

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT

Chesterfield, New Jersey

County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT

CHESTERFIELD, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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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December 10, 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, 2019, 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, 2019, 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>
2018-2019	775	2.24%
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%

ECONOMIC CONDITION AND OUTLOOK

Chesterfield Township is entering the final phase of residential expansion. A total of 1,226 homes have been built in Chesterfield Township since 2004 with 22 homes receiving their Certificate of

Occupancy's in 2020. 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 2018-2019 school year, the Chesterfield Township School District maintained a focus on several major initiatives.

As part of the 3-year technology plan, the district began piloting a 1:1 initiative in grades 5 and 6. The initiative included training of staff and providing chromebooks for all students in grades 5 and 6. In addition to the 1:1 initiative at the upper elementary level, the district replaced the interactive boards in each classroom. This provided teachers with a valuable instructional tool that is used throughout the school day.

Working as a committee, administrators and teachers worked collaboratively to write the new social studies curriculum. The work of the committee also included researching specific social studies programs for adoption.

The district's Climate and Culture Committee met throughout the school year to revise discipline procedures and map out a plan to address concerns related to the climate and culture of the district. As part of that work, the district adopted the Responsive Classroom Program for implementation in the 2019-2020 school year.

Continuing our work with a literacy consultant, the teachers worked to improve instruction in the areas of word study and writing. In addition, a committee of teachers worked with administration to pilot two word study programs at the primary level.

In our 5th and 6th grades, the district implemented the standards based report card. As a result, a standards based report card is now used in all grades.

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,



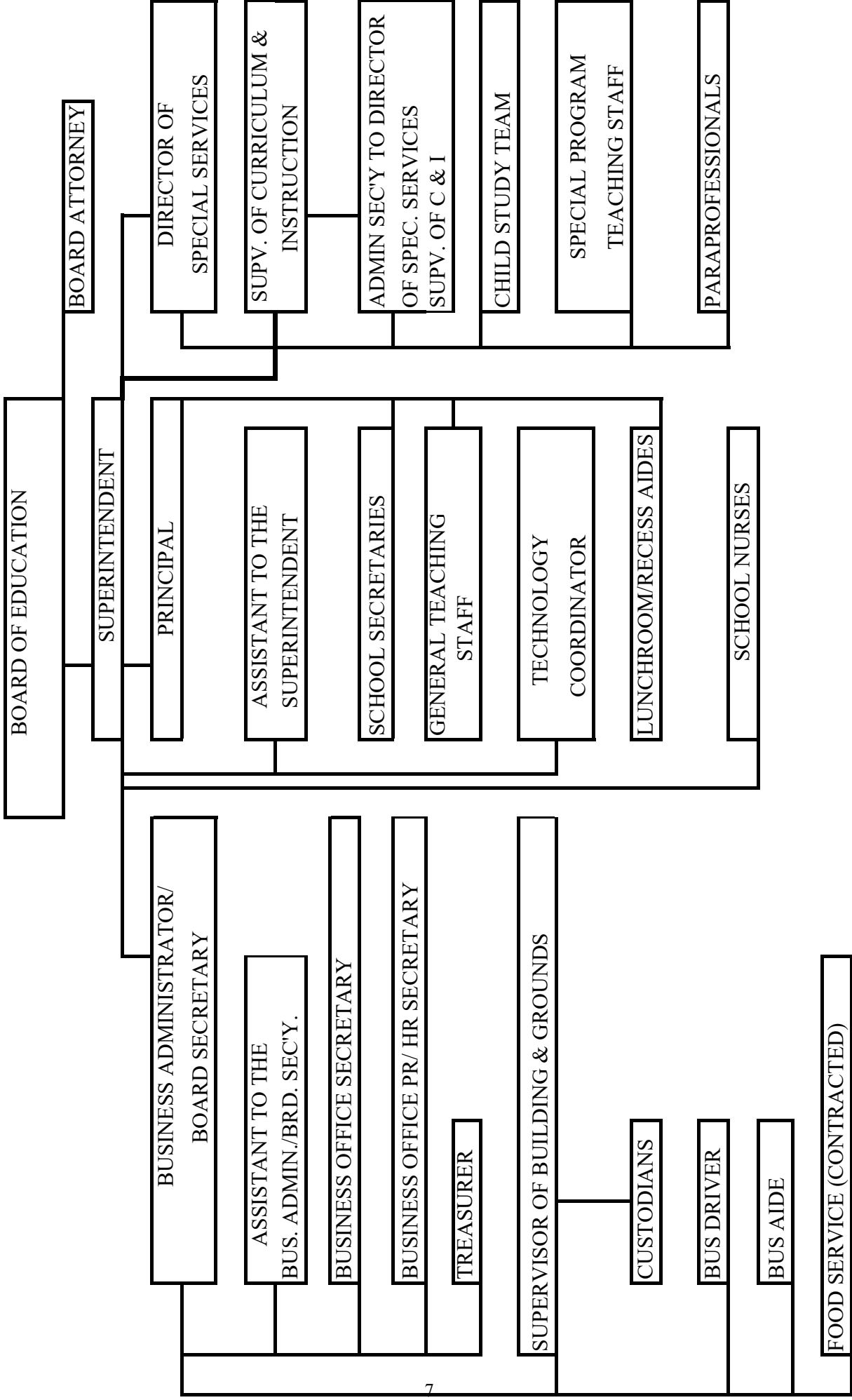
Superintendent



School Business Administrator/Board Secretary

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Chesterfield Township Board of Education
 ORGANIZATIONAL CHART



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

ROSTER OF OFFICIALS

JUNE 30, 2019

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Christina Hoggan, President	2020
Amy Jablonski, Vice President	2020
Terran Brown	2019
Jaclyn Halaw	2021
Matthew Litt	2019

OTHER OFFICIALS

Scott Heino, Superintendent
Patrick Pisano, Business Administrator/Board Secretary
Janice L. Jones, Treasurer
Robery Muccilli, Attorney
William Donio, Attorney

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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 Road
Hamilton, New Jersey 08690

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

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FINANCIAL SECTION

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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, 2019, 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions 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 December 17, 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
December 17, 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, 2019
(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, 2019. 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, 2019
(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, 2019
(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 2019 compared to fiscal year 2018.

Table 1
Summary of Net Position

	June 30, <u>2019</u>	June 30, <u>2018</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 3,115,747	\$ 1,291,869	\$ 1,823,878	141.2%
Capital Assets, Net	28,296,554	29,174,413	(877,859)	-3.0%
Total Assets	<u>31,412,301</u>	<u>30,466,282</u>	946,019	3.1%
Deferred Outflow of Resources	<u>1,916,823</u>	2,113,615	(196,792)	-9.3%
Current and other Liabilities	1,259,453	806,338	453,115	56.2%
Noncurrent Liabilities	35,753,077	37,278,080	(1,525,003)	-4.1%
Total Liabilities	<u>37,012,530</u>	<u>38,084,418</u>	(1,071,888)	-2.8%
Deferred Inflow of Resources	<u>842,144</u>	611,086	231,058	100.0%
Net Position:				
Net Investment in Capital Assets	(207,490)	(465,841)	258,351	-55.5%
Restricted	1,981,751	758,310	1,223,441	161.3%
Unrestricted (Deficit)	(6,299,811)	(6,408,076)	108,265	-1.7%
Total Net Position	<u>\$ (4,525,550)</u>	<u>\$ (6,115,607)</u>	<u>\$ 1,590,057</u>	-26.0%

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Continued)

Table 2 shows the changes in net position for fiscal year 2019 compared to fiscal year 2018.

Table 2
Summary of Changes in Net Position

	June 30, <u>2019</u>	June 30, <u>2018</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 144,807	\$ 147,777	\$ (2,970)	-2.0%
Operating Grants & Contributions	2,734,294	3,637,954	(903,660)	-24.8%
General Revenues:				
Property Taxes	11,399,128	11,164,177	234,951	2.1%
Federal & State Aid	2,654,060	1,144,207	1,509,853	132.0%
Other General Revenues	91,232	144,446	(53,214)	-36.8%
Total Revenues	<u>17,023,521</u>	<u>16,238,561</u>	<u>784,960</u>	<u>4.8%</u>
Function/Program Expenditures:				
Regular Instruction	3,616,399	3,170,802	445,597	14.1%
Special Education Instruction	836,287	735,799	100,488	13.7%
Other Instruction	171,243	199,922	(28,679)	-14.3%
Tuition	258,821	282,909	(24,088)	-8.5%
Student & Instruction Related Services	1,843,785	1,633,039	210,746	12.9%
General Administrative	336,922	308,341	28,581	9.3%
School Administrative Services	261,699	246,782	14,917	6.0%
Central Services	245,657	238,821	6,836	2.9%
Administrative Info. Technology	99,016	84,471	14,545	17.2%
Plant Operations & Maintenance	971,842	838,026	133,816	16.0%
Pupil Transportation	323,246	282,498	40,748	14.4%
Unallocated Benefits	2,502,261	3,023,453	(521,192)	-17.2%
On Behalf TPAF Pension and Social				
Security Contributions	1,747,193	2,193,067	(445,874)	-20.3%
Interest & Other Charges	1,150,339	1,192,296	(41,957)	-3.5%
Capital Asset Retirements	53,954	-	53,954	100.0%
Unallocated Depreciation	764,306	746,783	17,523	2.3%
Food Service	250,494	191,991	58,503	30.5%
Total Expenditures	<u>15,433,464</u>	<u>15,369,000</u>	<u>64,464</u>	<u>0.4%</u>
Change In Net Position	1,590,057	869,561	720,496	82.9%
Net Position - Beginning	<u>(6,115,607)</u>	<u>(6,985,168)</u>	<u>869,561</u>	<u>-12.4%</u>
Net Position - Ending	<u>\$ (4,525,550)</u>	<u>\$ (6,115,607)</u>	<u>\$ 1,590,057</u>	<u>-26.0%</u>

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Continued)

Governmental Activities

During the fiscal year 2019, the net position of governmental activities increased by \$1,664,562.

The assets and deferred outflows of the primary government activities was less than the liabilities and deferred inflows by \$4,525,550, with an unrestricted deficit balance of \$6,339,372. 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)	\$ (6,339,372)
Add back: PERS Pension Liability	2,293,414
Less: Deferred Outflows related to pensions	(665,187)
Add back: Deferred Inflows related to pensions	842,144
Unrestricted Net Position (Without GASB 68)	<u>\$ (3,869,001)</u>

Business-type Activities

During the fiscal year 2019, the net position of business-type activities decreased by \$74,505 or -64.86%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$40,361.

General Fund Budgeting Highlights

Final budgeted revenues was \$11,889,745, which was \$1,541,532 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 \$12,033,793, which was an increase of \$1,541,532 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 \$1,537,816.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$2,590,784 at June 30, 2019, an increase of \$1,511,643 from the prior year.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(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 \$2,357,319, an increase of \$1,347,505 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund increased by \$1,348,196 to \$2,349,995 at June 30, 2019, compared to an increase of \$608,756 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 \$234,951 or 2.1% from the prior fiscal year
- Federal and State aid increased by \$1,509,853 or 132% from the prior fiscal year

Special revenue fund – At June 30, 2019, the special revenue fund had no fund balance, which was the same for the prior year.

Capital projects fund: At June 30, 2019, 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 \$691 to \$21 at June 30, 2019.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund decreased by \$74,505 to \$40,361 at June 30, 2019 compared to a decrease in net position of \$11,106 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 fund had \$54,273 in capital asset retirements in 2018-2019 year.

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2019, totaled \$28,296,554 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net decrease in the School District's investment in capital assets for the current fiscal year in the amount of \$877,859.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Continued)

Capital Assets (continued)

Table 4 shows fiscal 2019 balances compared to 2018.

Table 4
Summary of Capital Assets

<u>Capital Asset (Net of Depreciation):</u>	June 30, <u>2019</u>	June 30, <u>2018</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land	\$ 560,000	\$ 560,000	\$ -	0.0%
Land Improvements	320,216	350,520	(30,304)	-8.6%
Building and Improvements	27,282,409	28,095,410	(813,001)	-2.9%
Equipment	133,929	168,483	(34,554)	-20.5%
	<u>\$ 28,296,554</u>	<u>\$ 29,174,413</u>	<u>\$ (877,859)</u>	-3.0%

Depreciation expense for the year was \$769,632. 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 \$32,805,000, which is a decrease of \$1,190,000 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.

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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, 2019

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 1,315,224	\$ 41,723	\$ 1,356,947
Receivables, Net (Note 4)	213,411	1,335	214,746
Inventory	-	5,525	5,525
Restricted Cash & Cash Equivalents	1,538,529	-	1,538,529
Capital Assets, Net (Note 5)			
Non-depreciable	560,000	-	560,000
Depreciable	27,735,754	800	27,736,554
Total Assets	31,362,918	49,383	31,412,301
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	665,187	-	665,187
Related to Loss on Debt Refunding	1,251,636	-	1,251,636
Total Deferred Outflow of Resources	1,916,823	-	1,916,823
LIABILITIES:			
Accounts Payable	698,646	-	698,646
Due to Other Governments	103,332	-	103,332
Unearned Revenue	-	9,022	9,022
Accrued Interest	448,453	-	448,453
Noncurrent Liabilities (Note 7):			
Due within one year	1,274,433	-	1,274,433
Due in more than one year	34,478,644	-	34,478,644
Total Liabilities	37,003,508	9,022	37,012,530
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	842,144	-	842,144
Total Deferred Inflow of Resources	842,144	-	842,144
NET POSITION:			
Net Investment in Capital Assets	(208,290)	800	(207,490)
Restricted for:			
Capital Projects	895,832	-	895,832
Maintenance	650,000	-	650,000
Debt Service	21	-	21
Excess Surplus	435,898	-	435,898
Unrestricted (Deficit)	(6,339,372)	39,561	(6,299,811)
Total Net Position	\$ (4,565,911)	\$ 40,361	\$ (4,525,550)

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, 2019**

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	\$ 3,616,399		\$ 27,520	\$ (3,588,879)		\$ (3,588,879)	
Special Education Instruction	836,287			(836,287)		(836,287)	
Other Instruction	171,243			(171,243)		(171,243)	
Support Services:							
Tuition	258,821		100,000	(158,821)		(158,821)	
Student & Instruction Related Services	1,843,785		50,346	(1,793,439)		(1,793,439)	
General Administrative	336,922			(336,922)		(336,922)	
School Administrative Services	261,699			(261,699)		(261,699)	
Central Services	245,657			(245,657)		(245,657)	
Administrative Technology	99,016			(99,016)		(99,016)	
Plant Operations & Maintenance	971,842			(971,842)		(971,842)	
Pupil Transportation	323,246			(323,246)		(323,246)	
Unallocated Benefits	2,502,261		778,053	(1,724,208)		(1,724,208)	
On Behalf TPAF Pension and Social Security Contributions	1,747,193		1,747,193	-		-	
Interest & Other Charges	1,150,339			(1,150,339)		(1,150,339)	
Capital Asset Retirements	53,954			(53,954)		(53,954)	
Unallocated Depreciation	764,306			(764,306)		(764,306)	
Total Governmental Activities	15,182,970	-	2,703,112	(12,479,858)	-	(12,479,858)	
Business-Type Activities:							
Food Service	250,494	\$ 144,807	31,182	-	\$ (74,505)	(74,505)	
Total Business-Type Activities	250,494	144,807	31,182	-	(74,505)	(74,505)	
Total Primary Government	\$ 15,433,464	\$ 144,807	\$ 2,734,294	(12,479,858)	(74,505)	(12,554,363)	
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes				9,435,877		9,435,877	
Property Taxes, Levied for Debt Service				1,963,251		1,963,251	
Federal & State Aid Restricted				336,986		336,986	
Federal & State Aid Not Restricted				2,317,074		2,317,074	
Tuition Charges				53,907		53,907	
Miscellaneous				37,325		37,325	
Total General Revenues				14,144,420	-	14,144,420	
Change In Net Position				1,664,562	(74,505)	1,590,057	
Net Position - Beginning				(6,230,473)	114,866	(6,115,607)	
Net Position - Ending				\$ (4,565,911)	\$ 40,361	\$ (4,525,550)	

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

B. Fund Financial Statements

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CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash & Cash Equivalents	\$ 1,386,073	\$ -	\$ 7,323	\$ 1	\$ 1,393,397
Receivables, Net:					
Interfund Receivable	-	-	-	20	20
Due from Other Governments:					
State	102,098	-	-	-	102,098
Federal		99,122	-	-	99,122
Other Receivables	12,191	-	-	-	12,191
Restricted Cash & Cash Equivalents	1,538,529	-	-	-	1,538,529
Total Assets	\$ 3,038,891	\$ 99,122	\$ 7,323	\$ 21	\$ 3,145,357
LIABILITIES & FUND BALANCES					
Liabilities:					
Cash Deficit	\$ -	\$ 78,173	\$ -	\$ -	\$ 78,173
Due to Other Governments	-	11,199	-	-	11,199
Accounts Payable	688,896	9,750	-	-	698,646
Interfund Payable	-	-	20	-	20
Total Liabilities	688,896	99,122	20	-	788,038
Fund Balances:					
Restricted for:					
Capital Reserve	888,529	-	-	-	888,529
Maintenance reserve	650,000	-	-	-	650,000
Excess Surplus - Current year	328,083	-	-	-	328,083
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	107,815	-	-	-	107,815
Capital Projects	-	-	7,303	-	7,303
Debt Service	-	-	-	21	21
Assigned to:					
Designated for Subsequent Year's Expenditures	38,749	-	-	-	38,749
Other Purposes	250,867	-	-	-	250,867
Unassigned	85,952	-	-	-	85,952
Total Fund Balances	2,349,995	-	7,303	21	2,357,319
Total Liabilities & Fund Balances	\$ 3,038,891	\$ 99,122	\$ 7,323	\$ 21	

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 \$35,349,119 and the accumulated depreciation is \$7,053,365	28,295,754
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	665,187
Deferred Inflows related to pensions	(842,144)
Deferred Outflow related to the loss on bond refunding of debt	1,251,636
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.	(448,453)
Accrued pension contributions for the June 30, 2019 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	(92,133)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(35,753,077)
Net Position of Governmental Activities	\$ (4,565,911)

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, 2019

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 9,435,877	\$ -	\$ -	\$ 1,963,251	\$ 11,399,128
Tuition Charges	53,907	-	-	-	53,907
Miscellaneous	37,315	-	10	-	37,325
Total Local Sources	9,527,099	-	10	1,963,251	11,490,360
State Sources	3,845,649	30,689	-	336,986	4,213,324
Federal Sources	-	147,177	-	-	147,177
Total Revenues	13,372,748	177,866	10	2,300,237	15,850,861
Expenditures:					
Instruction:					
Regular Instruction	3,588,879	27,520	-	-	3,616,399
Special Education Instruction	836,287	-	-	-	836,287
Other Instruction	171,243	-	-	-	171,243
Support Services:					
Tuition	158,821	100,000	-	-	258,821
Student & Instruction Related Services	1,793,439	50,346	-	-	1,843,785
General Administrative	336,922	-	-	-	336,922
School Administrative Services	261,699	-	-	-	261,699
Central Services	245,657	-	-	-	245,657
Administrative Technology	99,016	-	-	-	99,016
Plant Operations & Maintenance	971,842	-	-	-	971,842
Pupil Transportation	298,246	-	-	-	298,246
Unallocated Benefits	1,708,877	-	-	-	1,708,877
On Behalf TPAF Pension and Social Security Contributions	1,528,575	-	-	-	1,528,575
Debt Service:					
Principal	25,000	-	-	1,190,000	1,215,000
Interest & Other Charges	49	-	-	1,110,938	1,110,987
Total Expenditures	12,024,552	177,866	-	2,300,938	14,503,356
Excess/(Deficiency) of Revenues over Expenditures	1,348,196	-	10	(701)	1,347,505
Other Financing Sources (Uses):					
Transfers in	-	-	-	10	10
Transfers out	-	-	(10)	-	(10)
Total Other Financing Sources (Uses)	-	-	(10)	10	-
Net changes in fund balances	1,348,196	-	-	(691)	1,347,505
Fund Balance, July 1	1,001,799	-	7,303	712	1,009,814
Fund Balance, June 30	\$ 2,349,995	\$ -	\$ 7,303	\$ 21	\$ 2,357,319

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, 2019**

Total Net Changes in Fund Balances - Governmental Funds (B-2)		\$ 1,347,505
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because</p> <p>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</p>		
	Depreciation Expense	(764,306)
	Capital Asset Retirement Adjustments	<u>(53,954)</u>
		(818,260)
<p>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.</p>		
		(29,124)
<p>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.</p>		
		1,190,000
<p>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:</p>		
	Amortization of premium on bonds	54,433
	Amortization of loss on Bond Refunding	<u>(108,223)</u>
		(53,790)
<p>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 (+).</p>		
		14,438
<p>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 (+).</p>		
		<u>13,793</u>
Change in Net Position of Governmental Activities		<u>\$ 1,664,562</u>

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2019**

ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 41,723
Accounts Receivable:	
State	119
Federal	1,216
Inventories	<u>5,525</u>
Total Current Assets	<u>48,583</u>
Noncurrent Assets:	
Equipment	43,900
Less: Accumulated Depreciation	<u>(43,100)</u>
Total Capital Assets	<u>800</u>
Total Assets	<u>49,383</u>
LIABILITIES	
Unearned Revenue	<u>9,022</u>
Total Liabilities	<u>9,022</u>
NET POSITION	
Investment in Capital Assets	800
Unrestricted	<u>39,561</u>
Total Net Position	<u><u>\$ 40,361</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, 2019**

	<u>FOOD SERVICE FUND</u>
Operating Revenues:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 86,922
Daily Sales - Nonreimbursable Programs	49,450
Miscellaneous	8,435
	144,807
 Total Operating Revenue	 144,807
 Operating Expenses:	
Cost of Sales - Reimbursable	51,114
Cost of Sales - Non Reimbursable	20,216
Supplies and Materials	5,181
Salaries & Benefits	74,623
Management Fee	13,585
Repairs & Maintenance	16,038
Miscellaneous Expenses	10,138
Depreciation Expense	5,326
	196,221
 Total Operating Expenses	 196,221
 Operating Income/(Loss)	 (51,414)
 Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	1,594
Federal Sources:	
National School Lunch Program	14,849
Healthy Hunger-Free Kids Act	1,902
Food Distribution Program	12,837
Capital Asset Retirements	(54,273)
	(23,091)
 Total Nonoperating Revenues/(Expenses)	 (23,091)
 Change in Net Position	 (74,505)
Total Net Position - Beginning	114,866
 Total Net Position - Ending	 \$ 40,361

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, 2019**

	<u>FOOD SERVICE FUND</u>
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 145,237
Payments to Employees	(74,623)
Payments to Suppliers	<u>(103,191)</u>
Net Cash Provided/(Used) by Operating Activities	<u>(32,577)</u>
Cash Flows From Noncapital Financing Activities:	
State Sources	1,611
Federal Sources	<u>16,961</u>
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>18,572</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(14,005)
Balances - Beginning of Year	<u>55,728</u>
Balances - End of Year	<u><u>\$ 41,723</u></u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Operating Income/(Loss)	\$ (51,414)
Adjustments to Reconcile Operating Income/(Loss) to	
Net Cash Provided/(Used For) Operating Activities:	
Depreciation & Net Amortization	5,326
Food Distribution Program	12,837
Increase/(Decrease) in Unearned Revenue	430
(Increase)/Decrease in Inventories	<u>244</u>
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ (32,577)</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, 2019**

ASSETS	PRIVATE PURPOSE TRUST		AGENCY FUNDS		TOTAL
	UNEMPLOYMENT COMPENSATION TRUST	STUDENT ACTIVITY	PAYROLL		
Cash & Cash Equivalents	\$ 12,256	\$ 30,594	\$ 251,807	\$	294,657
Due From State	2,870				2,870
Total Assets	15,126	30,594	251,807		297,527
LIABILITIES					
Payroll Deductions & Withholdings	-	-	251,807		251,807
Account Payable	1,703	-	-		1,703
Due to Student Groups	-	30,594	-		30,594
Total Liabilities	1,703	30,594	251,807		284,104
NET POSITION					
Held in Trust for:					
Unemployment Claims	13,423	-	-		13,423
Total Net Position	\$ 13,423	\$ -	\$ -	\$	13,423

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, 2019**

	<u>PRIVATE PURPOSE TRUST UNEMPLOYMENT COMPENSATION TRUST</u>
ADDITIONS	
Local Sources:	
Payroll Deductions	\$ 26,103
Total Additions	<u>26,103</u>
DEDUCTIONS	
Unemployment Claims	<u>13,903</u>
Total Deductions	<u>13,903</u>
Change in Net Position	12,200
Net Position - Beginning of the Year	<u>1,223</u>
Net Position - End of the Year	<u><u>\$ 13,423</u></u>

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, 2019

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CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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, 2019 of 775 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 and GASB 80, Blending Requirements for certain component units – an Amendment of GASB Statement No. 14 . The District had no component units as of for the year ended June 30, 2019.

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019 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, 2019**

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, 2019**

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, 2019

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, 2019.
- 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, 2019

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. 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. Implementation of this Statement did not have a material impact on the School District's financial statements.

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. Implementation of this Statement did not have a material impact on the School District's financial statements.

Recently Issued Accounting Pronouncements

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

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.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management does not expect this Statement to have a material impact on the School District's financial statements.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 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. 91, *Conduit Debt Obligations*, The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Statement No. 91 is effective for reporting periods beginning after December 15, 2020. 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.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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

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.

Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2019 and December 17, 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, 2019, the District’s bank balance of \$3,591,897 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	3,178,841
Uninsured and Uncollateralized		413,056
	\$	3,591,897

Investments

The School District has no investments at June 30, 2019.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019**

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, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$	38,529
Increased by:		
Deposits approved by Board		850,000
Balance, June 30, 2019	\$	888,529

The June 30, 2019 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

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 3. Reserve Accounts (continued)

The activity of the maintenance reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$ 500,000.00
Increased by:	
Deposits approved by Board	150,000.00
Balance, June 30, 2019	\$ 650,000

Note 4. Accounts Receivable

Accounts receivable at June 30, 2019 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:

<u>Description</u>	Governmental Funds			Proprietary Funds	
	<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	\$ -	\$ 99,122	\$ 99,122	\$ 1,216	\$ 1,216
State Awards	102,098	-	102,098	119	119
Other	12,191	-	12,191	-	-
Total	\$ 114,289	\$ 99,122	\$ 213,411	\$ 1,335	\$ 1,335

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2019 was as follows:

	Balance July 1, <u>2018</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2019</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 560,000	\$ -	\$ -	\$ 560,000
Total Capital Assets not being depreciated	<u>560,000</u>	<u>-</u>	<u>-</u>	<u>560,000</u>
Capital Assets being depreciated:				
Land Improvements	606,090	-	-	606,090
Buildings and Improvements	33,849,891	-	-	33,849,891
Equipment	513,637	-	(180,498)	333,139
Total Capital Assets being depreciated	<u>34,969,618</u>	<u>-</u>	<u>(180,498)</u>	<u>34,789,120</u>
Less: Accumulated Depreciation:				
Land Improvements	(255,570)	(30,304)	-	(285,874)
Buildings and Improvements	(5,754,481)	(813,001)	-	(6,567,482)
Equipment	(405,553)	(42,687)	248,230	(200,010)
Total Accumulated Depreciation	<u>(6,415,604)</u>	<u>(885,992)</u>	<u>248,230</u>	<u>(7,053,366)</u>
Total Capital Assets being depreciated, net	<u>28,554,014</u>	<u>(885,992)</u>	<u>67,732</u>	<u>27,735,754</u>
Total Governmental Activities Capital Assets, net	<u>\$ 29,114,014</u>	<u>\$ (885,992)</u>	<u>\$ 67,732</u>	<u>\$ 28,295,754</u>
	Balance July 1, <u>2018</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2019</u>
Business-Type Activities:				
Equipment	\$ 190,433	\$ -	\$ (146,533)	\$ 43,900
	<u>190,433</u>	<u>-</u>	<u>(146,533)</u>	<u>43,900</u>
Less: Accumulated Depreciation:				
Equipment	(130,034)	(5,326)	92,260	(43,100)
	<u>(130,034)</u>	<u>(5,326)</u>	<u>92,260</u>	<u>(43,100)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 60,399</u>	<u>\$ (5,326)</u>	<u>\$ (54,273)</u>	<u>\$ 800</u>

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2019 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Capital Projects Fund	\$ 20	\$ -
Debt Service Fund	-	20
	<u>\$ 20</u>	<u>\$ 20</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		\$ 10
Debt Service Fund	\$ 10	
	<u>\$ 10</u>	<u>\$ 10</u>

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

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2019 the following changes occurred in long-term obligations:

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2019</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 33,995,000	\$ -	\$ 1,190,000	\$ 32,805,000	\$ 1,220,000
Unamortized Bond Premiums	417,112	-	54,432	362,680	54,433
Compensated Absences	305,776	\$ -	13,793	291,983	-
Net Pension Liability	2,560,191	-	266,777	2,293,414	-
	<u>\$ 37,278,079</u>	<u>\$ -</u>	<u>\$ 1,525,002</u>	<u>\$ 35,753,077</u>	<u>\$ 1,274,433</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.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 7. Long-Term Obligations (continued)

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.

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

Fiscal Year Ending	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30,</u>			
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	1,385,000	922,644	2,307,644
2025-2029	7,880,000	3,830,650	11,710,650
2030-2034	9,575,000	2,289,050	11,864,050
2035-2038	8,835,000	721,738	9,556,738
	<u>\$ 32,805,000</u>	<u>\$ 11,846,984</u>	<u>\$ 44,651,984</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2019, the District had no authorized but not issued bonds.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

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 2018, 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.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (Continued):

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2019, the School District reported a liability of \$2,293,414 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018. 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, 2017, to the measurement date of June 30, 2018. 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, 2018. The School District's proportion measured as of June 30, 2018, was .0116479%, which was a decrease of .00064976% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the School District recognized full accrual pension expense of \$144,984 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2018 measurement date. At June 30, 2019 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 43,736	\$ 11,826
Changes of Assumptions	377,917	733,312
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	21,512
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	151,401	75,494
School District Contributions Subsequent to Measurement Date	92,133	-
	\$ 665,187	\$ 842,144

\$115,859 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2018-2019 total salaries for PERS employees multiplied by an employer pension contribution rate of 13.99%. The payable is due on April 1, 2020 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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:

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (Continued):

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

Year Ending <u>Dec 31,</u>	<u>Amount</u>
2020	\$ 86,445
2021	(16,877)
2022	(74,922)
2023	(147,362)
2024	<u>(24,245)</u>
	<u><u>\$ (176,961)</u></u>

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, 2019**

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	-
June 30, 2018	5.63	-
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
June 30, 2018	-	5.63
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	-
June 30, 2018	5.00	-
Changes in Proportion and Differences between 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
June 30, 2018	5.63	5.63

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (Continued):

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

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 5.63, 5.48, 5.57, 5.72 and 6.44 years for the 2018, 2017, 2016, 2015, and 2014 amounts, respectively.

Actuarial Assumptions – The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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, 2017 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, 2018) 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

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (Continued):

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

expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 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 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018 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 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 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, 2019**

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, 2018, calculated using the discount rate of 5.66% 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>(4.66%)</u>	Current Discount Rate <u>(5.66%)</u>	1% Increase <u>(6.66%)</u>
District's Proportionate Share of the Net Pension Liability	<u>\$ 2,883,703</u>	<u>\$ 2,293,413</u>	<u>\$ 1,798,198</u>

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2019 and 2018:

	<u>6/30/2019</u>	<u>6/30/2018</u>
Collective Deferred Outflows of Resources	4,684,852,302	5,396,431,901
Collective Deferred Inflows of Resources	7,646,736,226	4,672,602,040
Collective Net Pension Liability	19,689,501,539	23,278,401,588
 School District's Portion	 0.01165%	 0.01100%

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/annrpts.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, 2019**

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 7.5% in State fiscal year 2018. 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 2018, 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, 2018 was \$24,051,736. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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, 2018, the State proportionate share of the TPAF net pension liability attributable to the School District was .03780658%, which was a decrease of .00223075% from its proportion measured as of June 30, 2017.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (Continued):

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

For the fiscal year ended June 30, 2019, the School District recognized \$1,402,132 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, 2018 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55% - 4.55%
Thereafter	2.00% - 5.45%
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, 2017 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, 2018) 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, 2017 are summarized in the following table:

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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%
	<hr style="width: 100%; border: 1px solid black;"/>	
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. 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 3.87% 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 4.86% 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, 2019**

Note 8. Pension Plans (Continued):

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

	1% Decrease <u>(3.86%)</u>	Current Discount Rate <u>(4.86%)</u>	1% Increase <u>(5.86%)</u>
District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the District	<u>28,428,695</u>	<u>24,051,736</u>	<u>20,423,343</u>
	<u>\$ 28,428,695</u>	<u>\$ 24,051,736</u>	<u>\$ 20,423,343</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, 2019 and 2018:

	<u>6/30/2019</u>	<u>6/30/2018</u>
Collective Deferred Outflows of Resources	12,675,037,111	14,353,461,035
Collective Deferred Inflows of Resources	16,381,811,884	11,992,821,439
Collective Net Pension Liability	63,806,350,446	67,670,209,171
School District's Portion	0.03781%	0.04004%

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (Continued):

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;
- 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, 2019, employee contributions totaled \$6,557 and the District recognized pension expense of \$4,886.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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.

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, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2017. 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.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 9. Post-Retirement Benefits (Continued):

Inflation Rate	2.50%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 4.55% based on years of service	2.15 - 4.15% based on age	2.10 - 8.98% based on age
Thereafter	2.00 - 5.45% based on years of service	3.15 - 5.15% based on age	3.10 - 9.98% 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, 2017 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.

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, 2018 was \$14,923,965. The School District’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2018, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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, 2018, the State proportionate share of the OPEB Obligation attributable to the School District was 0.032365%, which was a decrease of 0.0002767% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the State of New Jersey recognized an OPEB expense in the amount of \$776,845 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, 2018 measurement date.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.8% 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 prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven 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.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 9. Post-Retirement Benefits (Continued):

Discount Rate

The discount rate for June 30, 2018 was 3.87%. 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, 2018, 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:

	June 30, 2018		
	At 1% Decrease (2.87%)	At Discount Rate (3.87%)	At 1% Increase (4.87%)
State of New Jersey's Proportionate Share of Total Obligations Associated with the School District	\$ 17,643,164.64	\$ 14,923,965	\$ 12,762,482.09
State of New Jersey's Total Non- employer Liability	\$ 54,512,391,175	\$ 46,110,832,982	\$ 39,432,461,816

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, 2018, 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, 2018		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 12,335,526.27	\$ 14,923,965	\$ 18,347,274.31
State of New Jersey's Total Nonemployer OPEB Liability	\$ 38,113,289,045	\$ 46,110,832,982	\$ 56,687,891,003

* See Healthcare Cost Trend Assumptions for details of rates.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 9. Post-Retirement Benefits (Continued):

Additional Information

Collective balances of the Local Group at June 30, 2018 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ 1,377,313,892.00	\$(1,377,313,892.00)
Differences between Expected & Actual Experience	-	(4,476,086,167.00)
Change in Assumptions	-	(10,335,978,867.00)
Contributions Made in Fiscal Year Year Ending 2019 After June 30, 2018 Measurement Date **	TBD	-
	\$ 1,377,313,892	\$ (16,189,378,926)

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,	
2019	(1,825,218,593)
2020	(1,825,218,593)
2021	(1,825,218,593)
2022	(1,825,218,593)
2023	(1,825,218,593)
Thereafter	(5,685,972,069)
	(14,812,065,034)

** Employer Contributions made after June 30, 2019 are reported as a deferred outflow of resources, but are not amortized in expense.

Plan Membership

At June 30, 2017, the Program membership consisted of the following:

	June 30, 2017
Active Plan Members	217,131.00
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050.00
	362,181.00

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 9. Post-Retirement Benefits (Continued):

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2019 (measurement date June 30, 2018) is as follows:

Total OPEB Liability

Service Cost	\$ 1,984,642,729
Interest Cost	1,970,236,232
Difference Between Expected & Actual Experience	(5,002,065,740)
Changes of Assumptions	(5,291,448,855)
Contributions: Member	42,614,005
Gross Benefit Payments	<u>(1,232,987,247)</u>
Net Change in Total OPEB Liability	(7,529,008,876)
Total OPEB Liability (Beginning)	<u>53,639,841,858</u>
Total OPEB Liability (Ending)	<u>\$ 46,110,832,982</u>
Total Covered Employee Payroll	\$ 13,640,275,833
Net OPEB Liability as a Percentage of Payroll	338%

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, 2019, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$813,365, \$345,061, \$368,941 and \$1,208, 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

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019**

Note 11. Risk Management (continued)

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

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018-2019	\$ 26,103	\$ 13,903	\$ 13,423
2017-2018	31,133	51,363	1,223
2016-2017	14,440	14,541	21,453

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, 2019 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

Note 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.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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, 2019 is \$291,983.

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, 2019 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.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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, 2019 was \$1,328,083.

Note 18. Fund Balance

General Fund – Of the \$2,349,995 General Fund fund balance at June 30, 2019, \$888,529 has been reserved in the Capital Reserve Account; \$650,000 has been reserved in the Maintenance Reserve Account; \$328,083 is restricted for current year excess surplus; \$107,815 is restricted for prior year excess surplus designated for subsequent year's expenditures; \$38,749 is designated for subsequent budget; \$250,867 is assigned to other purposes; and \$85,952 is unassigned.

Capital Projects Fund – Of the \$7,303 Capital Projects Fund fund balance at June 30, 2019, \$7,303 is restricted for capital projects.

Debt Service Fund – Of the \$21 Debt Service Fund fund balance at June 30, 2019, \$21 is restricted for future debt service.

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 \$6,339,372. 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, 2019. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

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, 2019**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 9,435,877	\$ -	\$ 9,435,877	\$ 9,435,877	\$ -
Tuition from Individuals	10-1310	40,000	-	40,000	53,907	13,907
Rents and Royalties	10-1910	-	-	-	26,916	26,916
Interest Earned on Capital Reserve Funds		20	-	20	20	-
Miscellaneous	10-1990	10,068	-	10,068	10,379	311
Total Local Sources		9,485,965	-	9,485,965	9,527,099	41,134
State Sources:						
Categorical Transportation Aid	10-3121	143,738	-	143,738	143,738	-
Categorical Special Education Aid	10-3132	257,159	397,551	654,710	654,710	-
Equalization	10-3176	401,205	1,143,981	1,545,186	1,545,186	-
Categorical Security Aid	10-3177	60,146	-	60,146	60,146	-
Extraordinary Aid	10-3131	-	-	-	68,911	68,911
Non-Public Transportation Aid	10-3190	-	-	-	7,830	7,830
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	368,941	368,941
On-Behalf TPAF Pension Contributions		-	-	-	813,365	813,365
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	1,208	1,208
Reimbursed TPAF Social Security Contributions		-	-	-	345,061	345,061
Total State Sources		862,248	1,541,532	2,403,780	4,009,096	1,605,316
Total Revenues		10,348,213	1,541,532	11,889,745	13,536,195	1,646,450
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool	105-100-101	32,472	1,297	33,769	33,769	-
Kindergarten	110-100-101	404,244	40,199	444,443	413,001	31,442
Grades 1 - 5	120-100-101	2,254,933	192,127	2,447,060	2,168,106	278,954
Grades 6 - 8	130-100-101	406,246	19,952	426,198	426,198	-
Home Instruction - Regular Programs:						
Salaries of Teachers	150-100-101	4,500	-	4,500	4,500	-
Purchased Professional/Educational Services	150-100-320	700	496	1,196	1,196	-
Regular Programs - Undistributed Instruction:						
Purchased Professional/Educational Services	190-100-320	7,030	31,171	38,201	37,965	236
Other Purchased Services	190-100-500	-	-	-	-	-
General Supplies	190-100-610	229,146	325,131	554,277	504,144	50,133
Total Regular Programs - Instruction		3,339,271	610,373	3,949,644	3,588,879	360,765
Resource Room/ Resource Center:						
Salaries of Teachers	213-100-101	667,522	82,637	750,159	731,179	18,980
General Supplies	213-100-610	3,750	388	4,138	2,962	1,176
Total Resource Room		671,272	83,025	754,297	734,141	20,156

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Preschool Disabilities - Part-Time:						
Salaries of Teachers	215-100-101	109,075	2,058	111,133	96,198	14,935
Other Salaries for Instruction	215-100-106	-	479	479	479	-
General Supplies	215-100-600	1,250	4,219	5,469	5,469	-
Total Preschool Disabilities - Part-Time		110,325	6,756	117,081	102,146	14,935
Total Special Education		781,597	89,781	871,378	836,287	35,091
Basic Skills/Remedial:						
Salaries of Teachers	230-100-101	120,927	36,306	157,233	157,233	-
General Supplies	230-100-610	1,250	(752)	498	444	54
Total Basic Skills/Remedial		122,177	35,554	157,731	157,677	54
School Sponsored Cocurricular Activities:						
Salaries of Teachers	401-100-101	5,000	-	5,000	5,000	-
Supplies & Materials	401-100-600	2,500	-	2,500	66	2,434
Total School Sponsored Cocurricular Activities		7,500	-	7,500	5,066	2,434
Summer School:						
Salaries of Teachers	422-100-101	8,500	-	8,500	8,500	-
Total Summer School		8,500	-	8,500	8,500	-
Total Other Instructional Programs		138,177	35,554	173,731	171,243	2,488
Total - Instruction		4,259,045	735,708	4,994,753	4,596,409	398,344
Undistributed Expenditures:						
Instruction:						
Tuition to Other LEAs within State Special	000-100-562	49,999	15,555	65,554	64,421	1,133
Tuition to CSSD & Regional Day Schools	000-100-565	55,001	(31,641)	23,360	16,258	7,102
Tuition to Private School for the Handicap	000-100-566	167,999	(15,553)	152,446	77,617	74,829
Tuition - Other	000-100-569	12,000	-	12,000	525	11,475
Total Instruction		284,999	(31,639)	253,360	158,821	94,539
Attendance & Social Work Services:						
Salaries	000-211-100	15,403	1,223	16,626	16,626	-
Supplies & Materials	000-211-600	500	(500)	-	-	-
Total Attendance & Social Work Services		15,903	723	16,626	16,626	-
Health Services:						
Salaries	000-213-100	148,343	(13,201)	135,142	135,142	-
Purchased Professional & Technical Services	000-213-300	2,400	11,616	14,016	14,016	-
Other Purchased Services	000-213-500	800	(707)	93	93	-
Supplies and Materials	000-213-600	2,500	(678)	1,822	1,822	-
Total Health Services		154,043	(2,970)	151,073	151,073	-
Related Services:						
Salaries	000-216-100	112,718	73,018	185,736	185,736	-
Purchased Professional/Educational Services	000-216-320	147,000	(59,556)	87,444	78,762	8,682
Supplies & Materials	000-216-600	1,500	-	1,500	1,474	26
Total Related Services		261,218	13,462	274,680	265,972	8,708

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Extra Services:						
Purchased Professional/Educational Services	000-217-320	520,440	32,182	552,622	549,829	2,793
Total Extra Services		520,440	32,182	552,622	549,829	2,793
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	000-218-104	59,577	53,444	113,021	113,021	-
Salaries of Secretarial & Clerical Assistants	000-218-105	9,504	937	10,441	10,441	-
Purchased Professional/Educational Services	000-218-390	8,000	(1,147)	6,853	6,853	-
Other Purchased Services	000-218-500	3,500	(3,500)	-	-	-
Supplies & Materials	000-218-600	8,500	348	8,848	8,819	29
Total Other Support Services - Students - Regular		89,081	50,082	139,163	139,134	29
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	000-219-104	300,989	78	301,067	300,665	402
Salaries of Secretarial & Clerical Assistants	000-219-105	36,009	596	36,605	36,605	-
Purchased Professional/Educational Services	000-219-320	9,000	7,777	16,777	11,419	5,358
Miscellaneous Purchased Services	000-219-592	-	107	107	107	-
Supplies and Materials	000-219-600	3,000	(358)	2,642	2,642	-
Other Objects	000-219-800	1,000	(911)	89	89	-
Total Other Support Services - Students - Special Services		349,998	7,289	357,287	351,527	5,760
Improvement of Instruction:						
Salary of Supervisors of Instruction	000-221-102	117,844	377	118,221	118,221	-
Salary of Other Professional Staff	000-221-104	9,180	18,257	27,437	27,437	-
Salaries of Secretarial & Clerical Assistants	000-221-105	34,359	7,558	41,917	35,556	6,361
Supplies and Materials	000-221-600	300	5,000	5,300	4,130	1,170
Other Objects	000-221-800	1,000	-	1,000	984	16
Total Improvement of Instruction		162,683	31,192	193,875	186,328	7,547
Educational Media Services/School Library:						
Salaries	000-222-100	70,847	11,512	82,359	82,359	-
Supplies and Materials	000-222-600	4,500	-	4,500	4,194	306
Total Instructional Staff Training Services		75,347	11,512	86,859	86,553	306
Instructional Staff Training:						
Purchased Professional/Educational Services	000-223-320	20,000	19,091	39,091	39,091	-
Other Purchased Services	000-223-500	5,250	-	5,250	4,778	472
Supplies & Materials	000-223-600	-	2,528	2,528	2,528	-
Total Instructional Staff Training		25,250	21,619	46,869	46,397	472
Support Services General Administration:						
Salaries	000-230-100	158,482	-	158,482	153,777	4,705
Legal Services	000-230-331	76,951	37,639	114,590	114,590	-
Audit Services	000-230-332	17,500	(1,280)	16,220	16,220	-
Architectural/Engineering Services	000-230-334	680	(680)	-	-	-
Other Purchased Professional Services	000-230-339	7,700	(1,687)	6,013	6,013	-
Communications/Telephone	000-230-530	22,000	(3,201)	18,799	18,799	-
BOE Other Purchased Services	000-230-585	2,750	590	3,340	3,340	-
Other Purchased Services	000-230-590	26,500	(9,076)	17,424	17,424	-
General Supplies	000-230-610	1,600	(640)	960	960	-
BOE In-House Training/Meeting Supplies	000-230-630	100	(100)	-	-	-
Miscellaneous Expenditures	000-230-890	2,950	(225)	2,725	2,725	-
BOE Membership Dues & Fees	000-230-895	3,200	(126)	3,074	3,074	-
Total Support Services General Administration		320,413	21,214	341,627	336,922	4,705

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Support Services School Administration:						
Salaries of Principals & Assistant Principals	000-240-103	166,155	24	166,179	166,179	-
Salaries of Secretarial & Clerical Assistants	000-240-105	77,461	11,435	88,896	88,896	-
Purchased Professional & Technical Services	000-240-300	2,100	(120)	1,980	1,980	-
Other Purchased Services	000-240-500	4,050	(3,542)	508	508	-
Supplies & Materials	000-240-600	1,200	707	1,907	1,907	-
Other Objects	000-240-800	2,725	(410)	2,315	2,229	86
Total Support Services School Administration		253,691	8,094	261,785	261,699	86
Support Services Central Services:						
Salaries	000-251-100	213,884	2,017	215,901	215,901	-
Purchased Professional Services	000-251-330	15,500	(926)	14,574	14,574	-
Other Purchased Professional Services	000-251-592	4,525	(1,052)	3,473	3,473	-
Supplies and Materials	000-251-600	2,400	3,369	5,769	5,769	-
Other Objects	000-251-890	6,300	(360)	5,940	5,940	-
Total Support Services Central Services		242,609	3,048	245,657	245,657	-
Administrative Information Technology:						
Salaries	000-252-100	14,994	-	14,994	14,912	82
Purchased Technical Services	000-252-340	70,000	2,100	72,100	72,100	-
Other Purchased Services	000-252-500	14,000	(1,941)	12,059	12,004	55
Total Administrative Information Technology		98,994	159	99,153	99,016	137
Operation & Maintenance of Plant:						
Required Maintenance for School Facilities:						
Salaries	000-261-100	59,886	-	59,886	59,611	275
Cleaning, Repair & Maintenance Services	000-261-420	70,050	50,596	120,646	88,619	32,027
General Supplies	000-261-610	-	113,688	113,688	-	113,688
Total Required Maintenance for School Facilities		129,936	164,284	294,220	148,230	145,990
Custodial Services:						
Salaries	000-262-100	358,367	8,201	366,568	359,478	7,090
Salaries of Non-Instructional Aides	000-262-107	117,712	9,308	127,020	98,205	28,815
Cleaning, Repair & Maintenance Services	000-262-420	54,350	18,007	72,357	42,867	29,490
Other Purchased Property Services	000-262-490	28,500	(7,560)	20,940	17,456	3,484
Insurance	000-262-520	53,000	(29,830)	23,170	23,130	40
Miscellaneous Purchased Services	000-262-590	950	-	950	388	562
General Supplies	000-262-610	42,500	90,949	133,449	131,400	2,049
Energy (Natural Gas)	000-262-621	7,500	-	7,500	7,500	-
Energy (Electricity)	000-262-622	167,999	(32,982)	135,017	127,806	7,211
Energy (Oil)	000-262-624	-	1,103	1,103	1,103	-
Other Objects	000-262-800	750	-	750	85	665
Total Custodial Services		831,628	57,196	888,824	809,418	79,406
Care and Upkeep of Grounds:						
Salaries	000-263-100	3,487	-	3,487	3,487	-
Cleaning, Repair & Maintenance Services	000-263-420	500	-	500	-	500
General Supplies	000-263-610	1,250	(1,250)	-	-	-
Total Care and Upkeep of Grounds		5,237	(1,250)	3,987	3,487	500

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Security:						
Cleaning, Repair & Maintenance Services	000-266-420	12,000	(1,358)	10,642	8,969	1,673
General Supplies	000-266-610	300	1,438	1,738	1,738	-
Total Security		12,300	80	12,380	10,707	1,673
Total Operation & Maintenance of Plant		979,101	220,310	1,199,411	971,842	227,569
Student Transportation Services:						
Salaries of Non-Instructional Aides	000-270-107	16,414	4,940	21,354	21,354	-
Salaries - Pupil Transportation (Bet Home & Sch) - Reg	000-270-160	21,360	715	22,075	22,075	-
Salaries - Pupil Transportation (Bet Home & Sch) - Sp Ed	000-270-161	46,443	14,360	60,803	60,803	-
Salaries - Pupil Transportation (Bet Home & Sch) - Nonpub	000-270-163	2,514	42	2,556	2,556	-
Management Fee - ESC Transportation Program	000-270-350	2,600	(405)	2,195	1,955	240
Cleaning, Repair & Maintenance Services	000-270-420	1,500	2,630	4,130	4,130	-
Contracted Services - Aid In Lieu of Payments - Nonpublic	000-270-503	32,000	-	32,000	27,000	5,000
Contracted Services - (Between Home & School) - Joint Agreement	000-270-513	162,500	-	162,500	152,699	9,801
Contracted Services - Special Ed - vendors	000-270-514	850	-	850	-	850
Contracted Services - Special Ed - joint agreements	000-270-515	52,500	-	52,500	5,198	47,302
Miscellaneous Purchased Services - Transportation	000-270-593	6,000	-	6,000	426	5,574
Transportation Supplies	000-270-615	4,500	-	4,500	-	4,500
Miscellaneous Expenditures	000-270-800	149	1	150	50	100
Total Student Transportation Services		349,330	22,283	371,613	298,246	73,367
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	000-291-220	118,000	-	118,000	109,376	8,624
PERS - Other Retirement	000-291-241	131,200	178	131,378	121,338	10,040
Unemployment Compensation	000-291-250	-	7,955	7,955	7,955	-
Workmen's Compensation	000-291-260	81,000	(27,688)	53,312	53,225	87
Health Benefits	000-291-270	1,692,028	151,595	1,843,623	1,408,675	434,948
Tuition Reimbursements	000-291-280	15,000	-	15,000	8,308	6,692
Other Employee Benefits	000-291-290	12,819	-	12,819	-	12,819
Total Unallocated Benefits - Employee Benefits		2,050,047	132,040	2,182,087	1,708,877	473,210
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	368,941	(368,941)
On-Behalf TPAF Pension Contributions		-	-	-	813,365	(813,365)
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	1,208	(1,208)
Reimbursed TPAF Social Security Contributions		-	-	-	345,061	(345,061)
Total Undistributed Expenditures		6,233,147	540,600	6,773,747	7,403,094	(629,347)
Total Expenditures - Current Expense		10,492,192	1,276,308	11,768,500	11,999,503	(231,003)
Capital Outlay:						
Non Instructional Services:						
School Buses - Regular	000-270-733	-	265,224	265,224	25,000	240,224
Assessment for Debt Service on SDA Funding	000-400-896	49	-	49	49	-
Total Facilities Acquisition & Construction Services		49	265,224	265,273	25,049	240,224
Interest Deposit on Capital Reserve	10-604	20	-	20	-	20
Total Capital Outlay		69	265,224	265,293	25,049	240,244
Total Expenditures		10,492,261	1,541,532	12,033,793	12,024,552	9,241

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	(144,048)	-	(144,048)	1,511,643	1,655,691
Excess/(Deficiency) of Revenues Over/(Under)					
Expenditures After Other Financing Sources/(Uses)	(144,048)	-	(144,048)	1,511,643	1,655,691
Fund Balances, July 1	1,079,141		1,079,141	1,079,141	-
Fund Balances, June 30	\$ 935,093	\$ -	\$ 935,093	\$ 2,590,784	\$ 1,655,691
<u>RECAPITULATION OF BUDGET TRANSFERS</u>					
Prior Year Reserve for Encumbrances		\$ -			
Total Budget Transfers		\$ -			
<u>RECAPITULATION OF FUND BALANCE</u>					
Restricted Fund Balance:					
Capital Reserve				\$ 888,529	
Maintenance Reserve				650,000	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				107,815	
Excess Surplus				328,083	
Assigned:					
Year-End Encumbrances				250,867	
Designated for Subsequent Year's Expenditures				38,749	
Unassigned Fund Balance				<u>326,741</u>	
Subtotal				2,590,784	
Reconciliation to Governmental Fund Statements (GAAP):					
Last Two State Aid Payment Not Recognized on GAAP Basis				<u>(240,789)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,349,995</u>	

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	37,629	6,641	44,270	30,689	(13,581)
Federal Sources	145,217	25,771	170,988	147,177	(23,811)
Total Revenues	182,846	36,980	219,826	177,866	(41,960)
EXPENDITURES:					
Instruction:					
Purchased Professional Educational Services	29,179	(4,311)	24,868	13,726	11,142
Tuition	80,749	19,251	100,000	100,000	-
General Supplies	20,744	-	20,744	11,711	9,033
Textbooks	1,490	593	2,083	2,083	-
Total Instruction	132,162	15,533	147,695	127,520	20,175
Support Services:					
Purchased Professional Technical Services	46,362	14,615	60,977	39,249	21,728
General Supplies	4,322	6,832	11,154	11,097	57
Total Support Services	50,684	21,447	72,131	50,346	21,785
Total Expenditures	182,846	36,980	219,826	177,866	41,960
Total Outflows	182,846	36,980	219,826	177,866	41,960
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, 2019**

**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)	\$ 13,536,195	\$ 177,866
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	77,342	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(240,789)	-
	\$ 13,372,748	\$ 177,866
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 13,372,748	\$ 177,866
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 12,024,552	\$ 177,866
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds (B-2)	\$ 12,024,552	\$ 177,866

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 SIX FISCAL YEARS*

	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.01165%	0.01100%	0.01154%	0.01129%	0.01117%	0.01116%
School District's proportionate share of the net pension liability	2,293,414	2,560,191	\$ 3,418,827	\$ 2,533,812	\$ 2,092,219	\$ 2,132,053
School District's covered payroll	683,359	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	335.61%	319.58%	432.09%	322.05%	278.40%	287.29%
Plan fiduciary net position as a percentage of the total pension liability	48.10%	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 SIX FISCAL YEARS**

	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	115,859	101,886	\$ 102,550	\$ 97,042	\$ 92,079	\$ 84,055
Contributions in relation to the contractually required contribution	(115,859)	(101,886)	(102,550)	(97,042)	(97,042)	(84,055)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ (4,963)	\$ -
School District's covered payroll	\$ 683,773	\$ 683,359	\$ 801,111	\$ 791,236	\$ 786,776	\$ 751,153
Contributions as a percentage of covered payroll	16.94%	14.91%	12.80%	12.26%	11.70%	11.19%

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*

	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	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	24,051,736	26,994,616	29,075,712	23,855,951	18,132,242	16,701,482
	<u>\$ 24,051,736</u>	<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	\$ 4,558,365	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.49%	25.41%	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 TWO FISCAL YEARS***

	2019	2018
Total OPEB Liability Associated with the School District		
Service Cost	\$ 745,771	\$ 900,342
Interest Cost	646,692	557,652
Difference between Expected & Actual Differences	(1,879,817)	-
Changes of Assumptions	(1,712,600)	(2,418,510)
Contributions: Member	13,792	14,933
Gross Benefit Payments	(399,062)	(405,550)
	(2,585,224)	(1,351,133)
Net Change in Total OPEB Liability	17,509,189	18,860,322
Total Associated OPEB Liability (Beginning)	\$ 14,923,965	\$ 17,509,189
Total Associated OPEB Liability (Ending)	\$ 5,242,138	\$ 4,872,078
District's Covered Employee Payroll		
Net Associated OPEB Liability as a Percentage of Payroll	285%	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, 2019**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 4.25% as of June 30, 2017, to 4.86% as of June 30, 2018.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.00% as of June 30, 2017, to 5.66% as of June 30, 2018.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.58% as of June 30, 2017, to 3.87% as of June 30, 2018.

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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, 2019**

	TITLE I	TITLE II PART A	TITLE IV PART A	I.D.E.A. PART B	
				REGULAR	PRESCHOOL
Revenues:					
Federal Sources	\$ 7,849	\$ 3,040	\$ 1,351	\$ 128,765	\$ 6,172
State Sources	-	-	-	-	-
Local Sources	-	-	-	-	-
Total Revenues	\$ 7,849	\$ 3,040	\$ 1,351	\$ 128,765	\$ 6,172
Expenditures:					
Instruction:					
Tuition	\$ -	\$ -	\$ -	\$ 100,000	\$ -
General Supplies	1,210	-	501	10,000	-
Total Instruction	1,210	-	501	110,000	-
Support Services:					
Purchased Professional - Technical Services	6,639	3,040	850	18,765	6,172
General Supplies	-	-	-	-	-
Total Support Services	6,639	3,040	850	18,765	6,172
Total Expenditures	\$ 7,849	\$ 3,040	\$ 1,351	\$ 128,765	\$ 6,172

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	CH. 192		CH. 193		NON-PUBLIC		NON-PUBLIC		NON-PUBLIC		NON-PUBLIC		TOTAL
	COMPENSATORY EDUCATION	ENGLISH AS A SECOND LANGUAGE	EXAMINATION & CLASSIFICATION	NON-PUBLIC TEXTBOOK AID	NON-PUBLIC NURSING AID	NON-PUBLIC TECHNOLOGY AID	NON-PUBLIC SECURITY AID	NON-PUBLIC	NON-PUBLIC	NON-PUBLIC	NON-PUBLIC	NON-PUBLIC	
Revenues:													
Federal Sources	\$ 11,590	\$ 863		1,273		2,083		3,783					\$ 147,177
State Sources										1,347		9,750	30,689
Local Sources													-
Total Revenues	\$ 11,590	\$ 863	1,273	\$ 2,083	\$ 3,783	\$ 1,347	\$ 9,750						177,866
Expenditures:													
Instruction:													
Purchased Professional - Educational Services	\$ 11,590	\$ 863	1,273	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	13,726
Tuition	-	-	-	-	-	-	-	-	-	-	-	-	100,000
General Supplies	-	-	-	-	-	-	-	-	-	-	-	-	11,711
Textbooks	-	-	-	2,083	-	-	-	-	-	-	-	-	2,083
Total Instruction	11,590	863	1,273	2,083	-	-	-	-	-	-	-	-	127,520
Support Services:													
Purchased Professional - Technical Services	-	-	-	-	3,783	-	-	-	-	-	-	-	39,249
General Supplies	-	-	-	-	-	-	-	-	1,347	9,750	-	-	11,097
Total Support Services	-	-	-	-	3,783	1,347	9,750	-	-	-	-	-	50,346
Total Expenditures	\$ 11,590	\$ 863	1,273	\$ 2,083	\$ 3,783	\$ 1,347	\$ 9,750						177,866

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, 2019**

<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, 2019</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, 2019**

REVENUES AND OTHER FINANCING SOURCES:

Interest Earned	<u>\$ 10</u>
Total Revenues and Other Financing Sources	<u>10</u>

EXPENDITURES AND OTHER FINANCING USES:

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

**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, 2019**

	<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, 2019**

ASSETS	PRIVATE PURPOSE TRUST		AGENCY FUNDS		TOTAL
	UNEMPLOYMENT COMPENSATION TRUST	STUDENT ACTIVITY	PAYROLL		
Assets:					
Cash & Cash Equivalents	\$ 12,256	\$ 30,594	\$ 251,807	\$	294,657
Due From State	2,870	-	-		2,870
Total Assets	15,126	30,594	251,807		297,527
LIABILITIES					
Liabilities:					
Payroll Deductions & Withholdings	-	-	251,807		251,807
Accounts Payable	1,703	-	-		1,703
Due to Student Groups	-	30,594	-		30,594
Total Liabilities	1,703	30,594	251,807		284,104
NET POSITION					
Held in Trust for:					
Unemployment Claims	13,423	-	-		13,423
Total Net Position	\$ 13,423	\$ -	\$ -	\$	13,423

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2019**

	<u>PRIVATE</u> <u>PURPOSE TRUST</u> <u>UNEMPLOYMENT</u> <u>COMPENSATION</u> <u>TRUST</u>
Additions:	
Local Sources:	
Payroll Deductions	\$ 26,103
Total Operating Revenues	<u>26,103</u>
Total Additions	<u>26,103</u>
Deductions:	
Unemployment Claims	<u>13,903</u>
Change in Net Position	12,200
Net Position, July 1	<u>1,223</u>
Net Position, June 30	<u><u>\$ 13,423</u></u>

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
FIDICIARY FUNDS
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	BALANCE JULY 1, <u>2018</u>	CASH <u>RECEIPTS</u>	CASH <u>DISBURSEMENTS</u>	BALANCE JUNE 30, <u>2019</u>
Chesterfield Township Elementary School	\$ 34,358	\$ 80,953	\$ 84,717	\$ 30,594
Total Student Activity	<u>\$ 34,358</u>	<u>\$ 80,953</u>	<u>\$ 84,717</u>	<u>\$ 30,594</u>

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
FIDICIARY FUNDS
SCHEDULE OF CHANGES IN PAYROLL AGENCY ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

ASSETS	BALANCE JULY 1, <u>2018</u>	<u>ADDITIONS</u>	<u>DISBURSEMENTS</u>	BALANCE JUNE 30, <u>2019</u>
Cash & Cash Equivalents	\$ 234,917	\$ 7,029,290	\$ 7,012,400	\$ 251,807
Total Assets	<u>\$ 234,917</u>	<u>\$ 7,029,290</u>	<u>\$ 7,012,400</u>	<u>\$ 251,807</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$ 234,917	\$ 7,029,290	\$ 7,012,400	\$ 251,807
Total Liabilities	<u>\$ 234,917</u>	<u>\$ 7,029,290</u>	<u>\$ 7,012,400</u>	<u>\$ 251,807</u>

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I. Long-Term Debt

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**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL PAYMENTS		INTEREST RATE	AMOUNT OUTSTANDING JUNE 30, 2018	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2019
			DATE	AMOUNT				
2015 Refunding Bonds	9/16/2015	9,920,000	2/1/2020	1,115,000	3.000%	9,710,000	1,085,000	8,625,000
			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%	24,285,000	105,000	24,180,000
			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						\$ 33,995,000	\$ 1,190,000	\$ 32,805,000

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	\$ 1,963,251	\$ -	\$ 1,963,251	\$ 1,963,251	\$ -
State Sources:					
Debt Service Aid Type II	336,986	-	336,986	336,986	-
Total Revenues	<u>2,300,237</u>	<u>-</u>	<u>2,300,237</u>	<u>2,300,237</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Redemption of Principal	1,190,000		1,190,000	1,190,000	-
Interest	1,110,938		1,110,938	1,110,938	-
Total Regular Debt Service	<u>2,300,938</u>	<u>-</u>	<u>2,300,938</u>	<u>2,300,938</u>	<u>-</u>
Excess/(Deficiency) of Revenues Over (Under) Expenditures	<u>(701)</u>	<u>-</u>	<u>(701)</u>	<u>(701)</u>	<u>-</u>
Other Financing Sources/(Uses):					
Transfers In:					
Capital Projects Fund - Interest	-	-	-	10	(10)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>(10)</u>
Excess/(Deficiency) of Revenues Over (Under) Expenditures and Other Sources and Uses	<u>(701)</u>	<u>-</u>	<u>(701)</u>	<u>(691)</u>	<u>(10)</u>
Fund Balance, July 1,	712		712	712	-
Fund Balance, June 30	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 21</u>	<u>\$ (10)</u>

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,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities:										
Net Investment in Capital Assets	\$ (208,290)	\$ (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
Restricted	1,981,751	758,310	185,600	(102,642)	49,405	40,587	139,875	230,202	227,760	14,839,120
Unrestricted	(6,339,372)	(6,462,543)	(6,431,074)	(883,327)	(2,789,647)	(278,645)	593,387	651,067	1,306,504	(15,170,967)
Total Governmental Activities	\$ (4,565,911)	\$ (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
Business-Type Activities:										
Net Investment in Capital Assets	\$ 800	\$ 60,399	\$ 70,902	\$ 73,022	\$ 81,730	\$ 90,438	\$ 99,146	\$ 107,854	\$ 114,188	\$ -
Unrestricted	39,561	54,467	55,070	55,669	69,614	69,556	60,250	48,786	29,682	53,275
Total Business-Type Activities	\$ 40,361	\$ 114,866	\$ 125,972	\$ 128,691	\$ 151,344	\$ 159,994	\$ 159,396	\$ 156,640	\$ 143,870	\$ 53,275
Government-Wide:										
Net Investment in Capital Assets	\$ (207,490)	\$ (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
Restricted	1,981,751	758,310	185,600	(102,642)	49,405	40,587	139,875	230,202	227,760	14,839,120
Unrestricted	(6,299,811)	(6,408,076)	(6,376,004)	(827,658)	(2,720,033)	(209,089)	653,637	699,853	1,336,180	(15,117,692)
Total Net Position	\$ (4,525,550)	\$ (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

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

	FISCAL YEAR ENDING JUNE 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses:										
Governmental Activities										
Instruction:										
Regular Instruction	\$ 3,616,399	\$ 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
Special Education	836,287	735,799	753,928	787,995	769,470	725,318	586,367	489,239	481,159	385,893
Other Instruction	171,243	199,922	155,882	160,083	195,751	137,645	169,047	202,022	193,267	188,746
Support Services:										
Tuition	258,821	282,909	269,716	141,810	114,912	90,794	65,914	8,320	31,065	120,524
Student & Instruction Related Services	1,843,785	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
Educational Media Services/School Library				81,313	279,639	281,538	250,252	256,895	269,388	254,595
General Administrative Services	336,922	308,341	278,678	198,485	1,042,551	1,039,886	979,579	945,928	770,171	61,130
School Administrative Services	261,699	246,782	226,140	265,146	89,461	87,413	81,790	79,514	64,098	641,621
Central Services	245,657	238,821	203,094	210,542	342,058	346,905	313,597	273,059	299,783	423,474
Administrative Technology	99,016	84,471	85,228	96,128	-	-	-	-	-	-
Plant Operations & Maintenance	971,842	838,026	780,094	796,170	1,596,536	643,799	720,841	539,234	421,174	389,796
Pupil Transportation	323,246	282,498	322,851	310,909	-	-	-	-	-	-
Employee Benefits	2,502,261	3,023,453	1,987,462	4,564,937	-	-	-	12,997	-	-
On Behalf TPAF Pension and Social Security Contributions	1,747,193	2,193,067	1,139,311	-	1,550,959	1,581,427	1,606,623	1,629,799	1,648,019	1,664,395
Interest on Long-Term Debt	1,150,339	1,192,296	1,234,885	1,675,886	-	-	-	-	-	-
Capital Assets Retirements	53,954	-	-	633,420	601,340	601,342	603,671	596,954	1,016,567	121,773
Unallocated Depreciation	764,306	746,783	1,439,503	20,212	-	-	41,597	43,644	43,649	58,487
Increase/(Decrease) In Compensated Absences	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	15,182,970	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
Business-Type Activities:										
Food Service	250,494	191,991	204,169	228,862	203,894	191,139	178,143	163,396	182,867	148,196
Total Business-Type Activities Expense	250,494	191,991	204,169	228,862	203,894	191,139	178,143	163,396	182,867	148,196
Total District	\$ 15,433,464	\$ 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

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

	FISCAL YEAR ENDING JUNE 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues:										
Operating Grants & Contributions	\$ 2,703,112	\$ 3,604,846	\$ 1,321,905	\$ 2,911,947	\$ 576,213	\$ 604,529	\$ 819,239	\$ 910,942	\$ 981,763	\$ 1,087,745
Total Governmental Activities Program Revenues	2,703,112	3,604,846	1,321,905	2,911,947	576,213	604,529	819,239	910,942	981,763	1,087,745
Business-Type Activities:										
Charges for Services:										
Food Service	144,807	147,777	154,521	152,369	83,260	92,822	107,798	114,747	116,249	136,636
Operating Grants:										
Food Service	31,182	33,108	38,309	40,261	19,231	26,884	27,578	31,242	30,071	37,135
Total Business Type Activities Program Revenues	175,989	180,885	192,830	192,630	102,491	119,706	135,376	145,989	146,320	173,771
Total District Program Revenues	\$ 2,879,101	\$ 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
Net/(Expense)/Revenue:										
Governmental Activities	\$ (12,479,858)	\$ (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)
Business-Type Activities	(74,505)	(11,106)	(11,339)	(36,232)	(8,650)	589	2,702	10,375	(36,547)	(2,207)
Total District-Wide Net Expense	\$ (12,554,363)	\$ (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)

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property taxes levied for general purposes, net	9,435,877	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
Taxes levied for debt service	1,963,251	1,942,729	1,644,682	-	1,266,528	1,295,229	1,335,580	2,564,573	1,027,479	1,293,188
Federal and State Aid	2,654,060	1,144,207	798,846	811,027	424,262	371,325	317,880	217,298	106,575	272,181
Tuition received	53,907	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
Miscellaneous	37,325	97,771	72,344	85,419	66,686	54,290	54,877	56,237	408,218	6,602
Capital asset adjustment	-	-	-	-	-	-	-	29,250	(100,081)	-
Extraordinary Item - Fire loss impairment, net	-	-	-	-	-	-	-	(214,172)	(807,238)	-
Extraordinary Item - Fire insurance recovery	-	-	-	-	300,000	5,000	-	-	-	-
Special item - Value of donated property	-	-	-	-	-	-	-	-	-	-
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	14,144,420	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
Business-type Activities										
Investment earnings	-	-	-	-	-	9	54	21	167	146
Miscellaneous income	-	-	13,579	-	-	-	-	-	100	-
Other	-	-	-	-	-	-	-	2,374	-	(4,200)
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)
Total District-Wide	14,144,420	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
Change in Net Position:										
Governmental Activities	1,664,562	880,667	500,400	(608,249)	(364,380)	(554,186)	(797,210)	(882,679)	(3,109,146)	(269,305)
Business-Type Activities	(74,505)	(11,106)	(2,719)	(22,653)	(8,650)	598	2,756	12,770	90,595	(6,261)
Total District	\$ 1,590,057	\$ 869,561	\$ 497,681	\$ (630,902)	\$ (373,030)	\$ (553,588)	\$ (794,454)	\$ (869,909)	\$ (3,018,551)	\$ (275,566)

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

	FISCAL YEAR ENDING JUNE 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310,997
Unreserved	-	-	-	-	-	-	-	-	-	219,830
Restricted	1,974,427	750,295	142,195	38,033	37,941	37,916	132,559	224,238	202,550	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	289,616	40,097	-	4,135	89,962	159,325	334,971	238,544	335,701	-
Unassigned	85,952	211,407	250,848	65,959	210,433	195,780	241,999	253,828	243,972	-
Total General Fund	\$ 2,349,995	\$ 1,001,799	\$ 393,043	\$ 108,127	\$ 338,336	\$ 393,021	\$ 709,529	\$ 716,610	\$ 782,223	\$ 530,827
All Other Governmental Funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,677,132
Restricted, reported in:										
Capital projects fund	7,303	7,303	7,303	7,303	-	-	-	-	-	-
Debt Service fund	21	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
Debt Service fund	-	-	-	-	-	-	-	-	-	14,568
Assigned	-	-	-	-	-	-	-	-	-	-
Capital Projects fund	-	-	-	-	-	-	-	-	3,210,747	-
Total All Other Governmental Funds	\$ 7,324	\$ 8,015	\$ 43,405	\$ 343,849	\$ 718,767	\$ 890,002	\$ 1,561,476	\$ 2,145,022	\$ 3,235,957	\$ 14,529,082

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues:										
Tax Levy	\$ 11,399,128	\$ 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
Interest Earnings	-	-	-	-	1,169	42,157	43,950	37,450	36,153	-
Tuition	53,907	46,675	40,875	43,595	46,059	1,448	3,186	2,600	75,383	343,164
Miscellaneous	37,325	102,339	75,654	85,419	366,686	54,290	56,861	56,237	408,218	6,602
State Sources	4,213,324	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
Federal Sources	147,177	163,599	152,980	170,903	170,554	187,124	215,827	201,001	225,112	131,243
Total Revenue	15,850,861	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
Expenditures:										
Instruction:										
Regular Instruction	3,616,399	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
Special Education Instruction	836,287	735,799	746,565	936,387	593,118	547,209	453,890	372,689	373,572	303,656
Other Instruction	171,243	199,922	155,882	11,691	149,229	116,490	117,166	154,525	142,826	148,479
Support Services										
Tuition	258,821	282,909	269,716	141,810	114,912	90,794	65,914	8,320	31,065	120,524
Attendance & Social Work Services	-	-	-	26,688	-	-	-	-	-	-
Health Services	-	-	-	123,867	-	-	-	-	-	-
Student and Instructional Related services	1,843,785	1,633,039	1,459,265	1,294,983	1,391,610	1,152,187	1,036,781	935,072	930,354	842,167
Educational Media Services/School Library	-	-	-	81,313	-	-	-	-	-	-
General Administration	336,922	308,341	277,709	198,485	192,349	183,271	180,790	173,107	181,464	168,155
School Administrative Services	261,699	246,782	229,779	265,146	264,838	235,000	233,685	226,337	226,659	212,278
Central services	245,657	238,821	203,094	210,542	214,709	216,894	184,340	211,947	206,891	199,713
Administrative Information Technology	99,016	84,471	85,228	96,128	89,461	87,413	81,790	79,514	64,098	61,150
Plant Operations and Maintenance	971,842	838,026	785,993	796,170	893,941	888,888	828,386	832,319	655,852	565,627
Pupil Transportation	298,246	282,498	328,234	310,909	319,374	318,472	279,568	251,353	279,374	400,651
Employee benefits	3,237,452	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
Special Schools	-	-	-	-	-	-	-	-	-	-
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
Debt service:										
Principal	1,215,000	1,140,000	1,161,807	935,000	750,000	625,000	587,000	465,000	365,000	360,000
Interest and other charges	1,110,987	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
Total Expenditures	14,503,356	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
Excess/(Deficiency) of Revenues	1,347,505	573,366	(1,528)	(703,816)	(525,920)	(992,982)	(627,822)	(1,260,490)	(11,835,890)	(18,666,032)
Other Financing Sources/(Uses):										
Bond proceeds	-	-	-	34,976,406	-	-	-	-	-	-
Deposit to Refunding Escrow	-	-	-	(34,627,649)	-	-	-	-	-	-
Capital leases (non-budgeted)	-	-	-	65,407	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-	-	-	-

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010										
Revenues:																				
Costs of issuing bonds				(348,757)	-	-	-	-	-	-										
Prior year accounts payable cancelled				-	-	-	39,179	-	-	-										
Prior year accounts receivable cancelled				-	-	-	(1,984)	-	-	-										
Transfers in	10	175,000	300,701	400,648	751,145	626,319	-	-	344,714	331,567										
Transfers out	(10)	(175,000)	(300,701)	(400,648)	(751,145)	(626,319)	-	-	(344,714)	(331,567)										
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	\$	1,347,505	\$	573,366	\$	(15,528)	\$	(638,409)	\$	(225,920)	\$	(987,982)	\$	(590,627)	\$	(1,156,548)	\$	(11,041,729)	\$	(18,666,032)

Debt Service as a Percentage of Noncapital Expenditures

16.0%	17.2%	18.1%	19.2%	19.8%	20.5%	21.5%	21.2%	19.5%	23.8%
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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 Expenditures	Facility Use	Sale of Furniture	Other	Total Miscellaneous
2019	\$ 53,907	\$ -	\$ -	\$ -	\$ -	\$ 24,721	\$ -	\$ 12,594	\$ 91,222
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

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	Regional School Tax Rate
2018	\$ 12,331,900	\$ 682,985,400	\$ 61,496,100	\$ 6,296,400	\$ 20,289,000	\$ 289,700	\$ 311,900	\$ 784,000,400	\$ 1,184,866	\$ 785,185,266	\$ 812,561,232	1.451	0.646
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	0.636
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

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	
2018	1.201	0.250	1.451	0.328	0.415	0.646	2.840
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

Source: Municipal Tax Collector

Note:

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

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

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

* Property values were reassessed effective for 2007.

**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	0.54%	\$ 4,279,200	6	0.54%
Historical Old York Country Club	3,000,000	2	0.38%	8,238,900	4	1.05%
Mekwin, LLC	1,921,700	3	0.24%			
Taxpayer 1	1,420,300	4	0.18%	27,949,500	1	3.55%
Taxpayer 2	1,190,400	5	0.15%	13,518,100	2	1.72%
Taxpayer 3	1,107,400	6	0.14%	12,357,700	3	1.57%
Taxpayer 4	999,000	7	0.13%	6,633,000	5	0.84%
Taxpayer 5	990,400	8	0.13%	3,328,800	7	0.42%
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	0.35%
Taxpayer 6				2,832,000	8	0.36%
Taxpayer 7				2,480,000	10	0.32%
Total	\$ 16,749,900		2.13%	\$ 84,360,200		10.72%
Total Municipal Assessment	\$ 785,185,266			\$ 787,000,869		

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	
2018	\$ 22,298,908	\$ 22,055,850	98.91%	unavailable
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

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 Income (a) Per Capita (b)	
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2019	\$ 32,805,000	\$ -	\$ -	\$ -	\$ -	\$ 32,805,000	unavailable	unavailable
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

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	
	Obligation	Deductions	Debt Outstanding	Value ^a of Property	Per Capita ^b
2019	\$ 32,805,000	\$ -	\$ 32,805,000	unavailable	unavailable
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

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, 2019**

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes:			
Chesterfield Township Net Debt - December 31, 2018:	25,053,886	100.00%	\$ 25,053,886
Burlington County Net Debt at December 31, 2018 (a)	297,399,680	1.715%	<u>5,099,055</u>
Subtotal, Overlapping Debt			\$ 30,152,941
Chesterfield Township School District Direct Debt			<u>32,805,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 62,957,941</u></u>

Sources: 2018 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,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt Limit	\$ 19,714,235	\$ 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
Total Net Debt Applicable to Limit	32,805,000	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
Legal Debt Margin	<u>\$ (13,090,765)</u>	<u>\$ (15,025,265)</u>	<u>\$ (16,766,364)</u>	<u>\$ (11,302,262)</u>	<u>\$ (17,009,255)</u>	<u>\$ (17,488,735)</u>	<u>\$ (18,270,443)</u>	<u>\$ (19,065,792)</u>	<u>\$ (19,794,392)</u>	<u>\$ (21,085,635)</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	166.40%	179.21%	191.28%	145.31%	195.15%	196.38%	201.56%	207.22%	213.00%	227.09%

Legal Debt Margin Calculation for Fiscal Year 2019

Equalized Valuation Basis	
2019	\$ 814,715,162
2018	\$ 792,653,751
2017	<u>758,339,295</u>
	<u>\$ 2,365,708,208</u>
Average Equalized Valuation of Taxable Property	<u>\$ 788,569,403</u>
Debt Limit (2.5% of Average Equalization Value) Net Bonded School Debt	<u>19,714,235</u> <u>32,805,000</u>
Legal Debt Margin	<u>\$ (13,090,765)</u>

Source: 2018 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>
2019	7,616	unavailable	unavailable	4.4%
2018	7,587	unavailable	unavailable	4.4%
2017	7,719	460,507,821	59,659	4.5%
2016	7,490	430,442,810	57,469	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%

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	2019		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

2010

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>	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction										
Regular	33	34	36	39	41	43	43	44	45	46
Special education	6	6	7	11	11	11	11	11	12	13
Other Instruction	2	2	2	2	2	2	2	2	3	2
Support Services:										
Student & instruction related services	15	15	15	13	14	15	15	15	9	12
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	4	4	4	4	4	4	4	4	3	3
Administrative Information Technolog	-	-	-	-	-	-	-	-	-	-
Plant operations and maintenance	10	10	12	12	12	12	12	13	13	13
Pupil transportation	2	2	2	2	2	2	2	2	2	3
Food Service	-	-	-	-	-	-	-	-	-	-
Total	76	77	82	87	90	93	93	95	91	96

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>ELEMENTARY</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>
2019	775	\$ 12,177,369	\$ 15,713	7.88%	62	12.5:1		783.9	751.0	1.96%	95.80%
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%

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**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
-	-	-	-	-	-	-	-	-	-	39,740
-	-	-	-	-	-	-	-	-	-	306
-	-	-	-	-	-	-	-	-	-	493
116,000	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	918	-
775	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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
* School Facilities	\$ 148,230	\$ 104,571	\$ 87,274	\$ 106,594	\$ 127,068	\$ 123,929	\$ 133,492	\$ 114,593	\$ 50,837	\$ 47,752

* 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, 2019**

	<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, 2019, 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 December 17, 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
December 17, 2019



HOLMAN | FRENIA
ALLISON, P.C.

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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, 2019. 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, 2019.

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
December 17, 2019

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CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2018	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	BALANCE, JUNE 30, 2019 (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	191N1304N1099	100-010-3350-026	14,849	7/1/18-6/30/19	-	13,774	(14,849)	-	(1,075)	-
National School Lunch Program	10.555	181N1304N1099	100-010-3350-026	16,233	7/1/17-6/30/18	(1,263)	1,263	-	-	-	-
Healthy Hunger-Free Kids Act	10.555	191N1304N1099	100-010-3350-026	1,902	7/1/18-6/30/19	-	1,761	(1,902)	-	(141)	-
Healthy Hunger-Free Kids Act	10.555	181N1304N1099	100-010-3350-026	2,034	7/1/17-6/30/18	(162)	162	-	-	-	-
Food Distribution Program (Noncash Assistance)	10.555	191N1304N1099	Unavailable	12,639	7/1/18-6/30/19	-	12,639	(9,631)	-	-	3,008
Food Distribution Program (Noncash Assistance)	10.555	181N1304N1099	Unavailable	13,928	7/1/17-6/30/18	3,206	-	(3,206)	-	-	-
Total Child Nutrition Cluster				1,781		29,599	(29,588)	-	-	(1,216)	3,008
Total U.S. Department of Agriculture											
				1,781		29,599	(29,588)	-	-	(1,216)	3,008
U.S. Department of Education											
Passed Through New Jersey Department of Education:											
LD.E.A. Part B (Special Education Cluster)											
Basic	84.027	H027A170100	100-034-5065-016	132,514	7/1/17-6/30/18	(21,728)	21,728	-	-	-	-
Basic	84.027	H027A180100	100-034-5065-016	136,966	7/1/18-6/30/19	-	44,537	(128,765)	-	(84,228)	-
						(21,728)	66,265	(128,765)	-	(84,228)	-
Preschool	84.173	H173A170114	100-034-5065-020	5,974	7/1/17-6/30/18	(3,886)	3,886	-	-	-	-
Preschool	84.173	H173A180114	100-034-5065-020	6,945	7/1/18-6/30/19	-	-	(6,172)	-	(6,172)	-
						(3,886)	3,886	(6,172)	-	(6,172)	-
Total Special Education Cluster						(25,614)	70,151	(134,937)	-	(90,400)	-
Title I - Part A	84.010	S010A170030	100-034-5064-194	15,586	7/1/17-6/30/18	(7,716)	7,716	-	-	-	-
Title I - Part A	84.010	S010A180030	100-034-5064-194	16,160	7/1/18-6/30/19	-	3,519	(7,849)	-	(4,330)	-
						(7,716)	11,235	(7,849)	-	(4,330)	-
Title IV - Part A	84.424	S424A170030	100-034-5063-348	10,000	7/1/17-6/30/18	(4,704)	4,704	-	-	-	-
Title IV - Part A	84.424	S424A180030	100-034-5063-348	12,378	7/1/18-6/30/19	-	-	(1,351)	-	(1,351)	-
						(4,704)	4,704	(1,351)	-	(1,351)	-
Title II - Part A, Supporting Effective Instruction	84.367	S367A170029	100-034-5063-290	6,769	7/1/17-6/30/18	(5,639)	5,639	-	-	-	-
Title II - Part A, Supporting Effective Instruction	84.367	S367A180029	100-034-5063-290	5,489	7/1/18-6/30/19	-	-	(3,040)	-	(3,040)	-
						(5,639)	5,639	(3,040)	-	(3,040)	-
Total U.S. Department of Education						(43,673)	91,729	(147,177)	-	(99,121)	-
Total Expenditures of Federal Awards						\$ (41,892)	\$ 121,328	\$ (176,765)	\$ -	\$ (100,337)	\$ 3,008

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, 2019**

STATE GRANTOR/PROGRAM TITLE OR CLUSTER	GRANT OR PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2018	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE, JUNE 30, 2019 ACCOUNTS RECEIVABLE	DUE TO GRANTOR	MEMO	
										BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
New Jersey Department of Education:											
General Fund:											
Security Aid	495-034-5120-084	60,146	7/1/18-6/30/19	\$ -	60,146	\$ (60,146)	\$ -	\$ -	\$ -	\$ 6,025	\$ 60,146
Special Education Categorical Aid	495-034-5120-089	654,710	7/1/18-6/30/19	-	654,710	(654,710)	-	-	-	65,583	654,710
Equalization Aid	495-034-5120-078	1,545,186	7/1/18-6/30/19	-	1,545,186	(1,545,186)	-	-	-	154,783	1,545,186
Total State Aid Public				-	2,260,042	(2,260,042)	-	-	-	226,391	2,260,042
Transportation Aid	495-034-5120-014	143,738	7/1/18-6/30/19	-	143,738	(143,738)	-	-	-	14,398	143,738
Additional Nonpublic School Transportation Aid	495-034-5120-014	7,830	7/1/18-6/30/19	-	-	(7,830)	-	(7,830)	-	-	7,830
Additional Nonpublic School Transportation Aid	495-034-5120-014	8,410	7/1/17-6/30/18	(8,410)	8,410	-	-	-	-	-	-
Extraordinary Aid	495-034-5120-044	68,911	7/1/18-6/30/19	-	-	(68,911)	-	(68,911)	-	-	68,911
Extraordinary Aid	495-034-5120-044	30,339	7/1/17-6/30/18	(30,339)	30,339	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	100-034-5094-003	345,061	7/1/18-6/30/19	-	319,704	(345,061)	-	(25,357)	-	-	345,061
Reimbursed TPAF Social Security Contributions	100-034-5094-003	323,017	7/1/17-6/30/18	(15,806)	15,806	-	-	-	-	-	-
TPAF - Post Retirement											
Medical (Noncash Assistance)	495-034-5094-001	368,941	7/1/18-6/30/19	-	368,941	(368,941)	-	-	-	-	368,941
TPAF - Pension											
Contributions (Noncash Assistance)	495-034-5094-002	813,365	7/1/18-6/30/19	-	813,365	(813,365)	-	-	-	-	813,365
TPAF - Long-Term Disability											
Insurance (Noncash Assistance)	495-034-5094-004	1,208	7/1/18-6/30/19	-	1,208	(1,208)	-	-	-	-	1,208
Total General Fund				(54,555)	3,961,553	(4,009,096)	-	(102,098)	-	240,789	4,009,096
Special Revenue Fund:											
Non-Public Aid:											
Textbook Aid	100-034-5120-064	1,753	7/1/17-6/30/18	98	-	-	(98)	-	-	-	-
Textbook Aid	100-034-5120-064	2,083	7/1/18-6/30/19	-	2,083	(2,083)	-	-	-	-	2,083
Nursing Services	100-034-5120-070	3,783	7/1/18-6/30/19	-	3,783	(3,783)	-	-	-	-	3,783
Technology Initiative	100-034-5120-373	1,184	7/1/17-6/30/18	210	-	-	(210)	-	-	-	-
Technology Initiative	100-034-5120-373	1,404	7/1/18-6/30/19	-	1,404	(1,347)	-	-	57	-	1,347
Security Aid	100-034-5120-509	3,900	7/1/17-6/30/18	3,900	-	-	(3,900)	-	-	-	-
Security Aid	100-034-5120-509	9,750	7/1/18-6/30/19	-	9,750	(9,750)	-	-	-	-	9,750
Handicapped Services (Ch. 193):											
Supplemental Instruction	100-034-5120-066	3,172	7/1/17-6/30/18	1,903	-	-	(1,903)	-	-	-	-
Supplemental Instruction	100-034-5120-066	1,586	7/1/18-6/30/19	-	1,586	-	-	-	1,586	-	-
Examination & Classification	100-034-5120-066	3,640	7/1/17-6/30/18	2,002	-	-	(2,002)	-	-	-	-
Examination & Classification	100-034-5120-066	2,003	7/1/18-6/30/19	-	2,003	(1,273)	-	-	730	-	1,273
Corrective Speech	100-034-5120-066	2,678	7/1/17-6/30/18	982	-	-	(982)	-	-	-	-
Corrective Speech	100-034-5120-066	1,786	7/1/18-6/30/19	-	1,786	-	-	-	1,786	-	-
Auxiliary Services Aid (Ch. 192):											
Compensatory Education	100-034-5120-067	23,032	7/1/17-6/30/18	5,493	-	-	(5,493)	-	-	-	-
Compensatory Education	100-034-5120-067	17,767	7/1/18-6/30/19	-	17,767	(11,590)	-	-	6,177	-	11,590
English as a Second Language	100-034-5120-067	1,807	7/1/17-6/30/18	1,490	-	-	(1,490)	-	-	-	-
English as a Second Language	100-034-5120-067	1,726	7/1/18-6/30/19	-	1,726	(863)	-	-	863	-	863
Total Special Revenue Fund				16,078	41,888	(30,689)	(16,078)	-	11,199	-	30,689
Debt Service Fund:											
School Construction Debt Service Aid	495-034-5120-075	336,986	7/1/18-6/30/19	-	336,986	(336,986)	-	-	-	-	336,986
Total Debt Service Fund				-	336,986	(336,986)	-	-	-	-	336,986

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

STATE GRANTOR/PROGRAM TITLE OR CLUSTER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2018	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE, JUNE 30, 2019 ACCOUNTS RECEIVABLE	DUE TO GRANTOR	MEMO	
										BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<u>New Jersey Department of Agriculture:</u>											
Enterprise Fund:											
National School Lunch Program	100-010-3350-023	1,594	7/1/18-6/30/19	-	1,475	(1,594)	-	(119)	-	-	1,594
National School Lunch Program	100-010-3350-023	1,530	7/1/17-6/30/18	(136)	136	-	-	-	-	-	-
Total Enterprise Fund				(136)	1,611	(1,594)	-	(119)	-	-	1,594
Total State Financial Assistance				\$ (38,613)	\$ 4,342,038	\$ (4,378,365)	\$ (16,078)	\$ (102,217)	\$ 11,199	\$	\$ 240,789
State Financial Assistance Programs not subject to Calculation for Major Program Determination:											
TPAF - Post Retirement Medical (Noncash Assistance)	495-034-5094-001	368,941	7/1/18-6/30/19			\$ 368,941					
TPAF - Pension Contributions (Noncash Assistance)	495-034-5094-002	813,365	7/1/18-6/30/19			813,365					
TPAF - Long-Term Disability Insurance (Noncash Assistance)	495-034-5094-004	1,208	7/1/18-6/30/19			1,208					
Total State Financial Assistance subject to Calculation for Major Program Determination						\$ (3,194,851)					

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, 2019**

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, 2019. 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, 2019.

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, 2019**

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 \$(163,447) 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	\$ -	\$ 3,845,649	\$ 3,845,649
Special Revenue Fund	147,177	30,689	177,866
Debt Service Fund	-	336,986	336,986
Food Service Fund	29,588	1,594	31,182
	<u> </u>	<u> </u>	<u> </u>
Total Awards & Financial Assistance	<u>\$ 176,765</u>	<u>\$ 4,214,918</u>	<u>\$ 4,391,683</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, 2019.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019**

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

State Financial Assistance

Dollar threshold used to determine Type A programs \$750,000

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

2) Significant deficiency(ies) identified? yes X 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? yes X no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

495-034-5120-078

495-034-5120-084

495-034-5120-089

State Aid Public:

Equalization Aid

Security Aid

Special Education Categorical Aid

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019**

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, 2019**

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

No Prior Year Findings.

FEDERAL AWARDS

No Prior Year Findings.

STATE FINANCIAL ASSISTANCE

No Prior Year Findings.