

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT

**Chesterfield, New Jersey
County of Burlington**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT

CHESTERFIELD, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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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Business Administrator

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December 18, 2023

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

Dear Board Members/Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Chesterfield Township School District for the fiscal year ended June 30, 2023, 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, 2023, 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 Annual Comprehensive 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>
2022-2023	742	3.92%
2021-2022	714	-0.42%
2020-2021	717	-6.27%
2019-2020	765	-1.29%
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%

MAJOR INITIATIVES 2022-2023

Maintain Our School System

The Chesterfield Township School District continues to rebound from years of being severely underfunded by the State. We’ve made steady progress over the last couple years and are starting to see stability for our future. However, we are now faced with the challenges presented by the pandemic. As we move into the 2022-2023 SY, we will focus on post pandemic issues. For example, providing for in-person instruction for all students in a safe and healthy environment and providing services to address learning gaps identified through our local assessments. In addition, we will continue to work to improve school climate and culture, address equity issues, and implement our newly revised English Language Arts Curriculum.

Raising Standards and Expanding Opportunities

The Chesterfield Township School District is working based on a 5-year curriculum review calendar/plan. Using the plan as a guide, our goal is to gradually revise our curricula with the focus of improving instruction in the classroom. As we move into the 2022-2023 SY, we will be working to train all staff in the Understanding by Design framework through the implementation of our newly revised English Language Arts Curriculum. Also, as we emerge from the pandemic, we want to restore opportunities for our students including remedial programs and extracurricular activities

Building Professionalism

Our main focus for the 2022-2023 SY will be to provide our teachers the necessary training and support to use Understanding By Design framework for curriculum development and lesson planning. We also plan to continue to provide training and support in the area of school climate and culture and address equity issues.

Protecting Our Investment

We completed several building and grounds projects over the last two years. With a building that is only 10 years old, we will focus on ensuring we have effective maintenance plans in place to properly maintain the facility.

Planning for the Future

As we look forward to the future, our goal is to continue our rebuilding process. However, that plan for the future is strongly based on being able to financially sustain all improvements. Obviously, this is challenging considering the variables of state funding, health benefits, and bargaining unit settlements

Mathematics

We are currently evaluating our curriculum and materials in the area of math. We hope to pilot materials in the fall as the committee works to revise the curriculum. In addition, we have been providing the staff professional development in the best practices within mathematics as we prepare to roll out a new curriculum. We plan to have the new curriculum ready for implementation in the fall of 2023.

Science

Our committee is currently working to revise the curriculum to align with the 2020 NJSLs. We are reviewing our materials and practices as well. This work will continue through the summer of 2022. The curriculum will be ready to implement in the Fall of 2022.

English Language Arts

We implemented the new ELA curriculum this past school year. The committee will work over the summer to refine the curriculum based on their experiences this past year. We are continuing to strengthen our instruction based on the Science of Reading and are planning additional professional development for the staff in the upcoming year.

Social Studies

This year our Social Studies Curriculum committee has begun to review the revisions in the 2020 NJSLs along with our curriculum and materials. The committee will continue the work to revise this curriculum through the rest of this school year and finish in the summer. The curriculum will be ready for implementation in September of 2022.

21st Century Life and Careers

We are currently integrating the 2020 NJSLs Career Readiness, Life Literacies, and Key Skills into all of the curriculum under revision and they will be implemented in September 2022.

Visual Performing Arts

Our Visual and Performing Arts Curriculum is currently being revised to align with the 2020 NJSLs. The staff has been collaborating with our regional partners in this process. The district will be exploring and purchasing materials to support the implementation of the curriculum. This curriculum will be implemented in September 2022.

Health and Physical Education.

We are currently revising our Health and Physical Education program. We have been collaborating with our regional partners to build consistency within the sending districts. The staff has been participating in professional development surrounding the new standards and their implementation. We are working with outside consultants to help write a rigorous and well aligned curriculum and ensure we are aligned with best practices. In addition, we are working with an outside consultant to prepare a presentation for the parents in our regional district. Our revised curriculum will be implemented in September 2022.

World Languages

We are currently revising our World Language curriculum to align with 2020 NJSLs. The revised curriculum will be implemented in September 2022.

Technology

This year we are working on revising our Technology curriculum to align with the 202 NJSLs for Computer Science and Design Thinking. We will be reviewing additional materials that maybe needed for the implementation of our revised curriculum in September 2022.

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

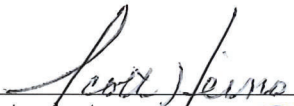
INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holt McNally & Associates, Inc., 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.

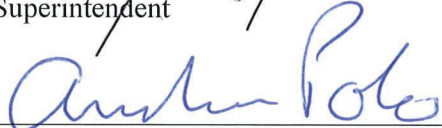
ACKNOWLEDGEMENTS

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,



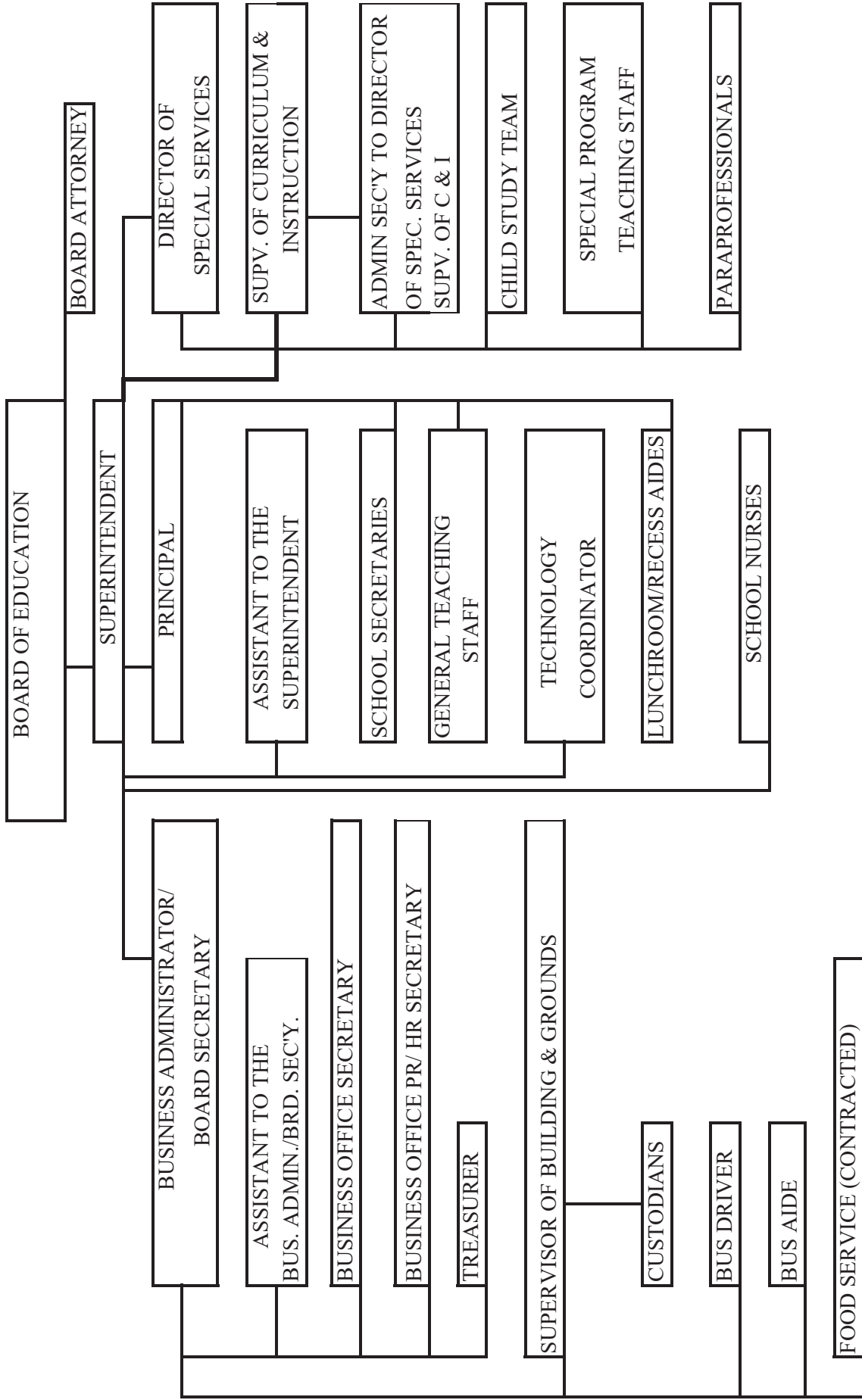
Superintendent



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, 2023

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Christina Hoggan, President	2023
James Ivins, Vice President	2024
Carol Cooper-Braun	2025
Kerri Lynch	2023
Andrew Rochester	2025

OTHER OFFICIALS

Scott Heino, Superintendent

Andrew Polo, Business Administrator/Board Secretary

Janice L. Jones, Treasurer

Kasi Marie Gifford, 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

Holt McNally & Associates, Inc.
Michael Holt, CPA, PSA
Medford, New Jersey

ATTORNEY

Cooper Levenson, Attorneys at Law
1125 Atlantic Ave #320
Atlantic City, New Jersey 08401

OFFICIAL DEPOSITORY

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Hamilton, New Jersey 08690

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FINANCIAL SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

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

Opinions

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, 2023, 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.

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, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any current known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* and in accordance with accounting principles and practices prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund statements and long-term debt schedules 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 schedules of expenditures of federal awards and state financial assistance, 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*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and 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 combining and individual fund financial statements, long-term debt schedules and accompanying schedules of expenditures or federal award and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with the audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2023 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 the effectiveness of the School District's 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,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

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

Medford, New Jersey
December 18, 2023

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, 2023
(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, 2023. 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 and After-School Activities Fund.

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 two categories: *governmental funds and proprietary 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, 2023
(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 two enterprise funds (Food Service Fund and After-School Activities Fund) are listed individually and are considered to be major funds.

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. The District does not currently maintain any fiduciary funds.

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, 2023
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole

Table 1 provides a summary of the School District's net position for the fiscal year 2023 compared to fiscal year 2022.

Table 1
Summary of Net Position

	June 30, <u>2023</u>	June 30, <u>2022</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 7,246,679	\$ 5,981,960	\$ 1,264,719	21.1%
Capital Assets, Net	<u>25,658,244</u>	<u>26,272,757</u>	<u>(614,513)</u>	-2.3%
Total Assets	<u>32,904,923</u>	<u>32,254,717</u>	<u>650,206</u>	2.0%
Deferred Outflow of Resources	<u>1,136,662</u>	<u>1,196,774</u>	<u>(60,112)</u>	-5.0%
Current and other Liabilities	1,095,730	1,062,588	33,142	3.1%
Noncurrent Liabilities	<u>29,700,779</u>	<u>30,725,630</u>	<u>(1,024,851)</u>	-3.3%
Total Liabilities	<u>30,796,509</u>	<u>31,788,218</u>	<u>(991,709)</u>	-3.1%
Deferred Inflow of Resources	<u>408,954</u>	<u>1,013,285</u>	<u>(604,331)</u>	100.0%
Net Position:				
Net Investment in Capital Assets	(1,342,960)	(2,019,657)	676,697	-33.5%
Restricted	6,328,093	4,744,937	1,583,156	33.4%
Unrestricted (Deficit)	<u>(2,149,011)</u>	<u>(2,075,292)</u>	<u>(73,719)</u>	3.6%
Total Net Position	<u>\$ 2,836,122</u>	<u>\$ 649,988</u>	<u>\$ 2,186,134</u>	336.3%

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Continued)

Table 2 shows the changes in net position for fiscal year 2023 compared to fiscal year 2022.

Table 2
Summary of Changes in Net Position

	June 30, <u>2023</u>	June 30, <u>2022</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 166,598	\$ 49,591	\$ 117,007	235.9%
Operating Grants & Contributions	2,654,486	3,254,816	(600,330)	-18.4%
General Revenues:				
Property Taxes	11,786,202	11,776,244	9,958	0.1%
Federal & State Aid	4,159,180	3,721,465	437,715	11.8%
Other General Revenues	331,660	140,902	190,758	135.4%
Total Revenues	<u>19,098,126</u>	<u>18,943,018</u>	<u>155,108</u>	<u>0.8%</u>
Function/Program Expenditures:				
Regular Instruction	3,794,812	3,763,384	31,428	0.8%
Special Education Instruction	1,283,422	1,331,617	(48,195)	-3.6%
Other Instruction	270,734	209,115	61,619	29.5%
Tuition	272,326	303,065	(30,739)	-10.1%
Student & Instruction Related Services	2,617,106	2,461,701	155,405	6.3%
General Administrative	349,207	382,323	(33,116)	-8.7%
School Administrative Services	409,877	413,833	(3,956)	-1.0%
Central Services	236,715	231,525	5,190	2.2%
Administrative Info. Technology	58,869	58,874	(5)	0.0%
Plant Operations & Maintenance	1,085,967	1,222,892	(136,925)	-11.2%
Pupil Transportation	436,830	344,852	91,978	26.7%
Unallocated Benefits	2,915,629	3,560,985	(645,356)	-18.1%
On Behalf TPAF Pension and Social				
Security Contributions	1,136,379	937,749	198,630	21.2%
Interest & Other Charges	999,433	1,040,269	(40,836)	-3.9%
Unallocated Depreciation & Amortization	808,864	794,968	13,896	1.7%
Food Service	230,415	319,669	(89,254)	-27.9%
After School Activities	5,407	3,181	2,226	70.0%
Total Expenditures	<u>16,911,992</u>	<u>17,380,002</u>	<u>(468,010)</u>	<u>-2.7%</u>
Change In Net Position	2,186,134	1,563,016	623,118	39.9%
Net Position Beginning	<u>649,988</u>	<u>(913,028)</u>	<u>1,563,016</u>	<u>-171.2%</u>
Net Position - Ending	<u>\$ 2,836,122</u>	<u>\$ 649,988</u>	<u>\$ 2,186,134</u>	<u>336.3%</u>

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Continued)

Governmental Activities

During the fiscal year 2023, the net position of governmental activities increased by \$2,147,985.

The assets and deferred outflows of the primary government activities were greater than the liabilities and deferred inflows by \$2,736,742, with an unrestricted deficit balance of \$2,219,697. 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)	\$	(2,219,697)
Add back: PERS Pension Liability		1,483,925
Less: Deferred Outflows related to pensions		(317,918)
Add back: Deferred Inflows related to pensions		<u>408,954</u>
Unrestricted Net Position (Without GASB 68)	\$	<u>(644,736)</u>

Business-type Activities

During the fiscal year 2023, the net position of business-type activities increased by \$38,149.

The assets and deferred outflows of the business-type activities exceeded the liabilities and deferred inflows by \$99,380.

General Fund Budgeting Highlights

Final budgeted revenues were \$13,533,998, which was equal to the original budget. Excluding nonbudgeted revenues, the School District’s actual revenues exceeded budgeted revenues by \$460,296.

Final budgeted appropriations were \$14,240,512, which was \$406,514 more than the original budget. This increase was a result of prior year encumbrances being reclassified. Excluding nonbudgeted expenditures, the School District’s budget appropriations exceeded actual expenditures by \$1,392,128.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$6,871,204 at June 30, 2023, an increase of \$1,145,910 from the prior year.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(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 \$6,539,907, an increase of \$1,126,611 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund increased by \$1,121,670 to \$6,517,091 at June 30, 2023, compared to an increase of \$692,778 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:

- State aid increased by \$410,905 or 11.96% from the prior fiscal year

Special revenue fund – At June 30, 2023, the special revenue fund \$22,814 in fund balance, which is restricted for the use for Student Activities.

Capital projects fund: At June 30, 2023, the capital projects fund was not in use.

Debt service fund - During the current fiscal year, the fund balance of the School District's debt service fund increased by \$1 to \$2 at June 30, 2023.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund increased by \$35,833 to a balance of \$96,423 at June 30, 2023 compared to an increase in net position of \$4,168 in the prior year. The primary factor(s) affecting the change in net position of the food service fund is as follows:

- Operating revenues increased in the current fiscal year due to the end of pandemic funding.
- Expenditures decreased due to a drop in meals served due to the end of pandemic funding.

After-school activities fund - The net position of the School District's after-school activities fund increased by \$2,316 to a balance of \$2,957 at June 30, 2023. The primary factor(s) affecting the change in net position of the after-school activities fund is as follow:

- Operations returned to pre-COVID levels in the prior year.

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2023, totaled \$25,658,244 (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 \$614,513.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Continued)

Capital Assets (continued)

Table 4 shows fiscal 2023 balances compared to 2022.

Table 4
Summary of Capital Assets

<u>Capital Asset (Net of Depreciation):</u>	<u>June 30,</u> <u>2023</u>	<u>June 30,</u> <u>2022</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Land	\$ 560,000	\$ 560,000	\$ -	0.0%
Land Improvements	305,910	250,361	55,549	22.2%
Building and Improvements	24,583,204	25,208,467	(625,263)	-2.5%
Equipment	209,130	253,929	(44,799)	-17.6%
	<u>\$ 25,658,244</u>	<u>\$ 26,272,757</u>	<u>\$ (614,513)</u>	<u>-2.3%</u>

Depreciation expense for the year was \$805,004. Additional information on the School District’s capital assets can be found in the notes to the basic financial statements (Note 6) 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 \$27,675,000, which is a decrease of \$1,345,000 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 8) 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.

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, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 1,368,832	\$ 66,831	\$ 1,435,663
Receivables, Net (Note 4)	236,254	5,565	241,819
Inventory	-	7,775	7,775
Restricted Cash & Cash Equivalents	5,505,277	-	5,505,277
Right to Use Assets (Note 5)	56,145	-	56,145
Capital Assets, Net (Note 6)			
Non-depreciable	560,000	-	560,000
Depreciable	25,069,550	28,694	25,098,244
	<hr/>		
Total Assets	32,796,058	108,865	32,904,923
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	317,918	-	317,918
Related to Loss on Debt Refunding	818,744	-	818,744
	<hr/>		
Total Deferred Outflow of Resources	1,136,662	-	1,136,662
LIABILITIES:			
Accounts Payable	42,594	-	42,594
Payroll Deductions & Withholdings Payable	474,335	-	474,335
Due to Other Governments	174,963	-	174,963
Unearned Revenue	9,918	9,485	19,403
Accrued Interest	384,435	-	384,435
Noncurrent Liabilities (Note 8):			
Due within one year	1,450,844	-	1,450,844
Due in more than one year	28,249,935	-	28,249,935
	<hr/>		
Total Liabilities	30,787,024	9,485	30,796,509
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	408,954	-	408,954
	<hr/>		
Total Deferred Inflow of Resources	408,954	-	408,954
NET POSITION:			
Net Investment in Capital Assets	(1,371,654)	28,694	(1,342,960)
Restricted for:			
Capital Projects	4,806,719	-	4,806,719
Maintenance	650,541	-	650,541
Debt Service	2	-	2
Unemployment	48,017	-	48,017
Student Activities	22,814	-	22,814
Excess Surplus	800,000	-	800,000
Unrestricted (Deficit)	(2,219,697)	70,686	(2,149,011)
	<hr/>		
Total Net Position	\$ 2,736,742	\$ 99,380	\$ 2,836,122

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, 2023**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 3,794,812	\$ -	\$ 122,366	\$ (3,672,446)	\$ -	\$ (3,672,446)
Special Education Instruction	1,283,422	-	-	(1,283,422)	-	(1,283,422)
Other Instruction	270,734	-	-	(270,734)	-	(270,734)
Support Services:						
Tuition	272,326	-	134,630	(137,696)	-	(137,696)
Student & Instruction Related Services	2,617,106	-	88,950	(2,528,156)	-	(2,528,156)
General Administrative	349,207	-	-	(349,207)	-	(349,207)
School Administrative Services	409,877	-	-	(409,877)	-	(409,877)
Central Services	236,715	-	-	(236,715)	-	(236,715)
Administrative Technology	58,869	-	-	(58,869)	-	(58,869)
Plant Operations & Maintenance	1,085,967	-	-	(1,085,967)	-	(1,085,967)
Pupil Transportation	436,830	-	-	(436,830)	-	(436,830)
Unallocated Benefits	2,915,629	-	1,064,788	(1,850,841)	-	(1,850,841)
On Behalf TPAF Pension and Social Security Contributions						
Security Contributions	1,136,379	-	1,136,379	-	-	-
Interest & Other Charges	999,433	-	-	(999,433)	-	(999,433)
Unallocated Depreciation & Amortization	808,864	-	-	(808,864)	-	(808,864)
Total Governmental Activities	16,676,170	-	2,547,113	(14,129,057)	-	(14,129,057)
Business-Type Activities:						
Food Service	230,415	158,875	107,373	-	35,833	35,833
After School Activities	5,407	7,723	-	-	2,316	2,316
Total Business-Type Activities	235,822	166,598	107,373	-	38,149	38,149
Total Primary Government	\$ 16,911,992	\$ 166,598	\$ 2,654,486	(14,129,057)	38,149	(14,090,908)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				9,817,086	-	9,817,086
Property Taxes, Levied for Debt Service				1,969,116	-	1,969,116
Federal & State Aid Restricted				337,872	-	337,872
Federal & State Aid Not Restricted				3,821,308	-	3,821,308
Tuition Charges				154,197	-	154,197
Miscellaneous				177,463	-	177,463
Total General Revenues				16,277,042	-	16,277,042
Change In Net Position				2,147,985	38,149	2,186,134
Net Position Beginning				588,757	61,231	649,988
Net Position - Ending				\$ 2,736,742	\$ 99,380	\$ 2,836,122

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, 2023**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:				
Cash & Cash Equivalents	\$ 1,326,811	\$ 42,019	\$ 2	\$ 1,368,832
Receivables, Net:				
Interfund Receivable	6,112	-	-	6,112
Due from Other Governments:				
State	193,098	-	-	193,098
Federal	-	40,434	-	40,434
Other Receivables	2,722	-	-	2,722
Restricted Cash & Cash Equivalents	5,505,277	-	-	5,505,277
Total Assets	\$ 7,034,020	\$ 82,453	\$ 2	\$ 7,116,475
LIABILITIES & FUND BALANCES:				
Liabilities:				
Due to Other Governments	\$ -	\$ 43,609	\$ -	\$ 43,609
Accounts Payable	42,594	-	-	42,594
Payroll Deductions & Withholdings Payable	474,335	-	-	474,335
Interfund Payable	-	6,112	-	6,112
Unearned Revenue	-	9,918	-	9,918
Total Liabilities	516,929	59,639	-	576,568
Fund Balances:				
Restricted for:				
Capital Reserve	4,806,719	-	-	4,806,719
Maintenance reserve	650,541	-	-	650,541
New Jersey Unemployment Trust	48,017	-	-	48,017
Student Activities	-	22,814	-	22,814
Excess Surplus - Current year	500,000	-	-	500,000
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	300,000	-	-	300,000
Debt Service	-	-	2	2
Assigned to:				
Other Purposes	125,303	-	-	125,303
Unassigned	86,511	-	-	86,511
Total Fund Balances	6,517,091	22,814	2	6,539,907
Total Liabilities & Fund Balances	\$ 7,034,020	\$ 82,453	\$ 2	

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 \$35,881,148 and the accumulated depreciation is \$10,251,598.	25,629,550
Right to use assets used in the governmental activities are not financial resources and therefore not reported in the funds. The cost of the assets \$61,640 and the accumulated amortization is \$5,495.	56,145
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	317,918
Deferred Inflows related to pensions	(408,954)
Deferred Outflow related to the loss on bond refunding of debt	818,744
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.	(384,435)
Accrued pension contributions for the June 30, 2023 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.	(131,354)
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.	(29,700,779)
Net Position of Governmental Activities	\$ 2,736,742

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, 2023

	<u>GENERAL</u> <u>FUND</u>	<u>SPECIAL</u> <u>REVENUE</u> <u>FUND</u>	<u>DEBT</u> <u>SERVICE</u> <u>FUND</u>	<u>TOTAL</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>
Revenues:				
Local Sources:				
Local Tax Levy	\$ 9,817,086	\$ -	\$ 1,969,116	\$ 11,786,202
Tuition Charges	154,197	-	-	154,197
Miscellaneous	177,463	62,200	-	239,663
Total Local Sources	<u>10,148,746</u>	<u>62,200</u>	<u>1,969,116</u>	<u>12,180,062</u>
State Sources	6,900,978	18,465	337,872	7,257,315
Federal Sources	-	265,281	-	265,281
Total Revenues	<u>17,049,724</u>	<u>345,946</u>	<u>2,306,988</u>	<u>19,702,658</u>
Expenditures:				
Instruction:				
Regular Instruction	3,672,446	122,366	-	3,794,812
Special Education Instruction	1,283,422	-	-	1,283,422
Other Instruction	270,734	-	-	270,734
Support Services:				
Tuition	137,696	134,630	-	272,326
Student & Instruction Related Services	2,533,096	84,010	-	2,617,106
General Administrative	349,207	-	-	349,207
School Administrative Services	409,877	-	-	409,877
Central Services	242,210	-	-	242,210
Administrative Technology	58,869	-	-	58,869
Plant Operations & Maintenance	1,119,550	-	-	1,119,550
Pupil Transportation	436,830	-	-	436,830
Unallocated Benefits	2,177,490	-	-	2,177,490
On Behalf TPAF Pension and Social Security Contributions	3,079,670	-	-	3,079,670
Capital Outlay	218,548	-	-	218,548
Debt Service:				
Principal	-	-	1,345,000	1,345,000
Interest & Other Charges	49	-	961,987	962,036
Total Expenditures	<u>15,989,694</u>	<u>341,006</u>	<u>2,306,987</u>	<u>18,637,687</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>1,060,030</u>	<u>4,940</u>	<u>1</u>	<u>1,064,971</u>
Other Financing Sources (Uses):				
Capital Lease (non-budgeted)	61,640	-	-	61,640
Total Other Financing Sources (Uses)	<u>61,640</u>	<u>-</u>	<u>-</u>	<u>61,640</u>
Net changes in fund balances	1,121,670	4,940	1	1,126,611
Fund Balance, July 1	<u>5,395,421</u>	<u>17,874</u>	<u>1</u>	<u>5,413,296</u>
Fund Balance, June 30	<u>\$ 6,517,091</u>	<u>\$ 22,814</u>	<u>\$ 2</u>	<u>\$ 6,539,907</u>

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, 2023**

Total Net Changes in Fund Balances - Governmental Funds (B-2) \$ 1,126,611

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	\$ (803,369)	
Capital Outlays	<u>190,491</u>	(612,878)

Capital outlays related to leases 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 amortization expense. This is the amount by which capital outlays exceeded depreciation in the period.

Amortization Expense	(5,495)	
Additions	<u>61,640</u>	56,145

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.

295,682

Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

1,350,495

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

(61,640)

Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:

Amortization of premium on bonds	54,433	
Amortization of loss on Bond Refunding	<u>(108,223)</u>	(53,790)

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 (+).

16,393

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 (+).

30,967

Change in Net Position of Governmental Activities

\$ 2,147,985

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS	FOOD SERVICE <u>FUND</u>	AFTER-SCHOOL ACTIVITIES <u>FUND</u>	<u>TOTAL</u>
Current Assets:			
Cash & Cash Equivalents	\$ 63,874	\$ 2,957	\$ 66,831
Accounts Receivable:			
State	124	-	124
Federal	1,899	-	1,899
Other	3,542	-	3,542
Inventories	7,775	-	7,775
Total Current Assets	<u>77,214</u>	<u>2,957</u>	<u>80,171</u>
Noncurrent Assets:			
Equipment	75,308	-	75,308
Less: Accumulated Depreciation	<u>(46,614)</u>	<u>-</u>	<u>(46,614)</u>
Total Capital Assets	<u>28,694</u>	<u>-</u>	<u>28,694</u>
Total Assets	<u>105,908</u>	<u>2,957</u>	<u>108,865</u>
LIABILITIES			
Unearned Revenue	<u>9,485</u>	<u>-</u>	<u>9,485</u>
Total Liabilities	<u>9,485</u>	<u>-</u>	<u>9,485</u>
NET POSITION			
Investment in Capital Assets	28,694	-	28,694
Unrestricted	<u>67,729</u>	<u>2,957</u>	<u>70,686</u>
Total Net Position	<u>\$ 96,423</u>	<u>\$ 2,957</u>	<u>\$ 99,380</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, 2023

	<u>FOOD SERVICE FUND</u>	<u>AFTER-SCHOOL ACTIVITIES FUND</u>	<u>TOTAL</u>
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 102,388	\$ -	\$ 102,388
Daily Sales - Nonreimbursable Programs	56,487	-	56,487
Miscellaneous	-	7,723	7,723
Total Operating Revenue	<u>158,875</u>	<u>7,723</u>	<u>166,598</u>
Operating Expenses:			
Cost of Sales - Reimbursable	74,493	-	74,493
Cost of Sales - Non Reimbursable	20,061	-	20,061
Supplies and Materials	13,270	-	13,270
Salaries & Benefits - FSMC	88,629	-	88,629
Salaries & Benefits - District	-	5,208	5,208
Management Fee	11,935	-	11,935
Repairs & Maintenance	10,174	-	10,174
Miscellaneous Expenses	10,218	199	10,417
Depreciation Expense	1,635	-	1,635
Total Operating Expenses	<u>230,415</u>	<u>5,407</u>	<u>235,822</u>
Operating Income/(Loss)	<u>(71,540)</u>	<u>2,316</u>	<u>(69,224)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	1,931	-	1,931
State School Reduced Lunch Program	269	-	269
Federal Sources:			
National School Lunch Program	31,131	-	31,131
Healthy Hunger-Free Kids Act	2,550	-	2,550
Food Distribution Program	24,847	-	24,847
COVID-19 Supply Chain Assistance Award	46,645	-	46,645
Total Nonoperating Revenues/(Expenses)	<u>107,373</u>	<u>-</u>	<u>107,373</u>
Change in Net Position	35,833	2,316	38,149
Total Net Position - Beginning	<u>60,590</u>	<u>641</u>	<u>61,231</u>
Total Net Position - Ending	<u>\$ 96,423</u>	<u>\$ 2,957</u>	<u>\$ 99,380</u>

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, 2023**

	FOOD SERVICE <u>FUND</u>	AFTER-SCHOOL ACTIVITIES <u>FUND</u>	<u>TOTAL</u>
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 159,182	\$ 7,723	\$ 166,905
Payments to Employees	(88,629)	(5,208)	(93,837)
Payments to Suppliers	(119,081)	(199)	(119,280)
Net Cash Provided/(Used) by Operating Activities	<u>(48,528)</u>	<u>2,316</u>	<u>(46,212)</u>
Cash Flows From Noncapital Financing Activities:			
State Sources	2,553	-	2,553
Federal Sources	99,154	-	99,154
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>101,707</u>	<u>-</u>	<u>101,707</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	53,179	2,316	55,495
Balances - Beginning of Year	10,695	641	11,336
Balances - End of Year	<u>\$ 63,874</u>	<u>\$ 2,957</u>	<u>\$ 66,831</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (71,540)	\$ 2,316	\$ (69,224)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used For) Operating Activities:			
Depreciation & Net Amortization	1,635	-	1,635
Food Distribution Program	24,847	-	24,847
(Increase)/Decrease in Other A/R	(3,395)	-	(3,395)
Increase/(Decrease) in Unearned Revenue	3,702	-	3,702
(Increase)/Decrease in Inventories	(3,777)	-	(3,777)
Net Cash Provided/(Used) by Operating Activities	<u>\$ (48,528)</u>	<u>\$ 2,316</u>	<u>\$ (46,212)</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, 2023

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CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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, 2023 of 742 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 and GASB Statement No. 90, Majority Equity Interests – An amendment of GASB Statements No. 14 and No. 61. The District had no component units as of for the year ended June 30, 2023.

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

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and 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, 2023

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 would include a Statement of Net Position. The District does not currently maintain any fiduciary funds.

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, 2023

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, 2023**

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.

After-School Activities Fund – This fund accounts for the revenues and expenses pertaining to the District’s after school activities.

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.

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.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

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

Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

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, 2023 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

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

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:

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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

<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 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.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

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.
- 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, 2023.
- 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.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

- 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.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2023:

Statement No. 96, *Subscription-Based Information Technology Arrangements*. Statement No. 96 establishes a single approach to accounting and financial reporting for subscription-based information technology arrangements for government end users. Statement No. 96 is effective for reporting periods beginning after June 15, 2022. The District has implemented this standard as of June 30, 2023.

Recently Issued Accounting Pronouncements

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

Statement No. 101, *Compensated Absences*. Statement No. 101 aligns the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Management has not yet determined the potential impact on the District's financial statements.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

Bond Premiums, Discounts and Issuance Costs

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

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources.

Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Deferred Loss on Refunding Debt

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

Deferred Outflows and Deferred Inflows of Resources

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

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

Pensions

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

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

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2023**

Note 2. Cash Deposits and Investments (continued):

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, 2023, the District's bank balance of \$7,205,222 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	6,645,718
Uninsured and Uncollateralized		559,504
		559,504
	\$	7,205,222

Investments

The School District has no investments at June 30, 2023.

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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$	3,435,098
Increased by:		
Interest Earnings		10
Deposits approved by Board		1,371,611
		1,371,611
Ending Balance, June 30, 2023	\$	4,806,719

The June 30, 2023 balance did not exceed the LRFP balance of local support costs of uncompleted capital projects.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 3. Reserve Accounts (continued):

B. Maintenance Reserve Account

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

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

The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022		\$	650,531
Increased by:			
Interest Earnings			10
Ending Balance, June 30, 2023		\$	650,541

Note 4. Accounts Receivable

Accounts receivable at June 30, 2023 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 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	\$ -	\$ 40,434	\$ 40,434	\$ 1,899	\$ 1,899
State Awards	193,098	-	193,098	124	124
Other	2,722	-	2,722	3,542	3,542
Total	\$ 195,820	\$ 40,434	\$ 236,254	\$ 5,565	\$ 5,565

Note 5. Right to Use Assets

The School District has recorded right to use lease assets during the current fiscal year. The assets are right to use assets for leased copier machines. The right to use lease asset is amortized over the terms of the related lease. The related lease is discussed in the Leases subsection of Note 8, Long-Term Obligations.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 5. Right to Use Assets (continued):

Right to use asset activity for the School District for the year ended June 30, 2023, was as follows:

	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2023</u>
Governmental Activities:				
Right to Use Assets:				
Leased copier machines	\$ -	\$ 61,640	\$ -	\$ 61,640
Total Right to Use Assets	-	61,640	-	61,640
Less: Accumulated Amortization:				
Leased copier machines	-	(5,495)	-	(5,495)
Total Accumulated Amortization	-	(5,495)	-	(5,495)
Right to Use Assets, Net	\$ -	\$ 56,145	\$ -	\$ 56,145

Note 6. Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2023</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 560,000	\$ -	\$ -	\$ 560,000
Total Capital Assets not being depreciated	560,000	-	-	560,000
Capital Assets being depreciated:				
Land Improvements	627,688	89,162	-	716,850
Buildings and Improvements	33,849,891	67,745	-	33,917,636
Equipment	653,078	33,584	-	686,662
Total Capital Assets being depreciated	35,130,657	190,491	-	35,321,148
Less: Accumulated Depreciation:				
Land Improvements	(377,327)	(33,613)	-	(410,940)
Buildings and Improvements	(8,641,424)	(693,008)	-	(9,334,432)
Equipment	(429,478)	(76,748)	-	(506,226)
Total Accumulated Depreciation	(9,448,229)	(803,369)	-	(10,251,598)
Total Capital Assets being depreciated, net	25,682,428	(612,878)	-	25,069,550
Total Governmental Activities Capital Assets, net	\$ 26,242,428	\$ (612,878)	\$ -	\$ 25,629,550

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 6. Capital Assets (continued):

	Balance July 1, <u>2022</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2023</u>
Business-Type Activities:				
Equipment	\$ 75,308	\$ -	\$ -	\$ 75,308
	<u>75,308</u>	<u>-</u>	<u>-</u>	<u>75,308</u>
Less: Accumulated Depreciation:				
Equipment	(44,979)	(1,635)	-	(46,614)
	<u>(44,979)</u>	<u>(1,635)</u>	<u>-</u>	<u>(46,614)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 30,329</u>	<u>\$ (1,635)</u>	<u>\$ -</u>	<u>\$ 28,694</u>

Note 7. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2023 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 6,112	\$ -
Special Revenue Fund	<u>-</u>	<u>6,112</u>
	<u>\$ 6,112</u>	<u>\$ 6,112</u>

There were no interfund transfers performed.

Note 8. Long-Term Obligations

During the fiscal year-ended June 30, 2023 the following changes occurred in long-term obligations:

	Balance <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2023</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 29,020,000	\$ -	\$ 1,345,000	\$ 27,675,000	\$ 1,385,000
Unamortized Bond Premiums	199,381	-	54,433	144,948	54,433
Capital Leases	-	61,640	5,495	56,145	11,411
Compensated Absences	371,728	-	30,967	340,761	-
Net Pension Liability	1,134,521	349,404	-	1,483,925	-
	<u>\$ 30,725,630</u>	<u>\$ 411,044</u>	<u>\$ 1,435,895</u>	<u>\$ 29,700,779</u>	<u>\$ 1,450,844</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, 2023**

Note 8. 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>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,385,000	\$ 922,644	\$ 2,307,644	
2025	1,430,000	882,100	2,312,100	
2026	1,475,000	840,100	2,315,100	
2027	1,575,000	782,900	2,357,900	
2028	1,655,000	704,150	2,359,150	
2029-2033	9,280,000	2,567,450	11,847,450	
2034-2038	10,875,000	1,064,738	11,939,738	
	<u>\$ 27,675,000</u>	<u>\$ 7,764,082</u>	<u>\$ 35,439,082</u>	

B. Capital Leases:

On January 1, 2023, the District entered into a sixty (60) month lease as the Lessee for the use of Savin Digital Copiers. An initial lease liability was recorded in the amount of \$61,640. As of June 30, 2023, the value of the lease liability is \$56,145. The District is required to make monthly fixed payments in the amount of \$1,163. The interest rate associated with this lease is 4.999%.

The principal and interest requirements to maturity are as follows:

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 8. Long-Term Obligations (continued):

Principal and Interest Requirements to Maturity

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 11,411	\$ 2,548	\$ 13,959
2025	11,994	1,964	13,958
2026	12,608	1,350	13,958
2027	13,253	705	13,958
2028	6,879	101	6,980
	<u>\$ 56,145</u>	<u>\$ 6,668</u>	<u>\$ 62,813</u>

C. Bonds Authorized But Not Issued:

As of June 30, 2023, the District had no authorized but not issued bonds.

Note 9. 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 annual financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.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.

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

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 9. Pension Plans (continued):

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

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 the noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2023, the School District reported a liability of \$1,483,925 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022. 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, 2021, to the measurement date of June 30, 2022. 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, 2022. The School District's proportion measured as of June 30, 2022, was 0.00983%, which was an increase of 0.00025% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School District recognized full accrual pension expense/(benefit) of \$(171,684) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2022 measurement date. At June 30, 2023 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 9. Pension Plans (continued):

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 10,710	\$ 9,445
Changes of Assumptions	4,598	222,202
Net Difference between Projected and Actual Earnings on Pension Plan Investments	61,418	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	109,838	177,307
School District Contributions Subsequent to Measurement Date	131,354	-
	\$ 317,918	\$ 408,954

\$131,354 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2024 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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:

Year Ending Dec 31,	Amount
2023	\$ (182,725)
2024	(93,092)
2025	(45,399)
2026	99,044
2027	(218)
	\$ (222,390)

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, 2023**

Note 9. 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, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	-	5.16
June 30, 2021	5.13	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022		5.04
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	-	5.00
June 30, 2021	5.00	-
June 30, 2022	5.00	
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13
June 30, 2022	5.04	5.04

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 9. Pension Plans (continued):

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

Actuarial Assumptions – The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2027	2.85 - 6.55% Based on Years of Service
Thereafter	2.75 - 6.55% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 9. Pension Plans (continued):

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.37%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments 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 - The following presents the School District's proportionate share of the net pension liability as of June 30, 2022, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 1,922,554	\$ 1,483,925	\$ 1,133,896

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 9. Pension Plans (continued):

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

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2023 and 2022:

Balances at June 30, 2023 and June 30, 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 1,660,772,008	\$ 1,164,738,169
Collective Deferred Inflows of Resources	3,236,303,935	8,339,123,762
Collective Net Pension Liability	15,219,184,920	11,972,782,878
District's portion of the Plan's total Net Pension Liability	0.00983%	0.00958%

Special Funding Situation – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation 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 related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

The State's proportionate share of the PERS net pension liability associated with the special funding situation is \$-0- as of June 30, 2023. The State's proportionate share of the contribution associated with the special funding situation was \$3,122 as of June 30, 2023. These are based on measurements as of June 30, 2022.

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 Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 9. Pension Plans (continued):

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

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

The following represents the membership tiers for TPAF:

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

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. 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. For fiscal year 2022, the State's pension contribution was more 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 nonemployer 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, 2023 was \$25,530,430. The School District's proportionate share was \$-0-.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 9. Pension Plans (continued):

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

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the net pension liability associated with the School District was based on projection of the State's long-term contributions to the pension plan associated with the School District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.04948%, which was an increase of 0.00685% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the School District recognized \$687,095 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, 2022 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 9. Pension Plans (continued):

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.37%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 100% of the actuarially determined contributions for the State. 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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments 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 7.00% 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, 2023**

Note 9. Pension Plans (continued):

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>29,934,972</u>	<u>25,530,430</u>	<u>21,820,157</u>
	<u>\$ 29,934,972</u>	<u>\$ 25,530,430</u>	<u>\$ 21,820,157</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, 2023 and 2022:

Balances at June 30, 2023 and June 30, 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 5,004,259,312	\$ 6,373,530,834
Collective Deferred Inflows of Resources	19,682,774,794	27,363,797,906
Collective Net Pension Liability	51,676,587,303	48,165,991,182
District's portion of the Plan's total Net Pension Liability	0.04948%	0.04263%

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 9. 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 2020 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, 2023, employee contributions totaled \$3,522, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$1,921.

Note 10. Other 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.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 10. Other Post-Retirement Benefits (continued):

General Information about the OPEB Plan (continued):

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 is 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, 2022, was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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.

Total Nonemployer OPEB Liability: \$ 50,646,462,966

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 4.25% based on years of service	2.75 - 6.55% based on years of service	3.25 - 16.25% based on years of service

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 10. Other Post-Retirement Benefits (continued):

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabilities. Future disabled retirees was based on the Pub-2010 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

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, 2022 was \$17,914,635. The School District’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2022, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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, 2022, the State proportionate share of the OPEB Obligation attributable to the School District was 0.03537%, which was a decrease of 0.00042% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized an OPEB expense in the amount of \$1,063,660 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, 2022 measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increased to 13.44% in fiscal year 2026 and decreased to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increased to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreased to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 10. Other Post-Retirement Benefits (continued):

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

The following presents the total nonemployer OPEB liability as of June 30, 2022, 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, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 21,056,769	\$ 17,914,635	\$ 15,396,372
State of New Jersey's Total Non- employer Liability	\$ 59,529,589,697	\$ 50,646,462,966	\$ 43,527,080,995

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, 2022, 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, 2022		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 14,807,541	\$ 17,914,635	\$ 21,995,992
State of New Jersey's Total Nonemployer OPEB Liability	\$ 41,862,397,291	\$ 50,646,462,966	\$ 62,184,866,635

* See Healthcare Cost Trend Assumptions for details of rates.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 10. Other Post-Retirement Benefits (continued):

Additional Information

Collective balances of the Local Group at June 30, 2022 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ -	\$ -
Differences between Expected & Actual Experience	9,042,402,619	(15,462,950,679)
Change in Assumptions	8,765,620,577	(17,237,289,230)
Contributions Made in Fiscal Year Year Ending 2023 After June 30, 2022 Measurement Date **	TBD	-
	\$ 17,808,023,196	\$ (32,700,239,909)

** Employer Contributions made after June 30, 2022 are reported as a deferred outflow of resources, but are not amortized in expense.

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,		
2023	\$	(2,517,151,602)
2024		(2,517,151,602)
2025		(2,517,151,602)
2026		(2,175,449,761)
2027		(1,243,951,140)
Thereafter		(3,921,361,006)
	\$	(14,892,216,713)

Plan Membership

At June 30, 2021, the Program membership consisted of the following:

	June 30, 2021
Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669
	364,817

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 10. Other 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, 2023 (measurement date June 30, 2022) is as follows:

Total OPEB Liability	
Service Cost	\$ 2,770,618,025
Interest Cost	1,342,187,139
Difference Between Expected & Actual Experience	1,399,200,736
Change in Benefit Terms	-
Changes of Assumptions	(13,586,368,097)
Contributions: Member	42,650,252
Gross Benefit Payments	<u>(1,329,476,059)</u>
Net Change in Total OPEB Liability	(9,361,188,004)
Total OPEB Liability (Beginning)	<u>60,007,650,970</u>
Total OPEB Liability (Ending)	<u><u>\$ 50,646,462,966</u></u>
Total Covered Employee Payroll	\$ 14,753,355,408
Net OPEB Liability as a Percentage of Payroll	343%

Note 11. 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, 2023, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$2,082,255, \$449,284, \$547,003 and \$1,128, respectively.

Note 12. 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 Annual Comprehensive Financial Report.

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District's trust fund for the current and previous two years:

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 12. Risk Management (continued):

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$ 18,976	\$ 12,392	\$ 48,017
2021-2022	18,529	5,285	41,433
2020-2021	19,070	13,125	28,189

Joint Insurance Pool – The Chesterfield Township 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 13. 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, 2023 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 14. Economic Dependency

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

Note 15. 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

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 16. 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, 2023 is \$340,761.

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, 2023 no liability existed for compensated absences in the proprietary fund types.

Note 17. Tax Abatements

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

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

Note 18. 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, 2023 was \$500,000.

CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 19. Fund Balance

General Fund – Of the \$6,517,091 General Fund fund balance at June 30, 2023, \$4,806,719 has been reserved in the Capital Reserve Account; \$650,541 has been reserved in the Maintenance Reserve Account; \$48,017 has been reserved for unemployment; \$500,000 is restricted for current year excess surplus; \$300,000 is restricted for prior year excess surplus designated for subsequent year's expenditures; \$125,303 is assigned to other purposes; and \$86,511 is unassigned.

Special Revenue Fund – Of the \$22,814 Special Revenue Fund fund balance at June 30, 2023, \$22,814 is restricted for student activities.

Debt Service Fund – Of the \$2 Debt Service Fund fund balance at June 30, 2023, \$2 is restricted for future debt service.

Note 20. Deficit in Net Position

Unrestricted Net Position – The School District's governmental activities had a deficit in unrestricted net position in the amount of \$2,219,697. 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, 2023. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

Note 21. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023 and December 18, 2023, the date that the financial statements were available for issuance, for a possible disclosure and recognition in the financial statements, and no have come to the attention of the School District that would require disclosure.

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, 2023**

	<u>ACCOUNT NUMBERS</u>	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>POSITIVE/ (NEGATIVE) FINAL TO ACTUAL</u>
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 9,817,086	\$ -	\$ 9,817,086	\$ 9,817,086	\$ -
Tuition from Individuals	10-1310	-	-	-	68,747	68,747
Tuition from Leas Within State	10-1320	-	-	-	85,450	85,450
Rents and Royalties	10-1910	-	-	-	22,878	22,878
Interest Earned on Capital Reserve Funds	10-604	10	-	10	10	-
Interest Earned on Maintenance Reserve Funds	10-606	10	-	10	10	-
Miscellaneous	10-1990	55,000	-	55,000	154,565	99,565
Total Local Sources		9,872,106	-	9,872,106	10,148,746	276,640
State Sources:						
Categorical Transportation Aid	10-3121	143,738	-	143,738	143,738	-
Categorical Special Education Aid	10-3132	654,710	-	654,710	654,710	-
Equalization	10-3176	2,753,298	-	2,753,298	2,753,298	-
Categorical Security Aid	10-3177	60,146	-	60,146	60,146	-
Extraordinary Aid	10-3131	50,000	-	50,000	164,959	114,959
Non-Public Transportation Aid	10-3190	-	-	-	6,240	6,240
Supplemental Stabilization Aid	10-3246	-	-	-	62,457	62,457
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	547,003	547,003
On-Behalf TPAF Pension Contributions		-	-	-	2,082,255	2,082,255
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	1,128	1,128
Reimbursed TPAF Social Security Contributions		-	-	-	449,284	449,284
Total State Sources		3,661,892	-	3,661,892	6,925,218	3,263,326
Total Revenues		13,533,998	-	13,533,998	17,073,964	3,539,966
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool	105-100-101	40,302	29,702	70,004	70,004	-
Kindergarten	110-100-101	537,613	(119,543)	418,070	382,865	35,205
Grades 1 - 5	120-100-101	2,346,296	(20,879)	2,325,417	2,225,789	99,628
Grades 6 - 8	130-100-101	517,298	-	517,298	460,315	56,983
Home Instruction - Regular Programs:						
Salaries of Teachers	150-100-101	5,500	-	5,500	169	5,331
Purchased Professional/Educational Services	150-100-320	4,000	-	4,000	-	4,000
Regular Programs - Undistributed Instruction:						
Purchased Professional/Educational Services	190-100-320	246,633	30,844	277,477	187,637	89,840
General Supplies	190-100-610	223,390	163,648	387,038	345,667	41,371
Total Regular Programs - Instruction		3,921,032	83,772	4,004,804	3,672,446	332,358
Special Education - Instruction:						
Multiple Disabilities:						
Salaries of Teachers	212-100-101	110,463	(958)	109,505	84,017	25,488
General Supplies	212-100-610	8,000	(711)	7,289	7,227	62
Total Multiple Disabilities		118,463	(1,669)	116,794	91,244	25,550
Resource Room/ Resource Center:						
Salaries of Teachers	213-100-101	1,216,690	4,483	1,221,173	1,106,943	114,230
General Supplies	213-100-610	6,000	(289)	5,711	3,911	1,800
Total Resource Room		1,222,690	4,194	1,226,884	1,110,854	116,030

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>ACCOUNT NUMBERS</u>	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>POSITIVE/ (NEGATIVE) FINAL TO ACTUAL</u>
Preschool Disabilities - Part-Time:						
Salaries of Teachers	215-100-101	59,001	28,236	87,237	77,717	9,520
General Supplies	215-100-600	2,500	1,337	3,837	3,607	230
Total Preschool Disabilities - Part-Time		61,501	29,573	91,074	81,324	9,750
Total Special Education		1,402,654	32,098	1,434,752	1,283,422	151,330
Basic Skills/Remedial:						
Salaries of Teachers	230-100-101	241,840	24,465	266,305	245,043	21,262
General Supplies	230-100-610	600	-	600	355	245
Total Basic Skills/Remedial		242,440	24,465	266,905	245,398	21,507
School Sponsored Cocurricular Activities:						
Salaries of Teachers	401-100-101	10,100	9,095	19,195	19,195	-
Purchased Services	401-100-500	3,500	(993)	2,507	1,665	842
Supplies & Materials	401-100-600	2,500	1,248	3,748	3,748	-
Total School Sponsored Cocurricular Activities		16,100	9,350	25,450	24,608	842
Summer School:						
Salaries of Teachers	422-100-101	20,000	(3,669)	16,331	728	15,603
Total Summer School		20,000	(3,669)	16,331	728	15,603
Total Other Instructional Programs		278,540	30,146	308,686	270,734	37,952
Total - Instruction		5,602,226	146,016	5,748,242	5,226,602	521,640
Undistributed Expenditures:						
Instruction:						
Tuition to Other LEAs within State Special	000-100-562	-	3,386	3,386	3,386	-
Tuition to CSSD & Regional Day Schools	000-100-565	-	7,307	7,307	7,307	-
Tuition to Private School for the Handicap	000-100-566	204,495	(10,893)	193,602	126,803	66,799
Tuition - Other	000-100-569	-	200	200	200	-
Total Instruction		204,495	-	204,495	137,696	66,799
Attendance & Social Work Services:						
Salaries	000-211-100	23,380	-	23,380	23,303	77
Supplies & Materials	000-211-600	-	2,183	2,183	-	2,183
Total Attendance & Social Work Services		23,380	2,183	25,563	23,303	2,260
Health Services:						
Salaries	000-213-100	146,740	23,986	170,726	170,612	114
Purchased Professional & Technical Services	000-213-300	3,000	200	3,200	3,200	-
Other Purchased Services	000-213-500	1,500	(200)	1,300	926	374
Supplies and Materials	000-213-600	14,000	(3,128)	10,872	5,518	5,354
Total Health Services		165,240	20,858	186,098	180,256	5,842
Related Services:						
Salaries	000-216-100	234,247	(30,160)	204,087	204,087	-
Purchased Professional/Educational Services	000-216-320	87,206	(25,354)	61,852	50,072	11,780
Supplies & Materials	000-216-600	7,500	4,330	11,830	7,804	4,026
Total Related Services		328,953	(51,184)	277,769	261,963	15,806

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Extra Services:						
Purchased Professional/Educational Services	000-217-320	976,750	40,753	1,017,503	951,887	65,616
Total Extra Services		976,750	40,753	1,017,503	951,887	65,616
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	000-218-104	149,555	-	149,555	149,555	-
Salaries of Secretarial & Clerical Assistants	000-218-105	15,960	-	15,960	15,960	-
Purchased Professional - Educational Services	000-218-320	16,950	5,349	22,299	22,299	-
Other Purchased Prof. and Tech. Services	000-218-390	1,500	(1,500)	-	-	-
Supplies & Materials	000-218-600	11,500	(3,955)	7,545	6,600	945
Total Other Support Services - Students - Regular		195,465	(106)	195,359	194,414	945
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	000-219-104	345,769	(15,181)	330,588	245,854	84,734
Salaries of Secretarial & Clerical Assistants	000-219-105	31,500	(3,963)	27,537	24,967	2,570
Purchased Professional/Educational Services	000-219-320	-	5,369	5,369	5,369	-
Residential Costs	000-219-591	14,300	(14,300)	-	-	-
Miscellaneous Purchased Services	000-219-592	-	6,922	6,922	3,051	3,871
Supplies and Materials	000-219-600	8,000	7,780	15,780	15,780	-
Other Objects	000-219-800	2,500	(968)	1,532	1,531	1
Total Other Support Services - Students - Special Services		402,069	(14,341)	387,728	296,552	91,176
Improvement of Instruction:						
Salary of Supervisors of Instruction	000-221-102	125,842	-	125,842	125,842	-
Salary of Other Professional Staff	000-221-104	177,883	3,107	180,990	179,586	1,404
Salaries of Secretarial & Clerical Assistants	000-221-105	40,310	(1,600)	38,710	37,356	1,354
Supplies and Materials	000-221-600	800	-	800	559	241
Other Objects	000-221-800	1,080	-	1,080	920	160
Total Improvement of Instruction		345,915	1,507	347,422	344,263	3,159
Educational Media Services/School Library:						
Salaries	000-222-100	108,423	(38)	108,385	107,155	1,230
Purchased Professional/Educational Services	000-222-300	84,900	-	84,900	84,900	-
Supplies and Materials	000-222-600	10,750	451	11,201	11,201	-
Total Instructional Staff Training Services		204,073	413	204,486	203,256	1,230
Instructional Staff Training:						
Salaries of Other Professional Staff	000-223-104	16,000	-	16,000	3,272	12,728
Purchased Professional/Educational Services	000-223-320	74,150	17,011	91,161	68,926	22,235
Other Purchased Services	000-223-500	8,500	-	8,500	4,853	3,647
Supplies & Materials	000-223-600	2,000	-	2,000	151	1,849
Total Instructional Staff Training		100,650	17,011	117,661	77,202	40,459
Support Services General Administration:						
Salaries	000-230-100	168,190	3,338	171,528	171,528	-
Legal Services	000-230-331	140,000	(77,360)	62,640	29,267	33,373
Audit Services	000-230-332	20,500	6,000	26,500	26,500	-
Architectural/Engineering Services	000-230-334	5,000	5,800	10,800	8,100	2,700
Other Purchased Professional Services	000-230-339	10,000	41,243	51,243	41,243	10,000
Communications/Telephone	000-230-530	23,000	13,604	36,604	36,604	-
BOE Other Purchased Services	000-230-585	4,000	(407)	3,593	2,118	1,475
Other Purchased Services	000-230-590	25,000	268	25,268	25,268	-
General Supplies	000-230-610	1,000	481	1,481	1,481	-
BOE In-House Training/Meeting Supplies	000-230-630	500	(220)	280	280	-

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Support Services General Administration (continued):						
Judgments Against School District	000-230-820	-	200,000	200,000	-	200,000
Miscellaneous Expenditures	000-230-890	6,000	(2,257)	3,743	3,744	(1)
BOE Membership Dues & Fees	000-230-895	3,500	(426)	3,074	3,074	-
Total Support Services General Administration		406,690	190,064	596,754	349,207	247,547
Support Services School Administration:						
Salaries of Principals & Assistant Principals	000-240-103	290,586	9,050	299,636	299,635	1
Salaries of Secretarial & Clerical Assistants	000-240-105	95,858	3,314	99,172	98,344	828
Purchased Professional & Technical Services	000-240-300	2,000	(2,000)	-	-	-
Other Purchased Services	000-240-500	5,500	(537)	4,963	4,963	-
Supplies & Materials	000-240-600	2,000	605	2,605	2,605	-
Other Objects	000-240-800	5,000	(670)	4,330	4,330	-
Total Support Services School Administration		400,944	9,762	410,706	409,877	829
Support Services Central Services:						
Salaries	000-251-100	209,468	(461)	209,007	208,108	899
Purchased Professional Services	000-251-330	20,000	5,120	25,120	22,894	2,226
Other Purchased Professional Services	000-251-592	4,500	(79)	4,421	1,629	2,792
Supplies and Materials	000-251-600	2,500	1,595	4,095	3,817	278
Other Objects	000-251-890	6,546	(449)	6,097	5,762	335
Total Support Services Central Services		243,014	5,726	248,740	242,210	6,530
Administrative Information Technology:						
Salaries	000-252-100	15,061	-	15,061	15,061	-
Purchased Technical Services	000-252-340	28,800	-	28,800	28,800	-
Other Purchased Services	000-252-500	18,000	-	18,000	15,008	2,992
Total Administrative Information Technology		61,861	-	61,861	58,869	2,992
Operation & Maintenance of Plant:						
Required Maintenance for School Facilities:						
Salaries	000-261-100	82,946	-	82,946	48,977	33,969
Cleaning, Repair & Maintenance Services	000-261-420	125,700	22,481	148,181	74,229	73,952
Total Required Maintenance for School Facilities		208,646	22,481	231,127	123,206	107,921
Custodial Services:						
Salaries	000-262-100	434,420	(6,226)	428,194	422,925	5,269
Salaries of Non-Instructional Aides	000-262-107	224,760	(11,049)	213,711	175,369	38,342
Cleaning, Repair & Maintenance Services	000-262-420	20,600	66,373	86,973	84,354	2,619
Other Purchased Property Services	000-262-490	18,500	(2,000)	16,500	16,088	412
Insurance	000-262-520	53,000	-	53,000	51,167	1,833
General Supplies	000-262-610	40,000	17,091	57,091	54,982	2,109
Energy (Natural Gas)	000-262-621	15,000	194	15,194	10,168	5,026
Energy (Electricity)	000-262-622	150,000	(19,018)	130,982	110,980	20,002
Other Objects	000-262-800	1,000	-	1,000	290	710
Total Custodial Services		957,280	45,365	1,002,645	926,323	76,322
Care and Upkeep of Grounds:						
Salaries	000-263-100	4,044	-	4,044	4,044	-
Cleaning, Repair & Maintenance Services	000-263-420	5,000	547	5,547	4,900	647
General Supplies	000-263-610	5,000	(547)	4,453	-	4,453
Total Care and Upkeep of Grounds		14,044	-	14,044	8,944	5,100

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>ACCOUNT NUMBERS</u>	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>POSITIVE/ (NEGATIVE) FINAL TO ACTUAL</u>
Security:						
Cleaning, Repair & Maintenance Services	000-266-420	28,800	31,753	60,553	58,177	2,376
General Supplies	000-266-610	10,500	(7,087)	3,413	2,900	513
Total Security		39,300	24,666	63,966	61,077	2,889
Total Operation & Maintenance of Plant		1,219,270	92,512	1,311,782	1,119,550	192,232
Student Transportation Services:						
Salaries of Non-Instructional Aides	000-270-107	28,411	(848)	27,563	27,563	-
Salaries - Pupil Transportation (Bet Home & Sch) - Reg	000-270-160	24,620	(249)	24,371	24,313	58
Salaries - Pupil Transportation (Bet Home & Sch) - Sp Ed	000-270-161	57,520	(4,595)	52,925	52,925	-
Salaries - Pupil Transportation (Bet Home & Sch) - Nonpub	000-270-163	2,921	-	2,921	2,921	-
Management Fee - ESC Transportation Program	000-270-350	3,600	(1,894)	1,706	1,706	-
Cleaning, Repair & Maintenance Services	000-270-420	2,000	1,885	3,885	3,885	-
Contracted Services - Aid In Lieu of Payments - Nonpublic	000-270-503	30,000	(8,000)	22,000	22,000	-
Contracted Services - (Between Home & School) - Joint Agreement	000-270-513	170,000	75,731	245,731	245,731	-
Contracted Services - Special Ed - joint agreements	000-270-515	77,000	(45,085)	31,915	31,915	-
Miscellaneous Purchased Services - Transportation	000-270-593	600	(34)	566	566	-
Transportation Supplies	000-270-615	5,500	440	5,940	5,940	-
Miscellaneous Expenditures	000-270-800	250	17,115	17,365	17,365	-
Total Student Transportation Services		402,422	34,466	436,888	436,830	58
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	000-291-220	165,000	(15,000)	150,000	113,080	36,920
PERS - Other Retirement	000-291-241	141,543	(36)	141,507	126,591	14,916
Unemployment Compensation	000-291-250	15,000	-	15,000	12,392	2,608
Workmen's Compensation	000-291-260	47,000	-	47,000	46,500	500
Health Benefits	000-291-270	2,095,223	(243,738)	1,851,485	1,850,209	1,276
Tuition Reimbursements	000-291-280	45,000	22,740	67,740	28,718	39,022
Other Employee Benefits	000-291-290	10,000	(10,000)	-	-	-
Total Unallocated Benefits - Employee Benefits		2,518,766	(246,034)	2,272,732	2,177,490	95,242
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	547,003	(547,003)
On-Behalf TPAF Pension Contributions		-	-	-	2,082,255	(2,082,255)
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	1,128	(1,128)
Reimbursed TPAF Social Security Contributions		-	-	-	449,284	(449,284)
Total Undistributed Expenditures		8,199,957	103,590	8,303,547	10,544,495	(2,240,948)
Interest Deposit on Maintenance Reserve	10-604	10	-	10	-	10
Total Expenditures - Current Expense		13,802,193	249,606	14,051,799	15,771,097	(1,719,298)
Capital Outlay:						
Non-Instructional Services:						
Undist. Expend. - Admin Info. Tech	000-252-730	31,746	-	31,746	-	31,746
Undist. Expend. - Req. Maint. Schl. Facilities	000-261-730	-	67,746	67,746	67,746	-
Undist. Expend. - Care and Upkeep of Grounds	000-263-730	-	89,162	89,162	89,162	-
Total Non-Instructional Services		31,746	156,908	188,654	156,908	31,746

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Facilities Acquisition & Construction Services:						
Assessment for Debt Service on SDA Funding	000-400-896	49	-	49	49	-
Total Facilities Acquisition & Construction Services		49	-	49	49	-
Interest Deposit on Capital Reserve	10-604	10	-	10	-	10
Right to Use Assets Acquired Under Leases (Nonbudgeted)		-	-	-	61,640	(61,640)
Total Right to Use Assets Acquired Under Leases (Nonbudgeted)		-	-	-	61,640	(61,640)
Total Capital Outlay		31,805	156,908	188,713	218,597	(29,884)
Total Expenditures		13,833,998	406,514	14,240,512	15,989,694	(1,749,182)
Excess/(Deficiency) of Revenues						
Over/(Under) Expenditures		(300,000)	(406,514)	(706,514)	1,084,270	1,790,784
Other Financing Sources/(Uses):						
Capital Lease Proceeds (nonbudgeted)		-	-	-	61,640	61,640
Total Other Financing Sources/(Uses)		-	-	-	61,640	61,640
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures After Other Financing Sources/(Uses)		(300,000)	(406,514)	(706,514)	1,145,910	1,852,424
Fund Balance, July 1		5,725,294	-	5,725,294	5,725,294	-
Fund Balances, June 30		\$ 5,425,294	\$ (406,514)	\$ 5,018,780	\$ 6,871,204	\$ 1,852,424

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	\$ 406,514
Total Budget Transfers	<u>\$ 406,514</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 4,806,719
Maintenance Reserve	650,541
New Jersey Unemployment Trust	48,017
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	300,000
Excess Surplus	500,000
Assigned:	
Year-End Encumbrances	125,303
Unassigned Fund Balance	<u>440,624</u>
Subtotal	6,871,204
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(354,113)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 6,517,091</u>

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<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	\$ 20,000	\$ 40,451	\$ 60,451	\$ 62,200	\$ 1,749
State Sources	59,525	10,959	70,484	26,875	(43,609)
Federal Sources	122,750	363,970	486,720	265,281	(221,439)
Total Revenues	202,275	415,380	617,655	354,356	(263,299)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	-	251,334	251,334	92,172	159,162
Purchased Professional Ed. Services	7,036	66,168	73,204	11,875	61,329
Tuition	115,714	18,916	134,630	134,630	-
General Supplies	-	43,825	43,825	16,339	27,486
Textbooks	-	1,980	1,980	1,980	-
Total Instruction	122,750	382,223	504,973	256,996	247,977
Support Services:					
Other Salaries	-	6,500	6,500	6,500	-
Benefits	-	8,358	8,358	-	8,358
Purchased Professional Tech. Services	59,525	(35,892)	23,633	15,540	8,093
Other Purchased Services	-	3,360	3,360	3,360	-
General Supplies	-	13,380	13,380	9,760	3,620
Student Activities	20,000	37,451	57,451	57,260	191
Total Support Services	79,525	33,157	112,682	92,420	20,262
Total Expenditures	202,275	415,380	617,655	349,416	268,239
Net Change in Fund Balance	-	-	-	4,940	4,940
Fund Balance, July 1	17,874	-	17,874	17,874	-
Fund Balance, June 30	\$ 17,874	\$ -	\$ 17,874	\$ 22,814	\$ 4,940

Recapitulation:

Restricted:

Student Activities

\$ 22,814

Total Fund Balance

\$ 22,814

**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, 2023**

**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)	\$ 17,073,964	\$ 354,356
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(8,410)
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		
	329,873	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		
	(354,113)	-
<hr/>		
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 17,049,724	\$ 345,946
<hr/>		
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 15,989,694	\$ 349,416
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
	-	(8,410)
<hr/>		
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds (B-2)	\$ 15,989,694	\$ 341,006
<hr/>		

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 TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's proportion of the net pension liability	0.00983%	0.00958%	0.01005%	0.00947%	0.01165%	0.01100%	0.01154%	0.01129%	0.01117%	0.01116%
School District's proportionate share of the net pension liability	\$ 1,483,925	\$ 1,134,521	\$ 1,638,729	\$ 1,706,680	\$ 2,293,414	\$ 2,560,191	\$ 3,418,827	\$ 2,533,812	\$ 2,091,219	\$ 2,132,053
School District's covered payroll	\$ 725,350	\$ 701,993	\$ 690,357	\$ 683,359	\$ 801,111	\$ 791,236	\$ 787,776	\$ 751,153	\$ 742,136	\$ 765,824
School District's proportionate share of the net pension liability as a percentage of its covered payroll	204.58%	161.61%	237.37%	249.75%	286.28%	323.57%	433.98%	337.32%	281.78%	278.40%
Plan fiduciary net position as a percentage of the total pension liability	62.91%	70.33%	58.32%	56.27%	53.60%	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).

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's contractually required contribution	\$ 123,998	\$ 112,156	\$ 109,931	\$ 92,133	\$ 115,859	\$ 101,886	\$ 102,550	\$ 97,042	\$ 92,079	\$ 84,055
Contributions in relation to the contractually required contribution	<u>(123,998)</u>	<u>(112,156)</u>	<u>(109,931)</u>	<u>(92,133)</u>	<u>(115,859)</u>	<u>(101,886)</u>	<u>(102,550)</u>	<u>(97,042)</u>	<u>(92,079)</u>	<u>(84,055)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 769,239	\$ 725,350	\$ 701,993	\$ 690,357	\$ 683,359	\$ 801,111	\$ 791,236	\$ 787,776	\$ 751,153	\$ 742,136
Contributions as a percentage of covered payroll	16.12%	15.46%	15.66%	13.35%	16.95%	12.72%	12.96%	12.32%	12.26%	11.33%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	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	25,530,430	20,492,561	28,184,094	24,859,939	24,051,736	26,994,616	29,075,712	23,855,951	18,132,242	16,701,482
	<u>\$ 25,530,430</u>	<u>\$ 20,492,561</u>	<u>\$ 28,184,094</u>	<u>\$ 24,859,939</u>	<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	\$ 5,876,109	\$ 6,008,049	\$ 5,627,396	\$ 5,416,561	\$ 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%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.52%	24.60%	26.95%	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).

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M. Schedules Related to Accounting and Reporting for Other Post Employment Benefits (GASB 75)

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**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 SIX FISCAL YEARS***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability Associated with the School District						
Service Cost	\$ 1,299,449	\$ 1,428,387	\$ 726,765	\$ 682,436	\$ 745,771	\$ 900,342
Interest Cost	474,758	557,054	492,632	596,233	646,692	557,652
Difference between Expected & Actual Differences	(72,475)	(3,915,543)	5,112,272	(2,453,243)	(1,879,817)	-
Changes of Benefit Terms	-	(22,856)				
Changes of Assumptions	(4,805,762)	21,186	4,352,954	201,999	(1,712,600)	(2,418,510)
Contributions: Member	15,086	14,241	12,575	12,328	13,792	14,933
Gross Benefit Payments	(470,261)	(438,803)	(414,864)	(415,878)	(399,062)	(405,550)
Net Change in Total OPEB Liability	(3,559,205)	(2,356,334)	10,282,334	(1,376,125)	(2,585,224)	(1,351,133)
Total Associated OPEB Liability (Beginning)	21,473,840	23,830,174	13,547,840	14,923,965	17,509,189	18,860,322
Total Associated OPEB Liability (Ending)	<u>\$ 17,914,635</u>	<u>\$ 21,473,840</u>	<u>\$ 23,830,174</u>	<u>\$ 13,547,840</u>	<u>\$ 14,923,965</u>	<u>\$ 17,509,189</u>
District's Covered Employee Payroll	\$ 6,645,348	\$ 6,733,399	\$ 6,329,389	\$ 6,106,918	\$ 5,241,724	\$ 4,989,830
Net Associated OPEB Liability as a Percentage of Payroll	270%	319%	377%	222%	285%	351%

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.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
YEAR ENDED JUNE 30, 2023**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - None.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - None.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 2.16% as of June 30, 2021, to 3.54% as of June 30, 2022

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, 2023**

TITLE I	ESSEA	I.D.E.A. PART B		C.R.R.S.A		AMERICAN RESCUE PLAN			ARP - IDEA BASIC	STUDENT ACTIVITIES
		TITLE II PART A	REGULAR PROGRAM	PRESCHOOL PROGRAM	ESSER II	ESSER III	LEARNING ACCEL	SUMMER LEARNING		
\$ 4,511	\$	6,314	\$ 135,942	\$ 6,906	\$ 16,428	\$ 28,430	\$ 4,845	\$ 20,085	\$ 18	\$ 62,200
4,511		6,314	135,942	6,906	16,428	28,430	4,845	20,085	18	62,200
3,510		-	-	-	-	21,930	4,845	20,085	-	-
-		-	134,630	-	-	-	-	-	-	-
901		-	-	-	15,438	-	-	-	-	-
4,411		-	134,630	-	15,438	21,930	4,845	20,085	-	-
		-	-	-	-	6,500	-	-	-	-
-		6,314	1,312	6,906	990	-	-	-	18	-
100		-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	57,260
100		6,314	1,312	6,906	990	6,500	-	-	18	57,260
4,511		6,314	135,942	6,906	16,428	28,430	4,845	20,085	18	57,260
-		-	-	-	-	-	-	-	-	4,940
-		-	-	-	-	-	-	-	-	17,874
\$ -	\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,814

Revenues:
Federal Sources
Local Sources

Total Revenues

Expenditures:
Instruction:
Salaries
Tuition
General Supplies

Total Instruction

Support Services:
Salaries
Purchased Professional -
Technical Services
General Supplies
Student Activities

Total Support Services

Total Expenditures

Excess (Deficiency) of Revenues
Over (Under) Expenditures
Fund Balance, July 1

Fund Balance, June 30

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	NJ NON-PUBLIC AUXILIARY SERVICES - CH. 192		NJ NON-PUBLIC HANDICAP SERVICE - CH. 193				NON-PUBLIC TEXTBOOK AID		NON-PUBLIC NURSING AID		NON-PUBLIC TECHNOLOGY AID		NON-PUBLIC SECURITY AID		TOTAL
	COMPENSATORY EDUCATION	E.S.L.	SUPPLEMENTAL INSTRUCTION	EXAMINATION & CLASSIFICATION	CORRECTIVE SPEECH	NON-PUBLIC TEXTBOOK AID	NON-PUBLIC NURSING AID	NON-PUBLIC TECHNOLOGY AID	NON-PUBLIC SECURITY AID	NON-PUBLIC TECHNOLOGY AID	NON-PUBLIC SECURITY AID	NON-PUBLIC SECURITY AID	NON-PUBLIC SECURITY AID		
Revenues:															
Federal Sources	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	265,281
State Sources	7,709	401	1,982	760	1,023	1,980	3,360	1,250	8,410	8,410	8,410	8,410	8,410	26,875	
Local Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	62,200	
Total Revenues	7,709	401	1,982	760	1,023	1,980	3,360	1,250	8,410	8,410	8,410	8,410	8,410	354,356	
Expenditures:															
Instruction:															
Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	92,172	
Purchased Professional - Educational Services	7,709	401	1,982	760	1,023	-	-	-	-	-	-	-	-	11,875	
Tuition	-	-	-	-	-	-	-	-	-	-	-	-	-	134,630	
General Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	16,339	
Textbooks	-	-	-	-	-	1,980	-	-	-	-	-	-	-	1,980	
Total Instruction	7,709	401	1,982	760	1,023	1,980	-	-	-	-	-	-	-	256,996	
Support Services:															
Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	6,500	
Purchased Professional - Technical Services	-	-	-	-	-	-	-	-	-	-	-	-	-	15,540	
Purchased Professional - Educational Services	-	-	-	-	-	-	3,360	-	-	-	-	-	-	3,360	
General Supplies	-	-	-	-	-	-	-	1,250	8,410	8,410	8,410	8,410	8,410	9,760	
Student Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	57,260	
Total Support Services	-	-	-	-	-	-	3,360	1,250	8,410	8,410	8,410	8,410	8,410	92,420	
Total Expenditures	7,709	401	1,982	760	1,023	1,980	3,360	1,250	8,410	8,410	8,410	8,410	8,410	349,416	
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	4,940	
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-	-	-	17,874	
Fund Balance, June 30	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	22,814	

G. Proprietary Funds

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

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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, 2023**

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL PAYMENTS DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2022</u>	<u>RETIRED</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2023</u>
2015 Refunding Bonds	9/16/2015	\$ 9,920,000	2/1/2024	\$ 1,270,000	3.000%	\$ 5,165,000	\$ 1,230,000	\$ 3,935,000
			2/1/2025	1,310,000	3.000%			
			2/1/2026	1,355,000	3.000%			
2016 Refunding Bonds	2/15/2016	24,510,000	2/1/2024	115,000	2.125%	23,855,000	115,000	23,740,000
			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						\$ 29,020,000	\$ 1,345,000	\$ 27,675,000

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 1,969,116	\$ -	\$ 1,969,116	\$ 1,969,116	\$ -
State Sources:					
Debt Service Aid Type II	337,872	-	337,872	337,872	-
Total Revenues	<u>2,306,988</u>	<u>-</u>	<u>2,306,988</u>	<u>2,306,988</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Redemption of Principal	1,345,000	-	1,345,000	1,345,000	-
Interest	961,988	-	961,988	961,987	1
Total Regular Debt Service	<u>2,306,988</u>	<u>-</u>	<u>2,306,988</u>	<u>2,306,987</u>	<u>1</u>
Excess/(Deficiency) of Revenues Over (Under) Expenditures	-	-	-	1	(1)
Fund Balance, July 1,	1	-	1	1	-
Fund Balance, June 30	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ (1)</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,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Net Investment in Capital Assets	\$ (1,371,654)	\$ (2,049,986)	\$ (2,550,257)	\$ 390,100	\$ (208,290)	\$ (526,240)	\$ (865,666)	\$ (6,625,571)	\$ (4,296,331)	\$ (4,302,083)
Restricted	6,328,093	4,744,937	3,884,429	2,984,587	1,981,751	758,310	185,600	(102,642)	49,405	40,587
Unrestricted	(2,219,697)	(2,106,194)	(2,301,189)	(6,010,595)	(6,339,372)	(6,462,543)	(6,431,074)	(883,327)	(2,789,647)	(278,645)
Total Governmental Activities										
Net Position	\$ 2,736,742	\$ 588,757	\$ (967,017)	\$ (2,635,908)	\$ (4,565,911)	\$ (6,230,473)	\$ (7,111,140)	\$ (7,611,540)	\$ (7,036,573)	\$ (4,540,141)
Business-Type Activities:										
Net Investment in Capital Assets	\$ 28,694	\$ 30,329	\$ 3,806	\$ 413	\$ 800	\$ 60,399	\$ 70,902	\$ 73,022	\$ 81,730	\$ 90,438
Unrestricted	70,686	30,902	50,183	(9,407)	39,561	54,467	55,070	55,669	69,614	69,556
Total Business-Type Activities										
Net Position	\$ 99,380	\$ 61,231	\$ 53,989	\$ (8,994)	\$ 40,361	\$ 114,866	\$ 125,972	\$ 128,691	\$ 151,344	\$ 159,994
Government-Wide:										
Net Investment in Capital Assets	\$ (1,342,960)	\$ (2,019,657)	\$ (2,546,451)	\$ 390,513	\$ (207,490)	\$ (465,841)	\$ (794,764)	\$ (6,552,549)	\$ (4,214,601)	\$ (4,211,645)
Restricted	6,328,093	4,744,937	3,884,429	2,984,587	1,981,751	758,310	185,600	(102,642)	49,405	40,587
Unrestricted	(2,149,011)	(2,075,292)	(2,251,006)	(6,020,002)	(6,299,811)	(6,408,076)	(6,376,004)	(827,658)	(2,720,033)	(209,089)
Total Net Position										
	\$ 2,836,122	\$ 649,988	\$ (913,028)	\$ (2,644,902)	\$ (4,525,550)	\$ (6,115,607)	\$ (6,985,168)	\$ (7,482,849)	\$ (6,885,229)	\$ (4,380,147)

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Governmental Activities										
Instruction:										
Regular Instruction	\$ 3,794,812	\$ 3,763,384	\$ 3,700,980	\$ 3,610,359	\$ 3,616,399	\$ 3,170,802	\$ 3,169,018	\$ 2,900,473	\$ 3,694,988	\$ 3,460,393
Special Education	1,283,422	1,331,617	1,217,298	1,057,322	836,287	735,799	753,928	787,995	769,470	725,318
Other Instruction	270,734	209,115	248,709	179,826	171,243	199,922	155,882	160,083	195,751	137,645
Support Services:										
Tuition	272,326	303,065	363,347	184,526	258,821	282,909	269,716	141,810	114,912	90,794
Student & Instruction Related Services	2,617,106	2,461,701	2,033,186	2,249,405	1,843,785	1,633,039	1,472,248	1,445,538	1,909,225	1,620,138
Educational Media Services/School Library	-	-	-	-	-	-	-	81,313	279,639	281,538
General Administrative Services	349,207	382,323	337,251	331,468	336,922	308,341	278,678	198,485	1,042,551	1,039,886
School Administrative Services	409,877	413,833	394,914	374,400	261,699	246,782	226,140	265,146	89,461	87,413
Central Services	236,715	231,525	225,825	242,798	245,657	238,821	203,094	210,542	342,058	346,905
Administrative Technology	58,869	58,874	69,690	68,209	99,016	84,471	85,228	96,128	-	-
Plant Operations & Maintenance	1,085,967	1,222,892	1,012,570	961,856	971,842	838,026	780,094	796,170	1,596,536	643,799
Pupil Transportation	436,830	344,852	312,658	307,733	323,246	282,498	322,851	310,909	-	-
Employee Benefits	2,915,629	3,560,985	3,335,456	2,071,354	2,502,261	3,023,453	1,987,462	4,564,937	-	-
On Behalf TPAF Pension and Social Security Contributions	1,136,379	937,749	2,188,709	1,897,537	1,747,193	2,193,067	1,139,311	-	-	-
Interest on Long-Term Debt	999,433	1,040,269	1,079,222	1,115,315	1,150,339	1,192,296	1,234,885	1,675,886	1,550,959	1,581,427
Capital Assets Retirements	-	-	-	-	53,954	-	-	-	-	-
Unallocated Depreciation & Amortization	808,864	794,968	797,257	802,638	764,306	746,783	1,439,503	633,420	601,340	601,342
Increase/(Decrease) In Compensated Absences	-	-	-	-	-	-	-	20,212	-	-
Total Governmental Activities Expenses	16,676,170	17,057,152	17,317,072	15,454,746	15,182,970	15,177,009	13,518,038	14,289,047	12,186,890	10,616,598
Business-Type Activities:										
Food Service	230,415	319,669	152,254	175,041	250,494	191,991	204,169	228,862	203,894	191,139
After School Activities	5,407	3,181	-	15,668	-	-	-	-	-	-
Total Business-Type Activities Expense	235,822	322,850	152,254	190,709	250,494	191,991	204,169	228,862	203,894	191,139
Total District	\$ 16,911,992	\$ 17,380,002	\$ 17,469,326	\$ 15,645,455	\$ 15,433,464	\$ 15,369,000	\$ 13,722,207	\$ 14,517,909	\$ 12,390,784	\$ 10,807,737

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Operating Grants & Contributions	\$ 2,547,113	\$ 2,974,315	\$ 3,875,801	\$ 2,544,761	\$ 2,703,112	\$ 3,604,846	\$ 1,321,905	\$ 2,911,947	\$ 576,213	\$ 604,529
Total Governmental Activities Program Revenues	2,547,113	2,974,315	3,875,801	2,544,761	2,703,112	3,604,846	1,321,905	2,911,947	576,213	604,529
Business-Type Activities:										
Charges for Services:										
Food Service	166,598	49,591	4,708	106,421	144,807	147,777	154,521	152,369	83,260	92,822
Operating Grants:										
Food Service	107,373	280,501	210,529	25,433	31,182	33,108	38,309	40,261	19,231	26,884
Total Business Type Activities Program Revenues	273,971	330,092	215,237	131,854	175,989	180,885	192,830	192,630	102,491	119,706
Total District Program Revenues	\$ 2,821,084	\$ 3,304,407	\$ 4,091,038	\$ 2,676,615	\$ 2,879,101	\$ 3,785,731	\$ 1,514,735	\$ 3,104,577	\$ 678,704	\$ 724,235
Net/(Expense)/Revenue:										
Governmental Activities	\$ (14,129,057)	\$ (14,082,837)	\$ (13,441,271)	\$ (12,909,985)	\$ (12,479,858)	\$ (11,572,163)	\$ (12,196,133)	\$ (11,377,100)	\$ (11,610,677)	\$ (10,012,069)
Business-Type Activities	38,149	7,242	62,983	(58,855)	(74,505)	(11,106)	(11,339)	(36,232)	(101,403)	(71,433)
Total District-Wide Net Expense	\$ (14,090,908)	\$ (14,075,595)	\$ (13,378,288)	\$ (12,968,840)	\$ (12,554,363)	\$ (11,583,269)	\$ (12,207,472)	\$ (11,413,332)	\$ (11,712,080)	\$ (10,083,502)

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property taxes levied for general purposes, net	\$ 9,817,086	\$ 9,817,086	\$ 9,817,086	\$ 9,624,595	\$ 9,435,877	\$ 9,221,448	\$ 9,040,635	\$ 9,828,810	\$ 7,905,426	\$ 7,105,255
Taxes levied for debt service	1,969,116	1,959,158	1,968,039	1,959,972	1,963,251	1,942,729	1,644,682	-	1,266,528	1,295,229
Federal and State Aid	4,159,180	3,721,465	3,210,031	3,039,548	2,654,060	1,144,207	798,846	811,027	424,262	371,325
Tuition received	154,197	38,090	1,450	39,185	53,907	46,675	40,875	43,595	46,059	42,157
Investment earnings	-	-	-	-	-	-	-	-	1,169	1,448
Miscellaneous	177,463	102,812	74,344	171,232	37,325	97,771	72,344	85,419	66,686	54,290
Extraordinary Item - Fire insurance recovery	-	-	-	-	-	-	-	-	300,000	5,000
Special Item - Gain on Sale of Property	-	-	-	-	-	-	-	-	-	300,000
Special Item - Adjustment to Capital Assets	-	-	-	14,956	-	-	1,099,151	-	-	-
Transfers	-	-	-	(9,500)	-	-	-	-	-	-
Total Governmental Activities	16,277,042	15,638,611	15,070,950	14,839,988	14,144,420	12,452,830	12,696,533	10,768,851	10,010,130	9,174,704
Business-type Activities										
Investment earnings	-	-	-	-	-	-	-	-	-	9
Miscellaneous income	-	-	-	-	-	-	-	13,579	-	-
Special Item - Adjustment to Capital Assets	-	-	-	9,500	-	-	8,620	-	-	-
Total business-type activities	-	-	-	9,500	-	-	8,620	13,579	-	9
Total District-Wide	16,277,042	15,638,611	15,070,950	14,849,488	14,144,420	12,452,830	12,705,153	10,782,430	10,010,130	9,174,713
Change in Net Position:										
Governmental Activities	2,147,985	1,555,774	1,629,679	1,930,003	1,664,562	880,667	500,400	(608,249)	(1,600,547)	(837,365)
Business-Type Activities	38,149	7,242	62,983	(49,355)	(74,505)	(11,106)	(2,719)	(22,653)	(101,403)	(71,424)
Total District	\$ 2,186,134	\$ 1,563,016	\$ 1,692,662	\$ 1,880,648	\$ 1,590,057	\$ 869,561	\$ 497,681	\$ (630,902)	\$ (1,701,950)	\$ (908,789)

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

FISCAL YEAR ENDING JUNE 30,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Restricted	\$ 6,305,277	\$ 4,727,062	\$ 3,859,623	\$ 2,977,264	\$ 1,974,427	\$ 750,295	\$ 142,195	\$ 38,033	\$ 37,941	\$ 37,916
Assigned	125,303	406,514	571,807	558,908	289,616	40,097	-	4,135	89,962	159,325
Unassigned	86,511	261,845	271,213	55,159	85,952	211,407	250,848	65,959	210,433	195,780
Total General Fund	\$ 6,517,091	\$ 5,395,421	\$ 4,702,643	\$ 3,591,331	\$ 2,349,995	\$ 1,001,799	\$ 393,043	\$ 108,127	\$ 338,336	\$ 393,021
All Other Governmental Funds:										
Restricted, reported in:										
Special revenue fund	\$ 22,814	\$ 17,874	\$ 17,493	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects fund	-	-	-	1	7,303	7,303	7,303	7,303	-	-
Debt Service fund	2	1	7,313	7,322	21	712	36,102	36,546	-	-
Committee, reported in:										
Capital projects fund	-	-	-	-	-	-	-	300,000	707,303	887,331
Debt Service fund	-	-	-	-	-	-	-	-	11,464	2,671
Total All Other Governmental Funds	\$ 22,816	\$ 17,875	\$ 24,806	\$ 7,323	\$ 7,324	\$ 8,015	\$ 43,405	\$ 343,849	\$ 718,767	\$ 890,002

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	FISCAL YEAR ENDING JUNE 30,									
Revenues:										
Tax Levy	\$ 11,786,202	\$ 11,776,244	\$ 11,785,125	\$ 11,584,567	\$ 11,399,128	\$ 11,164,177	\$ 10,685,317	\$ 9,828,810	\$ 9,171,954	\$ 8,400,484
Interest Earnings	-	-	-	-	-	-	-	-	1,169	42,157
Tuition	154,197	38,090	1,450	39,185	53,907	46,675	40,875	43,595	46,059	1,448
Miscellaneous	239,663	122,105	81,443	171,232	37,325	102,339	75,654	85,419	366,686	54,290
State Sources	7,257,315	6,760,314	5,352,606	4,813,372	4,213,324	2,435,238	1,964,461	1,799,527	1,640,787	1,386,171
Federal Sources	265,281	290,089	195,930	174,936	147,177	163,599	152,980	170,903	170,554	187,124
Total Revenue	19,702,658	18,986,842	17,416,554	16,783,292	15,850,861	13,912,028	12,919,287	11,928,254	11,397,209	10,071,674
Expenditures:										
Instruction:										
Regular Instruction	3,794,812	3,763,384	3,700,980	3,610,359	3,616,399	3,170,802	3,155,131	2,900,473	2,884,424	2,698,563
Special Education Instruction	1,283,422	1,331,617	1,217,298	1,057,322	836,287	735,799	746,565	936,387	593,118	547,209
Other Instruction	270,734	209,115	248,709	179,826	171,243	199,922	155,882	11,691	149,229	116,490
Support Services										
Tuition	272,326	303,065	363,347	184,526	258,821	282,909	269,716	141,810	114,912	90,794
Attendance & Social Work Services	-	-	-	-	-	-	-	26,688	-	-
Health Services	-	-	-	-	-	-	-	123,867	-	-
Student and Instructional Related services	2,617,106	2,461,701	2,033,186	2,249,405	1,843,785	1,633,039	1,459,265	1,294,983	1,391,610	1,152,187
Educational Media Services/School Library	-	-	-	-	-	-	-	81,313	-	-
General Administration	349,207	382,323	337,251	331,468	336,922	308,341	277,709	198,485	192,349	183,271
School Administrative Services	409,877	413,833	394,914	374,400	261,699	246,782	229,779	265,146	264,838	235,000
Central services	242,210	231,525	225,825	242,798	245,657	238,821	203,094	210,542	214,709	216,894
Administrative Information Technology	58,869	58,874	69,690	68,209	99,016	84,471	85,228	96,128	89,461	87,413
Plant Operations and Maintenance	1,119,550	1,247,501	1,041,436	961,856	971,842	838,026	785,993	796,170	893,941	888,888
Pupil Transportation	436,830	344,852	312,658	307,733	298,246	282,498	328,234	310,909	319,374	318,472
Employee benefits	5,257,160	5,224,848	4,047,066	3,448,356	3,237,452	3,019,091	2,889,405	2,738,828	2,431,512	2,225,897
Capital outlay	218,548	24,420	28,824	219,862	-	-	3,935	89,028	30,077	46,878
Debt service:										
Principal	1,345,000	1,300,000	1,265,000	1,220,000	1,215,000	1,140,000	1,161,807	935,000	750,000	625,000
Interest and other charges	962,036	1,003,937	1,040,787	1,076,337	1,110,987	1,158,161	1,183,072	1,474,622	1,603,575	1,631,700
Total Expenditures	18,637,687	18,300,995	16,326,971	15,532,457	14,503,356	13,338,662	12,934,815	12,632,070	11,923,129	11,064,656
Excess/(Deficiency) of Revenues										
Over/(Under) Expenditures	1,064,971	685,847	1,089,583	1,250,835	1,347,505	573,366	(15,528)	(703,816)	(525,920)	(992,982)

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Other Financing Sources/(Uses):										
Bond proceeds	-	-	-	-	-	-	-	34,976,406	-	-
Deposit to Refunding Escrow	-	-	-	-	-	-	-	(34,627,649)	-	-
Capital leases (non-budgeted)	61,640	-	-	-	-	-	-	65,407	-	-
Costs of issuing bonds	-	-	-	-	-	-	-	(348,757)	-	-
Transfers in	-	-	1	7,312	10	175,000	300,701	400,648	751,145	626,319
Transfers out	-	-	(1)	(16,812)	(10)	(175,000)	(300,701)	(400,648)	(751,145)	(626,319)
Total Other Financing Sources/(Uses)	61,640	-	-	(9,500)	-	-	-	65,407	-	-
Extraordinary Item - Fire restoration costs	-	-	-	-	-	-	-	-	300,000	5,000
Net Change in Fund Balances	\$ 1,126,611	\$ 685,847	\$ 1,089,583	\$ 1,241,335	\$ 1,347,505	\$ 573,366	\$ (15,528)	\$ (638,409)	\$ (225,920)	\$ (987,982)
Debt Service as a Percentage of Noncapital Expenditures	12.5%	12.6%	14.1%	15.0%	16.0%	17.2%	18.1%	19.2%	19.8%	20.5%

Source: District Records

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

Fiscal Year Ending June 30,	Tuition	Interest Income	E-Rate	Solar SRECS	Refund of Prior Year		Facility Use	Other	Miscellaneous	Total
					Solar SRECS	Expenditures				
2023	\$ 154,197	\$ 119,463	\$ -	\$ -	10,776	\$ 20,155	\$ 27,069	\$ 331,660		
2022	38,090	9,125	4,176	-	4,355	13,969	71,187	140,902		
2021	1,450	13,385	-	-	19,284	-	41,675	75,794		
2020	39,185	21,217	-	-	5,226	24,721	120,058	210,407		
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		

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
2023	\$ 5,643,600	\$ 738,828,700	\$ 63,542,600	\$ 4,886,300	\$ 28,268,975	\$ 289,700	\$ 311,900	\$ 841,771,775	\$ 1,044,678	\$ 842,816,453	\$ 910,177,989	1.399	0.882
2022	5,850,000	737,150,500	63,435,800	6,163,300	26,590,950	289,700	311,900	839,792,150	1,146,242	840,938,392	910,177,989	1.402	0.801
2021	5,942,300	736,184,600	62,457,000	6,112,200	22,228,900	289,700	311,900	833,526,600	1,199,267	834,725,867	863,727,198	1.411	0.781
2020	8,373,100	722,716,000	61,241,800	6,164,200	21,528,900	289,700	311,900	820,625,600	1,181,956	821,807,556	859,152,947	1.435	0.754
2019	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
2018	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
2017	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
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	1.345	0.593
2015	12,749,620	627,626,300	61,010,200	6,343,900	21,435,700	249,800	311,900	729,727,420	1,197,383	730,924,803	729,679,569	1.267	0.602
2014	12,679,850	620,147,500	61,625,000	6,355,700	22,067,800	-	311,900	723,187,750	1,189,657	724,377,407	708,256,288	1.156	0.575

Source: Municipal Tax Assessor

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	
2023	1.165	0.234	1.399	0.414	0.363	0.882	3.058
2022	1.168	0.234	1.402	0.393	0.349	0.801	2.945
2021	1.175	0.236	1.411	0.364	0.406	0.781	2.962
2020	1.196	0.239	1.435	0.339	0.413	0.754	2.941
2019	1.201	0.250	1.451	0.328	0.415	0.646	2.840
2018	1.200	0.253	1.453	0.309	0.414	0.636	2.812
2017	1.258	0.171	1.429	0.513	0.415	0.605	2.962
2016	1.172	0.173	1.345	0.224	0.413	0.593	2.575
2015	1.088	0.179	1.267	0.177	0.372	0.602	2.418
2014	0.972	0.184	1.156	0.129	0.378	0.575	2.238

Source: Municipal Tax Collector

Note:

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

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

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

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

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Transcontinental Gas Pipe Line Co.	\$ 3,869,900	1	0.46%	N/A	1	N/A
Three Putt LLC C/O Old York CC.	3,000,000	2	0.36%	N/A	2	N/A
Chesterfield LLC, Robert Adinolfi	2,600,000	3	0.31%	N/A	3	N/A
Colonial Pipline CO	2,462,200	4	0.29%	N/A	4	N/A
Agree Convenience NO 1 LLC	1,820,000	5	0.22%	N/A	5	N/A
Colonial Pipline CO	1,739,900	6	0.21%	N/A	6	N/A
Civale, Patricia	1,420,300	7	0.17%	N/A	7	N/A
Cancelliere, John & Deborah	1,407,900	8	0.17%	N/A	8	N/A
Fernbrook Farms NJ LLC	1,190,400	9	0.14%	N/A	9	N/A
Verison New Jersey	1,044,678	10	0.12%	N/A	10	N/A
Total	\$ 20,555,278		2.44%	\$ -		0.00%
Total Municipal Assessment	\$ 842,816,453			\$ 724,377,407		

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	
2022	\$ 26,454,835	\$ 26,253,814	99.24%	\$ 201,021
2021	25,219,341	24,956,832	98.96%	202,280
2020	24,650,273	24,176,960	98.08%	310,504
2019	23,520,014	22,055,850	93.77%	unavailable
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

Source: Municipal Audit Reports

Debt Capacity Information

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business- Type Activities		Total District	Percentage of Personal	
	General Obligation Bonds	Financed Purchases	Bond Anticipation Notes (BANs)	Financed Purchases	Income (a)		Per Capita (b)	
2023	\$ 27,675,000	\$ -	\$ -	\$ -	\$ 27,675,000	Unavailable	Unavailable	
2022	29,020,000	-	-	-	29,020,000	Unavailable	3,211.60	
2021	30,320,000	-	-	-	30,320,000	4.72%	3,169.23	
2020	31,585,000	-	-	-	31,585,000	8.85%	4,164.69	
2019	32,805,000	-	-	-	32,805,000	8.80%	4,397.45	
2018	33,995,000	-	-	-	33,995,000	11.04%	4,531.46	
2017	35,135,000	-	-	-	35,135,000	7.56%	4,744.13	
2016	36,245,000	51,807	-	-	36,296,807	7.88%	4,870.09	
2015	34,885,000	-	-	-	34,885,000	8.10%	4,634.65	
2014	35,635,000	-	-	-	35,635,000	8.52%	4,644.21	

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

a Personal income data can be found in Exhibit J-14.

° Population data can be found in Exhibit J-14.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of	
	Obligation	Deductions	Debt Outstanding	Property	Per Capita ^b
2023	\$ 27,675,000	\$ -	\$ 27,675,000	3.77%	Unavailable
2022	29,020,000	-	29,020,000	3.95%	3,211.60
2021	30,320,000	-	30,320,000	3.96%	3,169.23
2020	31,585,000	-	31,585,000	3.74%	4,164.69
2019	32,805,000	-	32,805,000	3.61%	4,397.45
2018	33,995,000	-	33,995,000	3.52%	4,531.46
2017	35,135,000	-	35,135,000	3.41%	4,744.13
2016	36,245,000	-	36,245,000	3.30%	4,863.14
2015	34,885,000	-	34,885,000	3.43%	4,634.65
2014	35,635,000	-	35,635,000	3.34%	4,644.21

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

^a See Exhibit J-6 for property tax data.

^b Population data can be found in Exhibit J-14.

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

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023**

<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, 2022:	\$ 8,066,350	100.00%	\$ 8,066,350
Burlington County Net Debt at December 31, 2022 (a)	161,356,421	1.738%	<u>2,804,632</u>
Subtotal, Overlapping Debt			\$ 10,870,982
Chesterfield Township School District Direct Debt			<u>27,675,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 38,545,982</u></u>

Sources: 2022 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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$ 22,948,650	\$ 21,544,244	\$ 20,956,753	\$ 20,364,474	\$ 19,714,235	\$ 18,969,735	\$ 18,368,636	\$ 24,942,738	\$ 17,875,745	\$ 18,146,265
Total Net Debt Applicable to Limit	27,675,000	29,020,000	30,320,000	31,585,000	32,805,000	33,995,000	35,135,000	36,245,000	34,885,000	35,635,000
Legal Debt Margin	\$ (4,726,350)	\$ (7,475,756)	\$ (9,363,247)	\$ (11,220,526)	\$ (13,090,765)	\$ (15,025,265)	\$ (16,766,364)	\$ (11,302,262)	\$ (17,009,255)	\$ (17,488,735)
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	120.60%	134.70%	144.68%	155.10%	166.40%	179.21%	191.28%	145.31%	195.15%	196.38%

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized Valuation Basis	
2022	\$ 1,004,896,673
2021	901,012,431
2020	847,928,911
	<u>\$ 2,753,838,015</u>
Average Equalized Valuation of Taxable Property	<u>\$ 917,946,005</u>
Debt Limit (2.5% of Average Equalization Value)	22,948,650
Net Bonded School Debt	<u>27,675,000</u>
Legal Debt Margin	<u>\$ (4,726,350)</u>

Source: 2022 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>
2022	9,036	Unavailable	Unavailable	3.3%
2021	9,567	642,462,318	69,496	4.9%
2020	7,584	356,744,448	67,154	8.5%
2019	7,460	372,710,430	63,528	8.5%
2018	7,502	307,789,439	61,140	4.4%
2017	7,406	464,658,228	59,271	4.4%
2016	7,453	460,507,821	57,583	4.5%
2015	7,527	430,442,810	55,925	4.6%
2014	7,673	418,178,844	53,572	4.7%
2013	7,754	414,174,382	51,643	5.7%

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	2023		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment

Information Not Available

2014		
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Information Not Available

Source: District Personnel

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>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction										
Regular	41	43	43	44	45	46	46	46	46	44
Special education	11	11	11	11	12	13	13	16	16	16
Other Instruction	2	2	2	2	3	2	2	2	2	2
Support Services:										
Student & instruction related services	14	15	15	15	9	12	12	12	12	12
General administration	1	1	1	1	1	1	1	2	2	2
School administrative services	3	3	3	3	3	3	3	4	3	3
Central services	4	4	4	4	3	3	3	3	3	3
Administrative Information Technology	-	-	-	-	-	-	-	-	-	-
Plant operations and maintenance	12	12	12	13	13	13	13	13	12	12
Pupil transportation	2	2	2	2	2	3	3	3	2	2
Total	90	93	93	95	91	96	96	101	98	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 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>
2023	742	\$ 16,112,103	\$ 21,714	-2.93%	62	11:97:01	718.5	677.7	1.18%	94.32%
2022	714	15,972,638	22,371	14.63%	64	11:16:01	710.1	671.2	-0.45%	94.52%
2021	717	13,992,360	19,515	14.70%	64	11:20:1	713.3	699.8	-6.03%	98.11%
2020	765	13,016,258	17,015	8.29%	62	12:33:1	759.1	737.7	-3.16%	97.18%
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	5.53%	60	13:5:1	768.8	738.0	0.58%	95.99%
2017	767	10,586,001	13,802	4.32%	56	13:5:1	764.4	736.7	0.00%	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%

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**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
116,000	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	918
742	714	717	765	775	758	767	757	728	703	

District Building

Elementary

Chesterfield Elementary School (2011)

Square Feet

Capacity (students)

Enrollment

Number of Schools at June 30, 2023

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	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
* School Facilities	\$ 123,206	\$ 334,600	\$ 221,321	\$ 228,048	\$ 148,230	\$ 145,990	\$ 104,571	\$ 87,274	\$ 106,594	\$ 127,068

* 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, 2023**

	<u>Coverage</u>	<u>Deductible</u>
Burlington County Insurance Pool Joint Insurance Fund (BCIP JIF)		
Property / Inland Marine / Automobile Physical Damage	\$ 250,000	\$ 500
Crime - JIF Self Insured Retention	250,000	500
General Liability / Auto Liability	250,000	-
Educators Legal Liability	250,000	-
Workers Compensation	250,000	-
School Pool for Excess Liability Limits Joint Insurance Fund (SPELL JIF)**		
Property / Inland Marine / Automobile Physical Damage	1,750,000	-
Crime	50,000	-
Workers Compensation	Statutory	-
Employers Liability	10,000,000	-
General Liability / Auto Liability	20,000,000	-
Educators' Legal Liability	20,000,000	-
Travelers Insurance Company		
Boiler and Machinery	125,000,000	1,000
Beazley / Lloyd's of London Insurance		
Environmental / Pollution Legal Liability	3,000,000	25,000-250,000
Starr Indemnity & Liability Company		
Cyber Liability	2,000,000	50,000-100,000
Lloyd's of London Insurance		
Crisis Protection & Disaster Management Services	10,000,000	10,000
Selective Insurance Company of America		
Surety - Treasurer of Monies	215,000	-
Surety - Board Secretary	180,000	-

Source: District records

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SINGLE AUDIT SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

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 (the “School District”) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District’s basic financial statements, and have issued our report thereon dated December 18, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District’s internal control over financial reporting (internal control) as a basis for designing 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 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

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deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. 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*.

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,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

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

Medford, New Jersey
December 18, 2023



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-2

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

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Chesterfield Township School District’s (the “School District”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District’s major state programs for the fiscal year ended June 30, 2023. The 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.

In our opinion, the 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, 2023.

Basis for Opinion on Each Major State Program

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; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); 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. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the School District’s compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School District's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted 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 audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individual or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted accounting standards, *Government Auditing Standards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, but not for the purpose of expressing an opinion on the effectiveness of School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC
Certified Public Accountants & Advisors

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

Medford, New Jersey
December 18, 2023

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**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FEDERAL ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENTS	BALANCE, JUNE 30, 2023	
										(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE
U.S. Department of Agriculture											
Passed Through New Jersey Department of Agriculture:											
Child Nutrition Cluster:											
10.555	231N1304N1099	100-010-3350-028	\$ 31,131	7/1/22-6/30/23	\$ -	\$ 29,380	\$ (31,131)	\$ -	\$ -	\$ (1,751)	\$ -
10.555	221N1304N1099	100-010-3350-028	252,093	7/1/21-6/30/22	(20,727)	20,727	-	-	-	-	-
10.555	231N1304N1099	100-010-3350-026	2,550	7/1/22-6/30/23	-	2,402	(2,550)	-	-	(148)	-
10.555	231N1304N1099	100-010-3350-118	46,645	7/1/22-6/30/23	-	46,645	(46,645)	-	-	-	-
10.555	231N1304N1099	Unavailable	27,233	7/1/22-6/30/23	-	27,233	(24,602)	-	-	-	2,631
10.555	221N1304N1099	Unavailable	16,860	7/1/21-6/30/22	245	-	(245)	-	-	-	-
		Total Child Nutrition Cluster			(20,482)	126,387	(105,173)	-	-	(1,899)	2,631
		Total U.S. Department of Agriculture			(20,482)	126,387	(105,173)	-	-	(1,899)	2,631
U.S. Department of Education											
Passed Through New Jersey Department of Education:											
Title I - Part A											
84.010	S010A220030	100-034-5064-194	9,024	7/1/22-9/30/23	-	2,431	(4,511)	-	-	(2,080)	-
84.367	S367A220029	100-034-5063-290	7,272	7/1/22-9/30/23	-	6,314	(6,314)	-	-	-	-
84.367	S367A210029	100-034-5063-290	9,693	7/1/21-9/30/22	(7,826)	7,826	-	-	-	-	-
					(7,826)	14,140	(6,314)	-	-	-	-
84.424	S424A200030	100-034-5063-348	10,795	7/1/20-9/30/21	(660)	-	-	-	660	-	-
					(660)	-	-	-	660	-	-
Special Education Cluster:											
84.027	H027A220100	100-034-5065-016	137,493	7/1/22-9/30/23	-	127,730	(135,942)	-	-	(8,212)	-
84.027	H027A210100	100-034-5065-016	138,325	7/1/21-9/30/22	(40,926)	40,926	-	-	-	-	-
84.027X	H027X210100	100-034-5065-094	33,045	7/1/21-9/30/22	(20,389)	20,164	(18)	-	-	(243)	-
					(61,315)	188,820	(135,960)	-	-	(8,455)	-
84.173	H173A220114	100-034-5065-020	6,906	7/1/22-9/30/23	-	6,906	(6,906)	-	-	-	-
84.173	H173A210114	100-034-5065-020	11,741	7/1/21-9/30/22	(11,495)	11,495	-	-	-	-	-
84.173X	H173X210114	100-034-5065-095	2,822	7/1/21-9/30/22	(2,822)	2,822	-	-	-	-	-
					(14,317)	21,223	(6,906)	-	-	-	-
		Total Special Education Cluster			(75,632)	210,043	(142,866)	-	-	(8,455)	-
Educational Stabilization Fund:											
COVID-19 Coronavirus Response & Relief Suppl. Appr. Act:											
84.425D	S425D210027	100-034-5120-518	54,710	3/13/20-9/30/23	(5,999)	9,709	(16,428)	-	-	(12,718)	-
84.425D	S425D210027	100-034-5120-518	45,000	3/13/20-9/30/23	(17,571)	17,571	-	-	-	-	-
84.425U	S425U210027	100-034-5120-523	109,421	3/13/20-9/30/24	-	16,094	(28,430)	-	-	(12,336)	-
84.425U	S425U210027	100-034-5120-523	62,930	3/13/20-9/30/24	-	-	(4,845)	-	-	(4,845)	-
84.425U	S425U210027	100-034-5120-523	40,000	3/13/20-9/30/24	-	20,085	(20,085)	-	-	-	-
84.425U	S425U210027	100-034-5120-523	45,000	3/13/20-9/30/24	-	41,802	(41,802)	-	-	-	-
84.425D	S425D200027	100-034-5120-513	10,284	3/13/20-9/30/22	(1,229)	49	-	-	1,180	-	-
		Total Education Stabilization Fund			(24,799)	105,310	(111,590)	-	-	(29,899)	-
		Total U.S. Department of Education			(108,917)	331,924	(265,281)	-	1,840	(40,434)	-
		Total Expenditures of Federal Awards			\$ (129,399)	\$ 458,311	\$ (370,454)	\$ -	\$ 1,840	\$ (42,333)	\$ 2,631

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, 2023

STATE GRANTOR/PROGRAM/TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS BALANCES	BALANCE, JUNE 30, 2023	DUE TO GRANITOR	MEMO	
										BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
New Jersey Department of Education:											
General Fund:											
State Aid Public:											
Security Aid	495-034-5120-084	\$ 60,146	7/1/22-6/30/23	\$ -	\$ 60,146	\$ (60,146)	\$ -	\$ -	\$ -	\$ 5,897	\$ 60,146
Special Education Categorical Aid	495-034-5120-089	654,710	7/1/22-6/30/23	-	654,710	(654,710)	-	-	-	64,188	654,710
Equalization Aid	495-034-5120-078	2,753,298	7/1/22-6/30/23	-	2,753,298	(2,753,298)	-	-	-	2,69,936	2,753,298
Total State Aid Public					3,468,154	(3,468,154)	-	-	-	340,021	3,468,154
Transportation Aid	495-034-5120-014	143,738	7/1/22-6/30/23	-	143,738	(143,738)	-	-	-	14,092	143,738
Additional Nonpublic School Transportation Aid	495-034-5120-014	6,240	7/1/22-6/30/23	-	6,240	(6,240)	-	-	-	6,240	6,240
Additional Nonpublic School Transportation Aid	495-034-5120-014	6,670	7/1/21-6/30/22	(6,670)	6,670	-	-	(6,240)	-	-	-
Extraordinary Aid	495-034-5120-044	164,959	7/1/22-6/30/23	-	164,959	(164,959)	-	-	-	-	164,959
Extraordinary Aid	495-034-5120-044	129,190	7/1/21-6/30/22	(129,190)	129,190	-	-	(164,959)	-	-	-
Supplemental Stabilization Aid	495-034-5120-078	62,457	7/1/22-6/30/23	-	62,457	(62,457)	-	-	-	-	62,457
Reimbursed TPAF Social Security Contributions	495-034-5094-003	449,284	7/1/22-6/30/23	-	427,385	(449,284)	-	(21,899)	-	-	449,284
Reimbursed TPAF Social Security Contributions	495-034-5094-003	455,550	7/1/21-6/30/22	(21,667)	21,667	-	-	-	-	-	-
TPAF - Post Retirement											
Medical (Noncash Assistance)	495-034-5094-001	547,003	7/1/22-6/30/23	-	547,003	(547,003)	-	-	-	-	547,003
TPAF - Pension											
Contributions (Noncash Assistance)	495-034-5094-002	2,082,255	7/1/22-6/30/23	-	2,082,255	(2,082,255)	-	-	-	-	2,082,255
TPAF - Long-Term Disability											
Insurance (Noncash Assistance)	495-034-5094-004	1,128	7/1/22-6/30/23	-	1,128	(1,128)	-	-	-	-	1,128
Total General Fund				(157,527)	6,889,647	(6,925,218)	-	(193,098)	-	354,113	6,925,218
Special Revenue Fund:											
Non-Public Aid:											
Textbook Aid	100-034-5120-064	1,980	7/1/22-6/30/23	-	1,980	(1,980)	-	-	-	-	1,980
Textbook Aid	100-034-5120-064	3,061	7/1/21-6/30/22	600	-	-	(600)	-	-	-	-
Nursing Services	100-034-5120-070	3,360	7/1/22-6/30/23	-	3,360	(3,360)	-	-	-	-	3,360
Nursing Services	100-034-5120-070	5,712	7/1/21-6/30/22	1,120	-	-	(1,120)	-	-	-	-
Technology Initiative	100-034-5120-373	1,260	7/1/22-6/30/23	-	1,260	(1,260)	-	-	10	-	1,250
Technology Initiative	100-034-5120-373	2,142	7/1/21-6/30/22	420	-	-	(420)	-	-	-	-
Security Aid	100-034-5120-509	9,020	7/1/22-6/30/23	-	9,020	(8,410)	-	-	610	-	8,410
Security Aid	100-034-5120-509	11,725	7/1/21-6/30/22	4,323	-	-	(4,323)	-	-	-	-
Handicapped Services (Ch. 193):											
Supplemental Instruction	100-034-5120-066	2,478	7/1/22-6/30/23	-	2,478	(1,982)	-	-	496	-	1,982
Examination & Classification	100-034-5120-066	1,140	7/1/22-6/30/23	-	1,140	(760)	-	-	380	-	760
Examination & Classification	100-034-5120-066	9,477	7/1/21-6/30/22	6,631	-	-	(6,631)	-	-	-	-
Corrective Speech	100-034-5120-066	2,790	7/1/22-6/30/23	-	2,790	(1,023)	-	-	1,767	-	1,023
Corrective Speech	100-034-5120-066	3,720	7/1/21-6/30/22	2,418	-	-	(2,418)	-	-	-	-
Auxiliary Services Aid (Ch. 192):											
Compensatory Education	100-034-5120-067	46,451	7/1/22-6/30/23	-	46,451	(7,709)	-	-	38,742	-	7,709
Compensatory Education	100-034-5120-067	30,457	7/1/21-6/30/22	20,514	-	-	(20,514)	-	-	-	-
English as a Second Language	100-034-5120-067	2,005	7/1/22-6/30/23	-	2,005	(401)	-	-	1,604	-	401
English as a Second Language	100-034-5120-067	6,395	7/1/21-6/30/22	3,107	-	-	(3,107)	-	-	-	-
Total Special Revenue Fund				39,133	70,484	(26,875)	(39,133)	-	43,609	-	26,875
Debt Service Fund:											
School Construction Debt Service Aid	495-034-5120-075	337,872	7/1/22-6/30/23	-	337,872	(337,872)	-	-	-	-	337,872
Total Debt Service Fund				-	337,872	(337,872)	-	-	-	-	337,872
New Jersey Department of Agriculture:											
Enterprise Fund:											
National School Lunch Program	495-010-3350-001	1,931	7/1/22-6/30/23	-	1,819	(1,931)	-	(112)	-	-	1,931
National School Lunch Program	495-010-3350-001	5,913	7/1/21-6/30/22	(477)	477	-	-	-	-	-	-
National School Lunch Program - Reduced	495-010-3350-002	269	7/1/22-6/30/23	-	257	(269)	-	(12)	-	-	269
Total Enterprise Fund				(477)	2,553	(2,200)	-	(124)	-	-	2,200
Total State Financial Assistance				\$ (118,871)	\$ 7,300,556	\$ (7,292,165)	\$ (39,133)	\$ (193,222)	\$ 43,609	\$ 354,113	\$ 7,292,165
State Financial Assistance Programs not subject to Calculation for Major Program Determination:											
TPAF - Post Retirement Medical (Noncash Assistance)	495-034-5094-001	547,003	7/1/22-6/30/23	-	-	-	-	-	-	547,003	-
TPAF - Pension Contributions (Noncash Assistance)	495-034-5094-002	2,082,255	7/1/22-6/30/23	-	-	-	-	-	-	2,082,255	-
TPAF - Long-Term Disability Ins. (Noncash Assistance)	495-034-5094-004	1,128	7/1/22-6/30/23	-	-	-	-	-	-	1,128	-
Total State Financial Assistance subject to Calculation for Major Program Determination											\$ (4,661,779)

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
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2023. 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, 2023.

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, 2023**

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 (\$24,240) for the general fund and (\$8,410) 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	\$ -	\$ 6,900,978	\$ 6,900,978
Special Revenue Fund	265,281	18,465	283,746
Debt Service Fund	-	337,872	337,872
Food Service Fund	105,173	2,200	107,373
	<u> </u>	<u> </u>	<u> </u>
Total Awards & Financial Assistance	<u>\$ 370,454</u>	<u>\$ 7,259,515</u>	<u>\$ 7,629,969</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, 2023.

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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>FAL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</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, 2023**

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

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
495-034-5120-078	State Aid Public: Equalization Aid
495-034-5120-084	Security Aid
495-034-5120-089	Special Education Categorical Aid

**CHESTERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023**

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, 2023**

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.

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