706	135,376	145,989	146,320	173,771	180,845
Program Revenues										
Total District Program Revenues	\$ 3,785,731	\$ 1,514,735	\$ 3,104,577	\$ 2,353,949	\$ 1,393,698	\$ 1,482,220	\$ 1,261,516	\$ 1,128,083	\$ 1,056,931	\$ 954,615
Net/(Expense)/Revenue:										
Governmental Activities	\$ (11,572,163)	\$ (12,196,133)	\$ (11,377,100)	\$ (10,374,510)	\$ (9,728,890)	\$ (9,316,694)	\$ (8,819,704)	\$ (8,652,251)	\$ (7,594,850)	\$ (7,005,805)
Business-Type Activities	(11,106)	(11,339)	(36,232)	(8,650)	589	2,702	10,375	(36,547)	(2,207)	(2,030)
Total District-Wide Net Expense	\$ (11,583,269)	\$ (12,207,472)	\$ (11,413,332)	\$ (10,383,160)	\$ (9,728,301)	\$ (9,313,992)	\$ (8,809,329)	\$ (8,688,798)	\$ (7,597,057)	\$ (7,007,835)

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
FISCAL YEAR ENDING JUNE 30,										
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property taxes levied for general purposes, net	\$ 9,221,448	\$ 9,040,635	\$ 9,828,810	\$ 7,905,426	\$ 7,105,255	\$ 6,764,011	\$ 5,243,789	\$ 6,298,785	\$ 5,410,410	\$ 5,289,387
Taxes levied for debt service	1,942,729	1,644,682	-	1,266,528	1,295,229	1,335,580	2,564,573	1,027,479	1,293,188	504,293
Federal and State Aid	1,144,207	798,846	811,027	424,262	371,325	317,880	217,298	106,575	272,181	340,275
Tuition received	46,675	40,875	43,595	46,059	42,157	43,950	37,450	36,153	-	-
Investment earnings	-	-	-	1,169	1,448	3,186	2,600	75,383	343,164	722,557
Miscellaneous	97,771	72,344	85,419	66,686	54,290	54,877	56,237	408,218	6,602	13,552
Capital asset adjustment	-	-	-	-	-	-	(214,172)	(100,081)	-	88,991
Extraordinary Item - Fire loss impairment, net	-	-	-	-	-	-	-	(807,238)	-	-
Extraordinary Item - Fire insurance recovery	-	-	-	300,000	5,000	-	-	-	-	-
Special item - Value of donated property	-	-	-	-	-	-	-	-	-	-
Special item - Route 528 school impaired	-	-	-	-	-	-	-	(1,375,294)	-	-
Special Item - Gain on Sale of Property	-	-	-	-	300,000	-	-	-	-	-
Special Item - Adjustment to Capital Assets	-	1,099,151	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	(126,875)	-	-
Total Governmental Activities	12,452,830	12,696,533	10,768,851	10,010,130	9,174,704	8,519,484	7,937,025	5,543,105	7,325,545	6,959,055
Business-type Activities										
Investment earnings	-	-	-	-	9	54	21	167	146	176
Miscellaneous income	-	-	13,579	-	-	-	-	100	-	-
Other	-	-	-	-	-	-	2,374	-	(4,200)	14,193
Transfers	-	-	-	-	-	-	-	126,875	-	-
Special Item - Adjustment to Capital Assets	-	8,620	-	-	-	-	-	-	-	-
Total business-type activities	-	8,620	13,579	-	9	54	2,395	127,142	(4,054)	14,369
Total District-Wide	12,452,830	12,705,153	10,782,430	10,010,130	9,174,713	8,519,538	7,939,420	5,670,247	7,321,491	6,973,424
Change in Net Position:										
Governmental Activities	880,667	500,400	(608,249)	(364,380)	(554,186)	(797,210)	(882,679)	(3,109,146)	(269,305)	(46,750)
Business-Type Activities	(11,106)	(2,719)	(22,653)	(8,650)	598	2,756	12,770	90,595	(6,261)	12,339
Total District	\$ 869,561	\$ 497,681	\$ (630,902)	\$ (373,030)	\$ (553,588)	\$ (794,454)	\$ (869,909)	\$ (3,018,551)	\$ (275,566)	\$ (34,411)

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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310,997	\$ 290,108
Unreserved	-	-	-	-	-	-	-	-	219,830	612,115
Restricted	750,295	142,195	38,033	37,941	37,916	132,559	224,238	202,550	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	40,097	-	4,135	89,962	159,325	334,971	238,544	335,701	-	-
Unassigned	211,407	250,848	65,959	210,433	195,780	241,999	253,828	243,972	-	-
Total General Fund	\$ 1,001,799	\$ 393,043	\$ 108,127	\$ 338,336	\$ 393,021	\$ 709,529	\$ 716,610	\$ 782,223	\$ 530,827	\$ 902,223
All Other Governmental Funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,677,132	\$ 24,534,768
Restricted, reported in:										
Capital projects fund	7,303	7,303	7,303	-	-	-	-	-	-	-
Debt Service fund	712	36,102	36,546	-	-	-	-	-	-	-
Committee, 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
Debt Service fund	-	-	-	-	-	-	-	-	14,568	135,928
Assigned	-	-	-	-	-	-	-	-	-	-
Capital Projects fund	-	-	-	-	-	-	-	3,210,747	-	-
Total All Other Governmental Funds	\$ 8,015	\$ 43,405	\$ 343,849	\$ 718,767	\$ 890,002	\$ 1,561,476	\$ 2,145,022	\$ 3,235,957	\$ 14,529,082	\$ 32,823,718

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
	FISCAL YEAR ENDING JUNE 30,									
Revenues:										
Tax Levy	\$ 11,164,177	\$ 10,685,317	\$ 9,828,810	\$ 9,171,954	\$ 8,400,484	\$ 8,099,591	\$ 7,808,362	\$ 7,326,264	\$ 6,703,598	\$ 5,793,680
Interest Earnings	-	-	-	1,169	42,157	43,950	37,450	36,153	-	-
Tuition	46,675	40,875	43,595	46,059	1,448	3,186	2,600	75,383	343,164	722,557
Miscellaneous	102,339	75,654	85,419	366,686	54,290	56,861	56,237	408,218	6,602	13,552
State Sources	2,435,238	1,964,461	1,799,527	1,640,787	1,386,171	1,403,428	1,104,042	863,226	1,051,880	994,310
Federal Sources	163,599	152,980	170,903	170,554	187,124	215,827	201,001	225,112	131,243	165,204
Total Revenue	13,912,028	12,919,287	11,928,254	11,397,209	10,071,674	9,822,843	9,209,692	8,934,356	8,236,487	7,689,303
Expenditures:										
Instruction:										
Regular Instruction	3,170,802	3,155,131	2,900,473	2,884,424	2,698,563	2,571,024	2,439,152	2,203,448	2,190,083	1,979,548
Special Education Instruction	735,799	746,565	936,387	593,118	547,209	453,890	372,689	373,572	303,656	298,986
Other Instruction	199,922	155,882	11,691	149,229	116,490	117,166	154,525	142,826	148,479	109,957
Support Services										
Tuition	282,909	269,716	141,810	114,912	90,794	65,914	8,320	31,065	120,524	46,377
Attendance & Social Work Services	-	-	26,688	-	-	-	-	-	-	-
Health Services	-	-	123,867	-	-	-	-	-	-	-
Student and Instructional Related services	-	-	-	-	-	-	-	-	-	-
Educational Media Services/School Library	1,633,039	1,459,265	1,294,983	1,391,610	1,152,187	1,036,781	935,072	930,354	842,167	829,266
General Administration	308,341	277,709	198,485	192,349	183,271	180,790	173,107	181,464	168,155	161,417
School Administrative Services	246,782	229,779	265,146	264,838	235,000	233,685	226,337	226,659	212,278	161,149
Central services	238,821	203,094	210,542	214,709	216,894	184,340	211,947	206,891	199,713	199,391
Administrative Information Technology	84,471	85,228	96,128	89,461	87,413	81,790	79,514	64,098	61,130	41,164
Plant Operations and Maintenance	838,026	785,993	796,170	893,941	888,888	828,386	832,319	655,852	565,627	583,117
Pupil Transportation	282,498	328,234	310,909	319,374	318,472	279,568	251,353	279,374	400,651	393,158
Employee benefits	3,019,091	2,889,405	2,738,828	2,431,512	2,225,897	2,138,896	1,923,405	1,601,477	1,425,091	1,165,201
Special Schools	-	-	-	-	-	-	-	-	-	7,131
Education Jobs	-	-	-	-	-	-	12,997	-	-	-
Capital Outlay - Fire Restoration	-	-	-	-	-	-	318,114	1,601,399	-	-
Capital outlay	-	3,935	89,028	30,077	46,878	35,125	389,323	10,213,362	18,195,286	3,693,714
Debt service:										
Principal	1,140,000	1,161,807	935,000	750,000	625,000	587,000	465,000	365,000	360,000	80,000
Interest and other charges	1,158,161	1,183,072	1,474,622	1,603,575	1,631,700	1,656,310	1,677,008	1,693,405	1,709,679	1,586,581
Total Expenditures	13,338,662	12,934,815	12,632,070	11,923,129	11,064,656	10,450,665	10,470,182	20,770,246	26,902,519	11,336,157
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	573,366	(15,528)	(703,816)	(525,920)	(992,982)	(627,822)	(1,260,490)	(11,835,890)	(18,666,032)	(3,646,854)
Other Financing Sources/(Uses):										
Bond proceeds	-	-	34,976,406	-	-	-	-	-	-	-
Deposit to Refunding Escrow	-	-	(34,627,649)	-	-	-	-	-	-	-
Capital leases (non-budgeted)	-	-	65,407	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-	-	-	-
Costs of issuing bonds	-	-	(348,757)	-	-	-	-	-	-	-

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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues:										
Prior year accounts payable cancelled			-	-	-	39,179	-	-	-	-
Prior year accounts receivable cancelled			-	-	-	(1,984)	-	-	-	-
Transfers in	10	300,701	400,648	751,145	626,319	-	-	344,714	331,567	702,277
Transfers out	(10)	(300,701)	(400,648)	(751,145)	(626,319)	-	-	(344,714)	(331,567)	(702,277)
Total Other Financing Sources/(Uses)	-	-	65,407	-	-	37,195	-	-	-	-
Extraordinary Item - Fire restoration costs			-	300,000	5,000	-	103,942	794,161	-	-
Net Change in Fund Balances	\$ 573,366	\$ (15,528)	\$ (638,409)	\$ (225,920)	\$ (987,982)	\$ (590,627)	\$ (1,156,548)	\$ (11,041,729)	\$ (18,666,032)	\$ (3,646,854)
Debt Service as a Percentage of Noncapital Expenditures	17.2%	18.1%	19.2%	19.8%	20.5%	21.5%	21.2%	19.5%	23.8%	21.8%

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					
2018	\$ 46,675	\$ -	\$ 25,921	\$ -	\$ -	\$ -	\$ 25,099	\$ -	\$ 46,741	\$ 144,436
2017	40,875	-	33,290	-	-	-	34,421	-	3,932	112,518
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

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.

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

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Add: Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total District School Tax Rate	Total Regional School Tax Rate
	2017	\$ 12,389,700	\$ 666,872,100	\$ 60,505,200	\$ 6,257,800	\$ 20,503,900	\$ 289,700	\$ 311,900	\$ 767,130,300	\$ 1,196,918	\$ 768,327,218	\$ 747,461,210	1.453
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	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	1.345	0.593
2014	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	1.267	0.602
2013	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	1.156	0.575
2012	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	1.124	0.597
2011	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	1.094	0.544
2010	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	0.931	0.501
2009	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	0.883	0.461
2008	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	0.803	0.446

Source: Municipal Tax Assessor

Note: Property values were reassessed effective for 2007.

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

Year Ended December 31,	Chesterfield School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct School Tax Rate	Chesterfield Township	Burlington County	Northern Burlington Regional School Tax	
2017	1.200	0.253	1.453	0.309	0.414	0.636	2.812
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

Source: Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added

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

Taxpayer	2018				2009			
	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	0.55%	\$ 4,279,200	6	0.56%		
Historical Old York Country Club	3,000,000	2	0.39%	8,238,900	4	1.09%		
Mekwin, LLC	1,921,700	3	0.25%					
Taxpayer 1	1,420,300	4	0.18%	27,949,500	1	3.68%		
Taxpayer 2	1,190,400	5	0.15%	13,518,100	2	1.78%		
Taxpayer 3	1,107,400	6	0.14%	12,357,700	3	1.63%		
Taxpayer 4	999,000	7	0.13%	6,633,000	5	0.87%		
Taxpayer 5	990,400	8	0.13%	3,328,800	7	0.44%		
Crosbie Enterprises	982,100	9	0.13%					
Transcontinental Gas Pipeline Corp.	936,500	10	0.12%					
Public Service Electric & Gas Company				2,743,000	9	0.36%		
Taxpayer 6				2,832,000	8	0.37%		
Taxpayer 7				2,480,000	10	0.33%		
Total	\$ 16,749,900		2.18%	\$ 84,360,200		11.12%		
Total Municipal Assessment	\$ 768,327,218			\$ 758,872,285				

Source: Municipal Tax Assessor

**Chesterfield Township School District
Property Tax Levies and Collections
Last Ten 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	
2017	\$ 22,703,534	\$ 22,451,951	98.89%	unavailable
2016	21,419,997	21,109,685	98.55%	unavailable
2015	19,912,446	19,568,519	98.27%	309,651
2014	18,332,062	18,019,405	98.29%	343,927
2013	17,096,481	16,617,881	97.20%	312,657
2012	18,144,304	17,708,206	97.60%	478,600
2011	15,636,762	15,331,418	98.05%	436,098
2010	15,297,862	14,963,940	97.82%	305,344
2009	14,247,769	13,845,963	97.18%	333,922
2008	13,091,448	12,656,448	96.68%	401,806

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 historical view of the School District's outstanding debt and its debt capacity.

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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	
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Income (a)		Per Capita (b)	
2018	\$ 33,995,000	\$ -	\$ -	\$ -	\$ 33,995,000	unavailable	unavailable	
2017	35,135,000	-	-	-	35,135,000	unavailable	unavailable	
2016	36,245,000	51,807	-	-	36,296,807	unavailable	\$ 4,846.04	
2015	34,885,000	-	-	-	34,885,000	8.34%	4,607.11	
2014	35,635,000	-	-	-	35,635,000	8.60%	4,624.32	
2013	36,260,000	-	-	-	36,260,000	9.00%	4,662.47	
2012	36,847,000	-	-	-	36,847,000	9.34%	4,801.54	
2011	37,312,000	-	-	-	37,312,000	9.56%	4,776.24	
2010	37,677,000	-	-	-	37,677,000	10.09%	4,850.28	
2009	38,037,000	-	-	-	38,037,000	10.48%	4,991.73	

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	
	Obligation	Deductions	Debt Outstanding	Property	Per Capita ^b
2018	\$ 33,995,000	\$ -	\$ 33,995,000	unavailable	unavailable
2017	35,135,000	-	35,135,000	unavailable	unavailable
2016	36,245,000	-	36,245,000	4.86%	\$ 4,839.12
2016	34,885,000	-	34,885,000	4.67%	4,607.11
2014	35,635,000	-	35,635,000	4.88%	4,624.32
2013	36,260,000	-	36,260,000	5.01%	4,662.47
2012	36,847,000	-	36,847,000	5.08%	4,801.54
2011	37,312,000	-	37,312,000	5.18%	4,776.24
2010	37,677,000	-	37,677,000	5.29%	4,850.28
2009	38,037,000	-	38,037,000	4.84%	4,991.73

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

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2018**

<u>Governmental Unit</u>	Net Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes:			
Chesterfield Township Net Debt - December 31, 2017:	25,053,886	100.00%	\$ 25,053,886
Burlington County Net Debt at December 31, 2017 (a)	314,942,084	1.780%	<u>5,605,861</u>
Subtotal, Overlapping Debt			\$ 30,659,747
Chesterfield Township School District Direct Debt			<u>33,995,000</u>
Total Direct and Overlapping Debt			<u>\$ 64,654,747</u>

Sources: 2017 Annual Debt Statements

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

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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt Limit	\$ 18,969,735	\$ 18,368,636	\$ 24,942,738	\$ 17,875,745	\$ 18,146,265	\$ 17,989,557	\$ 17,781,208	\$ 17,517,608	\$ 16,591,365	\$ 14,697,365
Total Net Debt Applicable to Limit	33,995,000	35,135,000	36,245,000	34,885,000	35,635,000	36,260,000	36,847,000	37,312,000	37,677,000	38,037,000
Legal Debt Margin	\$ (15,025,265)	\$ (16,766,364)	\$ (11,302,262)	\$ (17,009,255)	\$ (17,488,735)	\$ (18,270,443)	\$ (19,065,792)	\$ (19,794,392)	\$ (21,085,635)	\$ (23,339,635)
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	179.21%	191.28%	145.31%	195.15%	196.38%	201.56%	207.22%	213.00%	227.09%	258.80%

Legal Debt Margin Calculation for Fiscal Year 2017

Equalized Valuation Basis	
2017	\$ 792,653,751
2016	758,339,295
2015	725,375,169
	<u>\$ 2,276,368,215</u>
Average Equalized Valuation of Taxable Property	<u>\$ 758,789,405</u>
Debt Limit (2.5% of Average Equalization Value)	18,969,735
Net Bonded School Debt	<u>33,995,000</u>
Legal Debt Margin	<u>\$ (15,025,265)</u>

Source: 2016 Annual Debt Statement
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 6 district; other % limits would be applicable for other districts.

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within the School District operates and (2) to provide information that facilitates comparisons of financial statement 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 operates.

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

<u>FISCAL YEAR</u>	<u>POPULATION (a)</u>	<u>PERSONAL INCOME (b)</u>	<u>PER CAPITA PERSONAL INCOME (c)</u>	<u>UNEMPLOYMENT RATE (d)</u>
2018	7,587	unavailable	unavailable	4.4%
2017	unavailable	unavailable	unavailable	unavailable
2016	7,490	unavailable	unavailable	4.6%
2015	7,572	418,178,844	55,227	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%

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.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2018		Percentage of Total Municipal Employment
	Employees	Rank [Optional]	
Garden State Youth Correctional Cntr.	529		18.7%
Albert C. Wagner Youth Correctional Facility	505		17.9%
Chesterfield Twp. School District	109		3.9%
James Durr Wholesale Florist	85		3.0%
Olde York Country Club & Restaurant Services	75		2.7%
Chesterfield Twp. Municipal Government	30		1.1%
Rappleyea Nursery & Central Jersey Landscaping	30		1.1%
Chesterfield Inn	25		0.9%
Townsend Machine Inc.	25		0.9%
Fernbrook Nursery	17		0.6%
Meadow View Junior Academy	6		0.2%
	1,436		50.8%
Total Municipal Employment			^a 2,827

2009

Information Not Available

Source: District Personnel

^a 2018 NJ Annual Average Labor Force Estimates by Municipality

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement 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.

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

<u>Function/Program</u>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Instruction										
Regular	32	33	34	36	39	41	43	43	44	45
Special education	5	6	6	7	11	11	11	11	11	12
Other Instruction	2	2	2	2	2	2	2	2	2	3
Support Services:										
Student & instruction related services	14	15	15	15	13	14	15	15	15	9
General administration	1	1	1	1	1	1	1	1	1	1
School administrative services	3	3	3	3	3	3	3	3	3	3
Central services	3	4	4	4	4	4	4	4	4	3
Administrative Information Technolog	-	-	-	-	-	-	-	-	-	-
Plant operations and maintenance	8	10	10	12	12	12	12	12	13	13
Pupil transportation	1	2	2	2	2	2	2	2	2	2
Food Service	-	-	-	-	-	-	-	-	-	-
Total	69	76	77	82	87	90	93	93	95	91

Source: District Personnel Records

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

<u>FISCAL YEAR</u>	<u>ENROLLMENT</u>	<u>OPERATING EXPENDITURES (a)</u>	<u>COST PER PUPIL</u>	<u>PERCENTAGE CHANGE</u>	<u>TEACHING STAFF (b)</u>	<u>TEACHER/PUPIL RATIO</u>	<u>AVERAGE DAILY ENROLLMENT (ADE)(c)</u>	<u>AVERAGE DAILY ATTENDANCE (ADA)(c)</u>	<u>% CHANGE IN AVERAGE DAILY ENROLLMENT</u>	<u>STUDENT ATTENDANCE PERCENTAGE</u>
2018	758	\$ 11,040,501	\$ 14,565	10.10%	60	13.5:1	768.8	738.0	0.58%	95.99%
2017	767	10,586,001	13,230	10.52%	56	13.5:1	764.4	736.7	4.97%	96.38%
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%

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**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
-	-	-	-	-	-	-	-	-	39,740	39,740
-	-	-	-	-	-	-	-	-	306	306
-	-	-	-	-	-	-	-	-	493	447
116,000	116,000	116,000	116,000	116,000	116,000	116,000	116,000	116,000	-	-
918	918	918	918	918	918	918	918	918	-	-
758	757	757	728	703	644	590	563	-	-	-

District Building (NOT IN SERVICE EFFECTIVE 1/1/11)

Elementary
 Chesterfield Elementary School (1964)
 Square Feet
 Capacity (students)
 Enrollment

District Building (NEW)
Elementary
 Chesterfield Elementary School (2011)
 Square Feet
 Capacity (students)
 Enrollment

Number of Schools at June 30, 2018

- 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**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
* School Facilities	\$ 104,571	\$ 87,274	\$ 106,594	\$ 127,068	\$ 123,929	\$ 133,492	\$ 114,593	\$ 50,837	\$ 47,752	\$ 48,318

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

Source: District records

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2018**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
Building and Contents (All Locations)	\$ 500,000,000	\$ 5,000
Equipment Breakdown/Boiler	100,000,000	1,000
General Liability & Auto Liability	16,000,000	-
School Board Legal Liability	20,000,000	-
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

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SINGLE AUDIT SECTION

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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

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 activities, the 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, 2018, and the related notes to the financial statements, which collectively comprise the Chesterfield Township School District’s basic financial statements, and have issued our report thereon dated February 13, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
February 13, 2019

EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY 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

Report on Compliance for Each Major State Program

We have audited the Chesterfield Township School District’s compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District’s major state programs for the fiscal year ended June 30, 2018. The 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 state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the 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; New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards 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 the 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 the School District's compliance.

Opinion on Each Major State Program

In our opinion, the 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, 2018.

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 the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with 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 the School District's internal control over compliance.

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

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 New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
February 13, 2019

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**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE OR CLUSTER	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2017	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	BALANCE, JUNE 30, 2018 (ACCOUNTS RECEIVABLE)	UNEARNED REVENUE
U.S. Department of Agriculture											
Passed Through New Jersey Department of Agriculture:											
Child Nutrition Cluster:											
National School Lunch Program	10.555	181NI304N1099	100-010-3350-026	16,233	7/1/17-6/30/18	-	14,970	(16,233)	-	(1,263)	-
National School Lunch Program	10.555	171NI304N1099	100-010-3350-026	23,584	7/1/16-6/30/17	(1,156)	1,156	-	-	-	-
Healthy Hunger-Free Kids Act	10.555	181NI304N1099	100-010-3350-026	2,034	7/1/17-6/30/18	-	1,872	(2,034)	-	(162)	-
Healthy Hunger-Free Kids Act	10.555	171NI304N1099	100-010-3350-026	2,400	7/1/16-6/30/17	(135)	135	-	-	-	-
Food Distribution Program (Noncash Assistance)	10.555	181NI304N1099	Unavailable	13,928	7/1/17-6/30/18	2,414	13,928	(10,722)	-	-	3,206
Food Distribution Program (Noncash Assistance)	10.555	171NI304N1099	Unavailable	15,244	7/1/16-6/30/17	1,123	32,061	(31,403)	-	(1,425)	3,206
Total Child Nutrition Cluster						1,123	32,061	(31,403)	-	(1,425)	3,206
Total U.S. Department of Agriculture											
U.S. Department of Education											
Passed Through New Jersey Department of Education:											
I.D.E.A. Part B (Special Education Cluster)											
Basic	84.027	H027A160100	100-034-5065-016	127,575	7/1/16-6/30/17	(29,350)	29,350	-	-	-	-
Basic	84.027	H027A170100	100-034-5065-016	132,514	7/1/17-6/30/18	-	108,477	(130,205)	-	(21,728)	-
Preschool	84.173	H173A160114	100-034-5065-020	5,949	7/1/16-6/30/17	(2,039)	2,039	-	-	(3,886)	-
Preschool	84.173	H173A170114	100-034-5065-020	5,974	7/1/17-6/30/18	(2,039)	1,315	(5,201)	-	(3,886)	-
Total Special Education Cluster						(31,389)	141,181	(135,406)	-	(25,614)	-
Title I - Part A	84.010	S010A160030	100-034-5064-194	13,126	7/1/16-6/30/17	(5,126)	5,126	-	-	-	-
Title I - Part A	84.010	S010A170030	100-034-5064-194	15,586	7/1/17-6/30/18	-	6,086	(13,802)	-	(7,716)	-
Title IV - Part A	84.424	S424A170030	100-034-5063-348	10,000	7/1/17-6/30/18	-	2,918	(7,622)	-	(4,704)	-
Title II - Part A, Supporting Effective Instruction	84.367	S367A160029	100-034-5063-290	3,985	7/1/16-6/30/17	(6,807)	6,807	-	-	-	-
Title II - Part A, Supporting Effective Instruction	84.367	S367A170029	100-034-5063-290	6,769	7/1/17-6/30/18	-	1,130	(6,769)	-	(5,639)	-
Total U.S. Department of Education						(43,322)	163,248	(163,599)	-	(43,673)	-
Total Expenditures of Federal Awards						\$ (42,199)	\$ 195,309	\$ (195,002)	\$ -	\$ (45,098)	\$ 3,206

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

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

STATE GRANTOR/PROGRAM TITLE OR CLUSTER	GRANT OR PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2017	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS BALANCES	BALANCE, JUNE 30, 2018	DUE TO GRANTOR	MEMO	
										BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
New Jersey Department of Education:											
General Fund:											
	495-034-5120-094	\$ 85,512	7/1/17-6/30/18	-	\$ 85,512	\$(85,512)	-	-	-	\$ 8,054	\$ 85,512
	495-034-5120-084	43,728	7/1/17-6/30/18	-	43,728	(43,728)	-	-	-	4,118	43,728
	495-034-5120-089	136,277	7/1/17-6/30/18	-	136,277	(136,277)	-	-	-	12,885	136,277
	495-034-5120-078	401,205	7/1/17-6/30/18	-	401,205	(401,205)	-	-	-	37,787	401,205
	495-034-5120-096	60,016	7/1/17-6/30/18	-	60,016	(60,016)	-	-	-	5,652	60,016
	495-034-5120-097	7,380	7/1/17-6/30/18	-	7,380	(7,380)	-	-	-	695	7,380
	495-034-5120-098	7,380	7/1/17-6/30/18	-	7,380	(7,380)	-	-	-	695	7,380
	495-034-5120-101	8,010	7/1/17-6/30/18	-	8,010	(8,010)	-	-	-	754	8,010
	Total State Aid Public			-	749,508	(749,508)	-	-	-	70,591	749,508
	495-034-5120-014	71,680	7/1/17-6/30/18	-	71,680	(71,680)	-	-	-	6,751	71,680
	495-034-5120-014	8,410	7/1/17-6/30/18	-	-	(8,410)	-	-	-	-	8,410
	495-034-5120-014	4,176	7/1/16-6/30/17	(4,176)	4,176	-	-	-	-	-	-
	495-034-5120-044	30,339	7/1/17-6/30/18	-	-	(30,339)	-	-	-	-	30,339
	495-034-5120-044	35,921	7/1/17-6/30/17	(35,921)	35,921	-	-	-	-	-	-
	495-034-5120-104	2,380	7/1/17-6/30/18	-	2,380	(2,380)	-	-	-	-	2,380
	100-034-5094-003	323,017	7/1/17-6/30/18	-	307,211	(323,017)	-	-	-	-	323,017
	100-034-5094-003	312,126	7/1/16-6/30/17	(15,353)	15,353	-	-	-	-	-	-
	495-034-5094-001	368,325	7/1/17-6/30/18	-	368,325	(368,325)	-	-	-	-	368,325
	495-034-5094-002	570,269	7/1/17-6/30/18	-	570,269	(570,269)	-	-	-	-	570,269
	495-034-5094-004	1,228	7/1/17-6/30/18	-	1,228	(1,228)	-	-	-	-	1,228
	Total General Fund			(55,450)	2,126,051	(2,125,156)	-	(54,555)	-	77,342	2,125,156
Special Revenue Fund:											
Non-Public Aid:											
	100-034-5120-064	1,902	7/1/16-6/30/17	823	-	-	(823)	-	-	-	-
	100-034-5120-064	1,753	7/1/17-6/30/18	-	1,753	(1,655)	-	-	98	-	1,655
	100-034-5120-070	3,104	7/1/17-6/30/18	-	3,104	(3,104)	-	-	-	-	3,104
	100-034-5120-373	858	7/1/16-6/30/17	858	-	-	(858)	-	-	-	-
	100-034-5120-373	1,184	7/1/17-6/30/18	-	1,184	(974)	-	-	210	-	974
	100-034-5120-509	2,650	7/1/16-6/30/17	2,650	-	-	(2,650)	-	-	-	-
	100-034-5120-509	3,900	7/1/17-6/30/18	-	3,900	-	-	-	3,900	-	-
	100-034-5120-066	3,924	7/1/16-6/30/17	2,355	-	-	(2,355)	-	-	-	-
	100-034-5120-066	3,172	7/1/17-6/30/18	-	3,172	(1,269)	-	-	1,903	-	1,269
	100-034-5120-066	3,242	7/1/16-6/30/17	2,520	-	-	(2,520)	-	-	-	-
	100-034-5120-066	3,640	7/1/17-6/30/18	-	3,640	(1,638)	-	-	2,002	-	1,638
	100-034-5120-066	2,678	7/1/17-6/30/18	-	2,678	(1,696)	-	-	982	-	1,696
	100-034-5120-067	28,666	7/1/16-6/30/17	11,108	-	-	(11,108)	-	-	-	-
	100-034-5120-067	23,032	7/1/17-6/30/18	-	23,032	(17,539)	-	-	5,493	-	17,539
	100-034-5120-067	1,827	7/1/16-6/30/17	1,188	-	-	(1,188)	-	-	-	-
	100-034-5120-067	1,807	7/1/17-6/30/18	-	1,807	(317)	-	-	1,490	-	317
	Total Special Revenue Fund			21,502	44,270	(38,192)	(21,502)	-	16,078	-	28,192
Debt Service Fund:											
	495-034-5120-075	319,983	7/1/17-6/30/18	-	319,983	(319,983)	-	-	-	-	319,983
	School Construction Debt Service Aid			-	319,983	(319,983)	-	-	-	-	319,983
	Total Debt Service Fund			-	319,983	(319,983)	-	-	-	-	319,983

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

STATE GRANTOR/PROGRAM TITLE OR CLUSTER	GRANT OR PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2017	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS BALANCES	BALANCE, JUNE 30, 2018		MEMO		
								ACCOUNTS RECEIVABLE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
<u>New Jersey Department of Agriculture:</u>												
Enterprise Fund:												
National School Lunch Program	100-010-3350-023	1,530	7/1/16-6/30/17	(93)	93	-	-	-	-	-	-	-
National School Lunch Program	100-010-3350-023	1,705	7/1/17-6/30/18	-	1,569	(1,705)	-	(136)	-	-	-	1,705
Total Enterprise Fund				(93)	1,662	(1,705)	-	(136)	-	-	-	1,705
Total State Financial Assistance				\$ (34,041)	\$ 2,491,966	\$ (2,475,036)	\$ (21,502)	\$ (54,691)	\$ 16,078	\$ 77,342	\$	2,475,036
State Financial Assistance Programs not subject to Calculation for Major Program Determination:												
TPAF - Post Retirement Medical (Noncash Assistance)	495-034-5094-001	368,325	7/1/17-6/30/18			\$ 368,325						
TPAF - Pension Contributions (Noncash Assistance)	495-034-5094-002	570,269	7/1/17-6/30/18			570,269						
TPAF - Long-Term Disability Insurance (Noncash Assistance)	495-034-5094-004	1,228	7/1/17-6/30/18			1,228						
Total State Financial Assistance subject to Calculation for Major Program Determination						\$ (1,535,214)						

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

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**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Chesterfield Township School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2018. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2018.

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.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Note 3. Relationship to Basic Financial Statements (continued)

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June 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 one or more state aid June 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 \$(38,093) for the general fund and \$0 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, 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 expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 2,087,063	\$ 2,087,063
Special Revenue Fund	163,599	28,192	191,791
Debt Service Fund	-	319,983	319,983
Food Service Fund	31,403	1,705	33,108
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 195,002</u>	<u>\$ 2,436,943</u>	<u>\$ 2,631,945</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Chesterfield Township School District had no loan balances outstanding at June 30, 2018.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

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

2) Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

SECTION IS N/A - NOT REQUIRED

Internal control over major programs:

1) Material weakness(es) identified? yes no

2) Significant deficiency(ies) identified? yes none reported

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 Uniform Guidance? yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to determine Type A programs _____

Auditee qualified as low-risk auditee? yes no

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Section I - Summary of Auditor's Results (continued)

State Financial Assistance

Dollar threshold used to determine Type A programs	_____	Unmodified
Auditee qualified as low-risk auditee?	<u> X </u> yes _____ no	
Internal control over major programs:		
1) Material weakness(es) identified?	_____ yes <u> X </u> no	
2) Significant deficiency(ies) identified?	_____ yes <u> X </u> no	
Type of auditor's report issued on compliance for major programs	_____	Unmodified
Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08?	<u> X </u> yes _____ no	
Identification of major programs:		

State Grant/Project Number(s)

Name of State Program

495-034-5120-094

495-034-5120-084

495-034-5120-089

495-034-5120-096

495-034-5120-097

495-034-5120-098

495-034-5120-101

State Aid Public:

Supplemental Enrollment Growth Aid

Security Aid

Special Education Categorical Aid

Under Adequacy Aid

Per Pupil Growth Aid

PARCC Readiness Aid

Professional Learning Community Aid

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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.

None.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

N/A – Federal single audit not required

STATE FINANCIAL ASSISTANCE

None

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

Finding 2017-002

Condition:

The District did not have sufficient supporting documentation for cash receipts related to the student activity fundraisers.

Current Status:

This finding has been corrected.

Federal Awards

N/A – No Federal Single Audit in prior year.

State Financial Assistance

Finding 2017-001

Condition:

The District did not receive approval for line item transfers in excess of 10 percent in compliance with N.J.S.A. 18A:22-8.1 and N.J.A.C. 6A:23A-13.3(g).

Current Status:

This finding has been corrected.