

SCHOOL DISTRICT
OF
BOROUGH OF CHESILHURST

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Borough of Chesilhurst Board of Education

Chesilhurst, New Jersey

For the Fiscal Year Ended June 30, 2014

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Prepared by

Borough of Chesilhurst Board of Education

Finance Department

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INTRODUCTORY SECTION

BOROUGH OF CHESILHURST BOARD OF EDUCATION
CHESILHURST BOROUGH SCHOOL
511 Edwards Avenue
Chesilhurst, New Jersey 08089

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Board Secretary

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October 3, 2014

Honorable President and
Members of the Board of Education
Borough of Chesilhurst School District
Chesilhurst, New Jersey 08089

Dear Board Members:

The comprehensive annual financial report of the Borough of Chesilhurst Board of Education for the fiscal year ended June 30, 2014, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, P.L. 98-502 as amended by The Single Audit Act Amendments of 1996, P.L. 104-156 and the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations* if federal grant expenditures exceed \$500,000 and the state Treasury Circular Letter 04-04 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid if state grant expenditures exceed \$500,000*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Borough of Chesilhurst Board of Education is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds of the District are included in this report. The Borough of Chesilhurst Board of Education and its school constitute the District's reporting entity.

Up through the 2008-2009 fiscal year, the District provided a full range of educational services appropriate to grade levels Pre-K through 6. These include regular as well as special education for special needs youngsters. Beginning in the 2009-2010 fiscal year, the District entered into a sending/receiving tuition agreement with Winslow Township Board of Education which included all students. The following details the changes in the student enrollment of the District prior to the 2009-2010 School year.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2013-14	N/A*	
2012-13	N/A*	
2011-12	N/A*	
2010-11	N/A*	
2009-10	N/A*	
2008-09	103	(.01%)
2007-08	104	(11.86%)
2006-07	118	(.84%)
2005-06	119	(21%)
2004-05	150	4%

*Winslow Township Board of Education is the receiving district.

2. ECONOMIC CONDITION AND OUTLOOK:

The Chesilhurst Borough area is a rural community in Camden County and presently is not experiencing any significant development or expansion.

3. MAJOR INITIATIVES:

The academic performance of Chesilhurst students, as measured by NJASK, was not provided by Winslow Township Board of Education (Winslow Township).

The Borough of Chesilhurst Board of Education resolved the prior year litigation with the Winslow Township Board of Education before the New Jersey Office of Administrative Law regarding monetary disputes related to enrollment, tuition and transportation costs for the year ended June 30, 2010. All matters remaining between the parties have been consolidated before Administrative Law Judge Patricia Kerins, who has ordered an independent audit to resolve the remaining financial disputes. On November 2, 2011, Gary Higgins, CPA was appointed to complete the independent audit. The audit was completed and the Board of Education paid Winslow Township \$183,061 for the 2009-2010 school year. The tuition for the 2010-11 and 2011-12 school years remain in dispute. On November 8, 2011, the voters of the Borough of Chesilhurst decided to continue sending all Chesilhurst students to the Winslow public schools. As a result of the referendum outcome, the Board's attention is now focused on ways to best utilize the Shirley B. Foster Elementary School as a community learning center for the borough residents.