

***WINFIELD TOWNSHIP SCHOOL DISTRICT***

***COMPREHENSIVE ANNUAL  
FINANCIAL REPORT***

***FISCAL YEAR ENDED JUNE 30, 2015***

***WINFIELD TOWNSHIP SCHOOL DISTRICT***

***Winfield Township School District  
Winfield, New Jersey***

***Comprehensive Annual Financial Report  
For The Fiscal Year Ended June 30, 2015***

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF THE  
WINFIELD TOWNSHIP SCHOOL DISTRICT  
WINFIELD, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

***Prepared by***

***Winfield Township School District  
Finance Department***

***And***

***Barre & Company, CPAs***

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**David C. Hesse, Commissioner of Education  
Secretary, State Board of Education**

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***INTRODUCTORY SECTION***

**WINFIELD TOWNSHIP SCHOOL DISTRICT**  
**7 1/2 GULFSTREAM AVENUE**  
**WINFIELD, NEW JERSEY 07036**  
**(908) 486-7412**

December 14, 2015

Honorable President and  
Members of the Board of Education  
Winfield Township School District  
County of Union, New Jersey

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Winfield Township School District (District) for the fiscal year ended June 30, 2015. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34.

The District has elected to adopt this new financial reporting model which we believe will provide all users of this document with much more useful financial and statistical information than ever before. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board).

To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. This report will provide the taxpayers of the Winfield Township School District with comprehensive financial data in a format enabling them to gain an understanding of the School District's financial affairs.

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

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District, generally presented on a multi-year basis;

- The Single Audit Section — The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget (OMB) Circular A-133, “*Audits of States, Local Governments and Non-Profit Organizations*”, and the New Jersey State Office of Management and Budget (OMB) Circular 04-04, “*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, are included in the single audit section of this report.

## School District Organization

An elected nine-member Board of Education (the “Board”) serves as the policy maker for the School District. The Board adopts an annual budget and directly approves all expenditures which serve as the basis for control over and authorization for all expenditures of School District tax money.

The Superintendent is the chief executive officer of the School District, responsible to the Board for total educational and support operations. The Board Secretary is the chief financial officer of the School District, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the School District, acting as custodian of all School District funds, and investing idle funds as permitted by New Jersey law.

**1) REPORTING ENTITY AND ITS SERVICES:** Winfield Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Winfield Board of Education and all its school constitute the District’s reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, as well as special education programs for handicapped youngsters. The current enrollment in the school is 154.

The following details the changes in the student enrollment of the District over the last five years.

### Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-2015	154	-1.38%
2013-2014	156	0.00%
2012-2013	156	3.79%
2011-2012	150	6.40%
2010-2011	140	0.85%

**2) ECONOMIC CONDITION AND OUTLOOK:** The Township of Winfield has not shown any major changes in the growth of the community. No new homes have been built, with resident mobility being a result of resident unit turnover. The commercial operations remain very small; all located near the Mutual Housing Corporation headquarters. The corporation continues their campaign to upgrade the residential units with appropriate renovations.

New funding formulas at the State and Federal levels have produced an uncertain fiscal support environment. Given this fact, the district remains conservative in its fiscal management. The district is committed to operating as efficiently as possible while continuing to offer a comprehensive quality education for every student.

**3) MAJOR INITIATIVES:** The district is committed to curriculum enhancement and instructional program development. Implementation of and adherence to state developed Core Curriculum standards continue to be a major initiative. Curriculum and text materials continue to be evaluated on a regular basis, with scheduled reviews and modifications acted upon as needed. Technological initiatives remain a district priority. Modern technologies continue to be introduced to students in the Media Center and classroom setting for enhanced learning capabilities. The district commitment to student development consists of classroom learning via quality instruction, while offering an educational environment that will aid in the physical and social development of our students, while maintaining safety as a major priority in this endeavor.

**4) INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- (1) the cost of control should not exceed the benefits likely to be derived
- (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of Federal and State financial assistance, the District is also 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 subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to Federal and State financial assistance programs, as well as to determine that the District has complied with applicable laws, regulations, contracts, and grants.

**5) BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue 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 are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

**6) CASH MANAGEMENT:** The investment policy of the District is guided by state statute as detailed in “Notes to Basic Financial Statements”, Note 2. The District has adopted a cash management plan which 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 a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**7) RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found in J-20.

**8) OTHER INFORMATION:**

**Independent Audit** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Barre & Company, Certified Public Accountants, was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the Single Audit Act Amendment of 1996 and the related OMB Circular A-133, “*Audits of State, Local Governments and Non-Profit Organization*” and State Treasury Circular Letters 04-04 and/or 15-08 OMB, “*Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid.*”. The auditor’s report on the basic financial statements and specific required supplemental information 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.

**9) ACKNOWLEDGMENTS:**

We would like to express our appreciation and thanks to the members of the Winfield Township School District's Board of Education for their determined effort to provide fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,

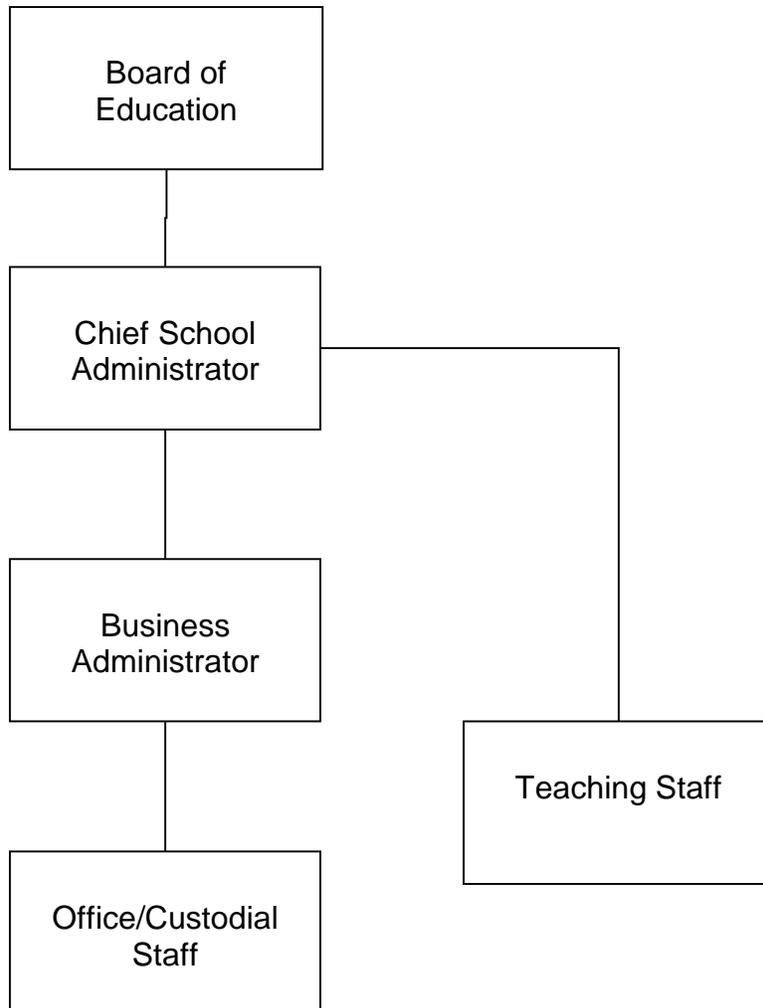
A handwritten signature in black ink, appearing to read "Thomas West". The signature is fluid and cursive, with a large initial "T" and "W".

Thomas West  
Business Administrator/Board Secretary

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
WINFIELD, NEW JERSEY**

**WINFIELD TOWNSHIP SCHOOL DISTRICT**

**Organizational Chart**



**WINFIELD TOWNSHIP SCHOOL DISTRICT  
WINFIELD, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2015**

<b><u>MEMBERS OF THE BOARD OF EDUCATION</u></b>	<b><u>TERM EXPIRES</u></b>
Ms. Virginia Blackwell	2014
Mrs. Nicole Brighthouse	2015
Mrs. Carolyn Gerhart	2014
Mr. Timothy Heuser	2015
Mrs. Maureen Byrne	2016
Mr. Tony LaRocca III	2015
Mrs. Lorraine Schwarze	2016
Mr. Frederick Viteka	2016
Mrs. Ann Marie Weiss	2014

**OTHER OFFICIALS**

Mr. Ross LeBrun, Chief School Administrator

Mr. Thomas West, School Business Administrator/Board Secretary

Mrs. Donna Hughes, Treasurer

Mr. Mark Tabakin, Solicitor

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
WINFIELD, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

***Audit Firm***

Barre & Company  
Certified Public Accountants  
2204 Morris Avenue, Suite 206  
Union, New Jersey 07083

***Attorney***

Weiner Lesniak  
629 Parsippany Road  
Post Office Box 0438  
Parsippany, NJ 07054-0438

***Official Depository***

TD Bank  
1701 Route 70 East

Bank of America  
601 North Wood Avenue

***FINANCIAL SECTION***

**BARRE & COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**

*2204 Morris Avenue, Suite 206*

*Union, New Jersey 07083*

*(908) 686-3484*

*FAX – (908) 686-6055*

**Independent Auditor's Report**

Honorable President  
Members of the Board of Education  
Winfield Township School District  
County of Union  
Winfield, New Jersey

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Winfield Township School District (School District), in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Winfield Township School District, in the County of Union, State of New Jersey, as of June 30, 2015, and the respective changes in the financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 8 to the basic financial statements, the School District implemented Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment to GASB Statement No. 68* during the fiscal year ended June 30, 2015. Our opinions are not modified with respect to the matter. The implementation resulted in the restatement of certain balances on the Statement of Net Position and the ending balance for Net Position for the Governmental Activities as of June 30, 2014 as detailed in Note 13 to the basic financial statements.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, and District's Proportionate Share of the Net Pension Liability for TPAF and PERS and District's PERS Contributions starting on pages 16, 81 and 90, respectively, 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 response 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 and Other 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 accompanying supplementary information such as the combining and individual nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance, as required by U.S. Office of Management and Budget (OMB) Circular A-133, *"Audits of States, Local Governments, and Non-Profit Organizations,"* and New Jersey OMB's Circular 04-04, *"Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid,"* respectively; and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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 nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards* and the Division of Finance, Department of Education, State of New Jersey**

In accordance with *Government Auditing Standards* and the Division of Finance, Department of Education, State of New Jersey, we have also issued our report dated December 14, 2015 on our consideration of the Winfield Township School District's internal control over financial reporting and 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 controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the Division of Finance, Department of Education, State of New Jersey in considering the School District's internal control over financial reporting and compliance.



Richard M. Barre  
Licensed Public School Accountant  
No. CS-01181  
Barre & Company, CPA's

December 14, 2015

***REQUIRED SUPPLEMENTARY INFORMATION – PART I***

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
WINFIELD, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED**

The discussion and analysis of Winfield Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is a new element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 — *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2014-2015) and the prior year (2013-2014) is required to be presented in the MD&A.

**Financial Highlights**

Key financial highlights for 2015 are as follows:

- ❖ General revenues accounted for \$3,342,827 in revenue or 94% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$214,538 or 6% of total revenues of \$3,557,365.
- ❖ The School District had \$3,649,385 in expenses; with \$214,538 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$3,342,827 were not adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$3,448,705 in revenues and \$3,560,558 in expenditures and other financing sources. The General Fund's fund balance decreased \$111,853 over 2014. This decrease was anticipated by the Board of Education.
- ❖ During 2015, the School District adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
WINFIELD, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED  
(CONTINUED)**

**Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Winfield Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of Winfield Township School District, the General Fund is by far the most significant fund.

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and ask the question, "How did we do financially during 2015?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in that position. This change in net position is important because it tells the reader that, for the school district as a whole, the financial position of the School District have improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
WINFIELD, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED  
(CONTINUED)**

**Statement of Net Position and the Statement of Activities (Continued)**

In the *Statement of Net Position* and the *Statement of Activities*, the School District is divided into two distinct kinds of activities:

- ❖ Governmental activities — All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ❖ Business-Type Activity — This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund and Special Revenue Fund.

**Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School district's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the *Statement of Net Position* and the *Statement of Activities*) and governmental funds is reconciled in the financial statements.

**Enterprise Fund**

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
WINFIELD, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED  
(CONTINUED)**

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found starting on page 43 of this report.

**The School District as a Whole**

Recall that the *Statement of Net Position* provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a government's financial position. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net position for 2015 and 2014.

**Table 1  
Net Position**

	2015	2014
<b>Assets</b>		
Current and Other Assets	\$ 57,404	\$ 150,016
Capital Assets	<u>31,600</u>	<u>31,600</u>
Total Assets	<u>89,004</u>	<u>181,616</u>
<b>Deferred Outflows of Resources</b>		
Pensions	<u>29,353</u>	<u>-</u>
<b>Liabilities</b>		
Account and Other Payables	64,197	43,352
Other Current Liabilities	2,105	3,572
Long-Term Liabilities	643,432	97,533
Total Liabilities	<u>709,734</u>	<u>144,457</u>
<b>Deferred Inflows of Resources</b>		
Pensions	<u>35,668</u>	<u>-</u>
<b>Net Position</b>		
Net Investment in Capital Assets	31,600	31,600
Restricted	65,444	129,511
Unrestricted	(724,089)	(123,952)
<b>Total Net Position</b>	<u>\$ (627,045)</u>	<u>\$ 37,159</u>

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
WINFIELD, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED  
(CONTINUED)**

**The School District as a Whole (Continued)**

The District's combined net position (deficit) were (\$627,045) on June 30, 2015, and \$37,159 for 2014.

Table 2 shows changes in net position for fiscal years ended 2015 and 2014.

**Table 2  
Changes in Net Position**

	2015	2014
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 38,728	\$ 32,367
Operating Grants and Contributions	175,810	172,361
General Revenues:		
Property Taxes	1,526,912	1,496,973
Grants and Entitlements	1,800,529	1,806,956
Other	15,386	28,841
<b>Total Revenues</b>	<u>3,557,365</u>	<u>3,537,498</u>
<b>Program Expenses</b>		
Instruction	1,656,047	1,758,618
Support Services:		
Tuition	720,337	546,742
Student and Instruction Related	423,308	409,273
General and Business Administrative	165,989	235,939
School Administrative	49,712	51,474
Plant Operations and Maintenance	380,928	374,346
Pupil Transportation	183,163	197,728
Capital Outlay	10,000	28,000
Food Service	59,901	59,824
<b>Total Program Expenses</b>	<u>3,649,385</u>	<u>3,661,944</u>
<b>Changes in Net Position</b>	<u>\$ (92,020)</u>	<u>\$ (124,446)</u>

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
WINFIELD, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED  
(CONTINUED)**

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 44% for 2015 and 43% for 2014 of revenues for governmental activities for the Winfield Township School District. The District's total revenues were \$3,508,201 for the year ended June 30, 2015, and \$3,490,235 for 2014. Federal, state, and local grants accounted for another 56% for 2015 and 56% for 2014 of revenues which includes \$256,985 for 2015 and \$246,118 for 2014 of state reimbursed TPAF pension and TPAF social security contributions.

The total cost of all program and services was \$3,589,484 for 2015 and \$3,602,120 for 2014. Instruction comprises 46% for 2015 and 49% for 2014 of District's expenses.

**Business-Type Activities**

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service expenses exceeded revenues by \$137 for 2015 and by \$3,416 for 2014.
- ❖ Charges for services represent \$30,988 for 2015 and \$32,367 for 2014 of revenues. This represents amounts paid by patrons for daily food.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and breakfast, and food distribution program were \$18,176 for 2015 and \$14,896 for 2014.

**Governmental Activities**

The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
WINFIELD, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED  
(CONTINUED)**

**Governmental Activities (Continued)**

**Table 3**

	<b>Total Cost of Services</b>	
	<b>2015</b>	<b>2014</b>
Instruction	\$ 1,656,047	\$ 1,758,618
Support Services:		
Tuition	720,337	546,742
Student and Instruction Related	423,308	409,273
General and Business Administrative	165,989	235,939
School Administrative	49,712	51,474
Plant Operations and Maintenance	380,928	374,346
Pupil Transportation	183,163	197,728
Capital Outlay	10,000	28,000
<b>Total Expenses</b>	<b>\$ 3,589,484</b>	<b>\$ 3,602,120</b>

	<b>Net Cost of Services</b>	
	<b>2015</b>	<b>2014</b>
Instruction	\$ 1,551,148	\$ 1,661,602
Support Services:		
Tuition	720,337	546,742
Student and Instruction Related	423,308	409,273
General and Business Administrative	165,989	235,939
School Administrative	49,712	51,474
Plant Operations and Maintenance	380,928	374,346
Pupil Transportation	122,688	137,279
Capital Outlay	10,000	28,000
<b>Total Expenses</b>	<b>\$ 3,424,110</b>	<b>\$ 3,444,655</b>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Tuition and Students and Instruction Related expenses include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General and Business Administration and School Administration expenses include expenses associated with administrative and financial supervision of the District.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
WINFIELD, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED  
(CONTINUED)**

**Governmental Activities (Continued)**

Plant Operations and Maintenance expenses involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil Transportation expenses includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

**The School District's Funds**

All governmental funds (i.e., general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$3,508,201 for 2015 and \$3,490,235 for 2014 and expenditures were \$3,620,054 for 2015 and \$3,548,405 for 2014. The net change in fund balance for the year was a decrease of \$111,853 for 2015 and \$58,170 for 2014. The negative change is most significant in the general fund for 2015 and for 2014.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2015, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2014	Percent of Increase/ (Decrease)
Local Sources	\$ 1,550,038	44.18%	\$ 24,224	1.59%
State Sources	1,898,667	54.12%	(5,742)	-0.30%
Federal Sources	59,496	1.70%	(516)	-0.86%
 Total	 \$ 3,508,201	 100.00%	 \$ 17,966	

Local revenues increased by \$24,224. The increase in local revenue was due to a tax increase needed to fund the additional expenditures associated with an increase in enrollment and higher operating costs.

Federal revenues decreased due to a reduced funding in IDEA and NCLB funds.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
WINFIELD, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED  
(CONTINUED)**

**The School District's Funds (Continued)**

The following schedule represents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2015, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2014	Percent of Increase/ (Decrease)
Current Expense:				
Instruction	\$ 1,481,546	40.93%	\$ (108,745)	-6.84%
Undistributed	2,117,908	58.50%	196,939	10.25%
Capital Outlay	10,000	0.28%	(18,000)	-64.29%
Food Transfers	10,600	0.29%	1,455	15.91%
Total	<u>\$ 3,620,054</u>	<u>100.00%</u>	<u>\$ 71,649</u>	

Changes in expenditures were the results of varying factors. Current expense increased due to additional staff and students, and increased health benefits and utility costs.

**General Fund Budgeting Highlights**

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- ♣ TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
WINFIELD, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED  
(CONTINUED)**

**General Fund Budgeting Highlights (Continued)**

- ♣ Tuition for special education students is budgeted based on the existing and known incoming students at the time the budget is submitted. Students move into the District during the summer as well as the school year which necessitates transferring funds to the appropriate account to pay these special education costs.

**Capital Assets**

The School District had \$31,600 at June 30, 2015 and 2014 invested in land, building, furniture and equipment, and vehicles. Table 4 shows the balances of capital assets (net of depreciation) for fiscal years 2015 and 2014.

**Table 4  
Capital Assets (Net of Depreciation) at June 30,**

	2015	2014
Land and Land Improvements	\$ 31,600	\$ 31,600
Machinery and Equipment	-	-
Total	\$ 31,600	\$ 31,600

For more detailed information, please refer to the Notes to the Financial Statements.

**Debt Administration**

At June 30, 2015, the School District had \$44,865 of outstanding debt. Of this amount, \$22,500 is for compensated absences; and \$22,365 is for capital lease.

For more detailed information, please refer to the Notes to the Financial Statements.

**For the Future**

The Winfield Township School District is in stable financial condition presently. The School District is proud of its community support of the public schools. A concern is the continued growth of the District with the increased reliance on local property taxes.

In conclusion, the Winfield Township School District has committed itself to financial stability for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
WINFIELD, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED  
(CONTINUED)**

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Mr. Thomas West, School Board Secretary at Winfield Township School District, 7 1/2 Gulfstream Avenue, Winfield, New Jersey 07036.

***BASIC FINANCIAL STATEMENTS***

## **SECTION A - DISTRICT-WIDE FINANCIAL STATEMENTS**

***The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.***

WINFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2015

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents:			
Unrestricted	\$ -	\$ 1,512	\$ 1,512
Restricted	976		976
Interfund Receivables	39,285		39,285
Receivables	12,572	749	13,321
Inventories		2,310	2,310
Capital Assets, Net	31,600		31,600
<b>Total Assets</b>	<b>84,433</b>	<b>4,571</b>	<b>89,004</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Pensions	29,353		29,353
<b>Total Deferred Outflows of Resources</b>	<b>29,353</b>	<b>-</b>	<b>29,353</b>
<b>LIABILITIES:</b>			
Cash Overdraft	20,529		20,529
Interfund Payable	41,163		41,163
Accounts Payable		2,505	2,505
Deferred Revenue	2,105		2,105
Noncurrent Liabilities:			
Due Within One Year	7,668		7,668
Due Beyond One Year:			
Other Long-Term Liabilities	37,197		37,197
Net Pension Liability	598,567		598,567
<b>Total Liabilities</b>	<b>707,229</b>	<b>2,505</b>	<b>709,734</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Pensions	35,668		35,668
<b>Total Deferred Outflows of Resources</b>	<b>35,668</b>	<b>-</b>	<b>35,668</b>
<b>NET POSITION (DEFICIT):</b>			
Net Investment in Capital Assets	31,600		31,600
Restricted for:			
Other Purposes	1,176	64,268	65,444
Unrestricted (Deficit)	(661,887)	(62,202)	(724,089)
<b>Total Net Position (Deficit)</b>	<b>\$ (629,111)</b>	<b>\$ 2,066</b>	<b>\$ (627,045)</b>

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes In Net Position	
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
<b>GOVERNMENTAL ACTIVITIES:</b>							
Instruction:							
Regular	\$ 1,073,339	\$ 122,628	\$ 7,740	\$ -	\$ -	\$ (1,188,227)	\$ (1,188,227)
Special Education	389,005	49,385		97,159		(341,231)	(341,231)
Other Special Education	24	4				(28)	(28)
Other Instruction	19,178	2,484				(21,662)	(21,662)
Support Services:							
Tuition	720,337					(720,337)	(720,337)
Student and Instruction Related Services	385,625	37,683				(423,308)	(423,308)
General and Business Administrative Services	148,199	17,790				(165,989)	(165,989)
School Administrative Services	43,529	6,183				(49,712)	(49,712)
Plant Operations and Maintenance	363,519	17,409				(380,928)	(380,928)
Pupil Transportation	179,744	3,419		60,475		(122,688)	(122,688)
Capital Outlay	10,000					(10,000)	(10,000)
Total Governmental Activities	3,332,499	256,985	7,740	157,634	-	(3,424,110)	(3,424,110)
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Food Service	59,901		30,988	18,176		(10,737)	(10,737)
Total Business-Type Activities	59,901		30,988	18,176		(10,737)	(10,737)
Total Primary Government	\$ 3,392,400		\$ 38,728	\$ 175,810	\$ -	\$ (3,424,110)	\$ (3,434,847)
<b>GENERAL REVENUES:</b>							
Property Taxes Levied For:							
General Purposes						\$ 1,526,912	\$ 1,526,912
Federal and State Aid Not Restricted						1,800,529	1,800,529
Miscellaneous Income						15,386	15,386
Transfers						(10,600)	-
Total General Revenues						3,332,227	3,342,827
Change in Net Position						(91,883)	(92,020)
Net Position (Deficit) - Beginning of Year - Restated						(537,228)	(535,025)
Net Position (Deficit) - Ending						\$ (629,111)	\$ (627,045)

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

**SECTION B - FUND FINANCIAL STATEMENTS**

*The individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.*

***GOVERNMENTAL FUNDS***

WINFIELD TOWNSHIP SCHOOL DISTRICT  
GOVERNMENT FUNDS  
BALANCE SHEET  
JUNE 30, 2015

	General Fund	Special Revenue Fund	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ -	\$ 34,632	\$ 34,632
Capital Reserve Account	976		976
Interfund Accounts Receivable	39,285		39,285
Receivables From Other Governments	3,936	8,636	12,572
<b>Total Assets</b>	<b>\$ 44,197</b>	<b>\$ 43,268</b>	<b>\$ 87,465</b>
<b>LIABILITIES AND FUND BALANCES:</b>			
<b>Liabilities:</b>			
Cash Overdraft	\$ 55,161	\$ -	\$ 55,161
Interfund Accounts Payable		41,163	41,163
Deferred Revenue		2,105	2,105
<b>Total Liabilities</b>	<b>55,161</b>	<b>43,268</b>	<b>98,429</b>
<b>Fund Balances:</b>			
<b>Reserved For:</b>			
Year-End Encumbrances	200		200
Capital Reserve Account	976		976
<b>Unassigned:</b>			
General Fund (Deficit)	(12,140)		(12,140)
<b>Total Fund Balances (Deficit)</b>	<b>(10,964)</b>	<b>-</b>	<b>(10,964)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 44,197</b>	<b>\$ 43,268</b>	

Amounts reported for *governmental activities* in the statement of net position (deficit) (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$703,872 and the accumulated depreciation is \$672,272.	31,600
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(44,865)
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.	(598,567)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows related to pensions	29,353
Deferred inflows related to pensions	(35,668)
<b>Net Position (Deficit) of Governmental Activities</b>	<b>\$ (629,111)</b>

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Total
<b>REVENUES:</b>			
Local Sources:			
Local Tax Levy	\$ 1,526,912	\$ -	\$ 1,526,912
Tuition	7,740		7,740
Miscellaneous	15,386		15,386
Total Local Sources	<u>1,550,038</u>	<u>-</u>	<u>1,550,038</u>
State Sources	1,898,667		1,898,667
Federal Sources		59,496	59,496
Total Revenues	<u>3,448,705</u>	<u>59,496</u>	<u>3,508,201</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction:			
Regular	1,036,595	36,744	1,073,339
Special Education	389,005		389,005
Other Special Education	24		24
Other	19,178		19,178
Support Services and Undistributed Costs:			
Tuition	720,337		720,337
Student and Instruction Related Services	362,873	22,752	385,625
General and Business Administrative Services	168,169		168,169
School Administrative Services	43,529		43,529
Plant Operations and Maintenance	363,519		363,519
Pupil Transportation	179,744		179,744
Employee Benefits	256,985		256,985
Capital Outlay	10,000		10,000
Total Expenditures	<u>3,549,958</u>	<u>59,496</u>	<u>3,609,454</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(101,253)</u>	<u>-</u>	<u>(101,253)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Food Service:			
Transfers to Cover Deficit	<u>(10,600)</u>		<u>(10,600)</u>
Total Other Financing Sources (Uses)	<u>(10,600)</u>	<u>-</u>	<u>(10,600)</u>
NET CHANGE IN FUND BALANCES	(111,853)	-	(111,853)
FUND BALANCES, JULY 1	<u>100,889</u>	<u>-</u>	<u>100,889</u>
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ (10,964)</u>	<u>\$ -</u>	<u>\$ (10,964)</u>

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total net change in fund balances - governmental funds (B-2) \$ (111,853)

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

In the statement of activities, certain expenses, e.g., compensated absences (vacations & sick pay) 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 a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation. 45,000

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in government funds. The increase in capital leases is a reduction to the reconciliation. The decrease in capital leases is an addition to the reconciliation. 7,668

Pension costs associated with the PERS pension plan are reported in the governmental funds as expenditures in the year the school pension contribution is paid. However, on the statement of activities, the net difference between the current and prior year net pension liability is recognized. (32,698)

Change in net position of governmental activities \$ (91,883)

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

***PROPRIETARY FUNDS***

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2015

**Business-Type Activities - Enterprise Funds**

	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 1,512
Receivables from Other Governments	749
Inventories	<u>2,310</u>
Total Current Assets	<u>4,571</u>
Noncurrent Assets:	
Machinery and Equipment	33,630
Less: Accumulated Depreciation	<u>(33,630)</u>
Total Noncurrent Assets	<u>-</u>
Total Assets	<u><u>\$ 4,571</u></u>
<b>LIABILITIES AND NET POSITION:</b>	
Liabilities:	
Accounts Payable	<u>\$ 2,505</u>
Total Liabilities	<u>2,505</u>
Net Position:	
Net Investment in Capital Assets	-
Contributed Capital	64,268
Unrestricted	<u>(62,202)</u>
Total Net Position	<u>2,066</u>
Total Liabilities and Net Position	<u><u>\$ 4,571</u></u>

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**Business-Type Activities - Enterprise Funds**

	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales Reimbursable Program	\$ 30,988
Total Operating Revenues	<u>30,988</u>
OPERATING EXPENSES:	
Salaries	19,537
Management Fees	9,250
Cost of Sales	28,386
Miscellaneous Expenditures	<u>2,728</u>
Total Operating Expenses	<u>59,901</u>
OPERATING LOSS	<u>(28,913)</u>
NONOPERATING REVENUES:	
State Sources:	
State Lunch Program	453
Federal Sources:	
Federal Lunch Program	11,828
Federal Breakfast Program	569
Special Milk Program	265
U.S.D.A. Commodities	<u>5,061</u>
Total Nonoperating Revenues	<u>18,176</u>
Change in Net Position Before Other Financing Uses	<u>(10,737)</u>
OTHER FINANCING SOURCES:	
Transfers In	<u>10,600</u>
Total Other Financing Sources	<u>10,600</u>
CHANGE IN NET POSITION	(137)
TOTAL NET POSITION - JULY 1	<u>2,203</u>
TOTAL NET POSITION - JUNE 30	<u><u>\$ 2,066</u></u>

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**Business-Type Activities - Enterprise Funds**

	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash Received from Customers	\$ 31,021
Cash Payments to Suppliers and Employees	<u>(58,317)</u>
Net Cash Used In Operating Activities	<u>(27,296)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Cash Received From State And Federal Reimbursements	18,176
Operating Transfers In - General Fund	<u>10,600</u>
Net Cash Provided By Noncapital Financing Activities	<u>28,776</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,480
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	<u>32</u>
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<u><u>\$ 1,512</u></u>
<b>Reconciliation of Operating Loss to Net Cash Used In Operating Activities:</b>	
Operating Loss	\$ (28,913)
Change In Assets And Liabilities:	
Decrease In Receivables From Other Governments	33
Increase In Inventories	(921)
Increase In Accounts Payable	<u>2,505</u>
<b>Net Cash Used In Operating Activities</b>	<u><u>\$ (27,296)</u></u>

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

***FIDUCIARY FUNDS***

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2015

	Bernstein/ Sweeney Scholarships	Agency Fund
<b>ASSETS:</b>		
Cash and Cash Equivalents	\$ 4,227	\$ 5,967
Interfund Accounts Receivable		3,619
	4,227	9,586
<b>Total Assets</b>	<b>4,227</b>	<b>\$ 9,586</b>
<b>LIABILITIES:</b>		
Interfund Accounts Payable	1,050	\$ 691
Payable to Student Groups		5,928
Payroll Deductions and Withholdings		2,967
	1,050	9,586
<b>Total Liabilities</b>	<b>1,050</b>	<b>\$ 9,586</b>
<b>NET POSITION:</b>		
Restricted For:		
Principal Portion - Nonexpendable	3,177	
	3,177	
<b>Total Net Position</b>	<b>\$ 3,177</b>	

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FISCAL YEAR ENDED JUNE 30, 2015

	<u>Bernstein/ Sweeney Scholarships</u>
ADDITIONS:	
Interest Income	<u>\$ 2</u>
Total Additions	<u>2</u>
DEDUCTIONS:	
Scholarship Payments	<u>350</u>
Total Deductions	<u>350</u>
Change in Net Position	(348)
Net Position, July 1	<u>3,525</u>
Net Position, June 30	<u><u>\$ 3,177</u></u>

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

***NOTES TO THE FINANCIAL STATEMENTS***

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education (Board) of Winfield Township School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

Starting on fiscal year ended June 30, 2015, the School District implemented Governmental Accounting Standard Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and Statement No. 71, "Pension Transition for Contribution Made Subsequent to the Measurement Date." This change was incorporated in the School District's June 30, 2015 fiscal year financial statements with an effect on beginning net position.

GASB Statement No. 68's objective is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirement of Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers," as well as the requirements of Statement No. 50, "Pension Disclosures," as they relate to pensions that are provided through pension plan administered as trusts or equivalent arrangements that meet certain criteria.

GASB Statement No. 71 should be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by the a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**A. Reporting Entity**

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reporting Entity (Continued)**

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

Based on the aforementioned criteria, the District has no component units.

**B. Basis of Presentation, Basis of Accounting**

The School District's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Basis of Presentation**

*District-Wide Statements:* The statement of net position and the statement of activities display information about the District as a whole.

These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities.

WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation, Basis of Accounting (Continued)**

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

*Fund Financial Statements:* During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category — *governmental*, *proprietary*, and *fiduciary* — are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable 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 State 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, district taxes, and appropriated fund balance. Expenditures are those that result in

WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation, Basis of Accounting (Continued)**

the acquisition of or additions to fixed 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 service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

The District reports the following proprietary funds:

Enterprise Fund (Food Service): The enterprise fund accounts for all revenues and expenses pertaining to the Board's operations. The funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and include the Student Activities Fund, Payroll Agency Fund and Scholarship Funds.

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

*District-Wide, Proprietary, and Fiduciary Fund Financial Statements*: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey

WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation, Basis of Accounting (Continued)**

State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

**C. 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 and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting except for the special revenue fund as described later. 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. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by School Board resolution. All budget amounts presented in the accompanying

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets/Budgetary Control (Continued)**

supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. 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 (GAAP) with the exception of the legally mandated revenue recognition of the last two state aid payments 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 following presents a reconciliation of the special revenue funds from the budgetary basis of accounting:

Total Revenues & Expenditures (Budgetary Basis)	\$ 61,601
Adjustments:	
Less Encumbrances at June 30, 2015	(5,677)
Plus Encumbrances at June 30, 2014	<u>3,572</u>
Total Revenues and Expenditures (GAAP Basis)	<u>\$ 59,496</u>

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Encumbrances Accounting**

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 reservations of 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 deferred revenues 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.

**E. Assets, Liabilities, and Equity**

**Interfund Transactions:**

Transfers between governmental and business-type activities on the District-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 the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**Inventories:**

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, and Equity (Continued)**

Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Capital Assets:

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, and Equity (Continued)**

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 amounts of vacation and sick leave in accordance with the District's personnel policies. Upon retirement and/or termination, employees are paid for accrued vacation. The District's 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 the District's agreements with the various employee unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary-related payments for the employer's share of social security and Medicare taxes, as well as pension contributions, are included.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, and Equity (Continued)**

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2015, but which were levied to finance fiscal year 2016 operations, have been recorded as deferred revenue. Grants and entitlement received before the eligibility requirements are met are also recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental 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, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Net Position:

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, and Equity (Continued)**

Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

Revenues — Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, and Equity (Continued)**

Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. 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 fiduciary net pension of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, money market accounts and short-term investments with original maturities of three months or less.

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity of any discount or premium. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 3 requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments. Category 1 includes deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 2 includes uninsured and unregistered deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 3 includes uninsured or unregistered deposits/investments held by a broker or dealer, or held by the Board's custodial bank trust department or agent but not in the Board's name. These categories are not broad representations that deposits or investments are "safe" or "unsafe".

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Deposits**

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least five percent of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

**Investments**

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase
- c. Bonds or other obligations of the school district.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

As of June 30, 2015, cash and cash equivalents and investments of the District consisted of the following:

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Proprietary Fund</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Operating Account	<u>\$ (54,185)</u>	<u>\$ 34,632</u>	<u>\$ 1,512</u>	<u>\$ 10,194</u>	<u>\$ (7,847)</u>

The investments recorded in the District-wide statements have been recorded at amortized cost. In accordance with GASB 31, participating interest earning investment contracts that have a remaining maturity at the time of purchase of one year or less may be reported at amortized cost. For those securities purchased more than one year from the maturity date, the difference between the carrying amount and market value is not material to the District-wide statements. The carrying amount of the Board's cash and cash equivalents at June 30, 2015 was (\$7,847) and the bank balance was \$50,649. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes.

**Risk Category**

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act. In general, bank deposits are classified as to credit risk by three categories described below:

Category 1 — Insured or collateralized with securities held by the Board or by its agent in the Board's name.

Category 2 — Collateralized with securities held by the pledging public depository's trust department or agent in the Board's name.

Category 3 — Uncollateralized, including any deposits that are collateralized with securities held by the pledging public depository, or by its trust department or agent, but not in the Board's name.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Risk Category (Continued)**

As of June 30, 2015, the Board has no funds invested and on deposit in checking accounts and New Jersey ARM. These funds constitute “deposits with financial institutions” as defined by GASB Statement No. 3 and are classified as Category 1, both at year-end and throughout the year.

**New Jersey Cash Management Fund**

All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment’s existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the “Other-than-State” participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2015, the District had no funds on deposit with the New Jersey Cash Management Fund.

**NOTE 3: RECEIVABLES**

Receivables at June 30, 2015, consisted of accounts (tuition), intergovernmental, grants, and miscellaneous.

All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Governmental Wide Financial Statements
State Aid	\$ 3,936	\$ 3,962
Federal Aid	8,636	9,359
Other	-	-
Gross Receivables	<u>12,572</u>	<u>13,321</u>
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net	<u><u>\$ 12,572</u></u>	<u><u>\$ 13,321</u></u>

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 4: INTERFUND TRANSFERS AND BALANCES**

Transfers between funds are used to repay expenses paid by another fund.

The following interfund balances remained on the fund financial statements at June 30, 2015:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 39,285	\$ -
Special Revenue Fund		41,163
Fiduciary Fund	3,619	1,741
Total	<u>\$ 42,904</u>	<u>\$ 42,904</u>

**NOTE 5: OPERATING LEASES**

The District had a commitment to lease copying equipment under operating leases which will expire on May 2018. Total operating lease payments made during the year ended June 30, 2015 were \$7,668. Future minimum lease payments are as follows:

Year Ended June 30,	Amount
2016	\$ 7,668
2017	7,668
2018	<u>7,029</u>
Total minimum lease payments	22,365
Less: Amount representing interest	<u>1,874</u>
Present value of net minimum lease payments	<u>\$ 20,491</u>

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 6: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Governmental Activities:</b>				
<i>Capital Assets Not Being Depreciated:</i>				
Land and Land Improvements	\$ 31,600	\$ -	\$ -	\$ 31,600
Total Capital Assets Not Being Depreciated	<u>31,600</u>	<u>-</u>	<u>-</u>	<u>31,600</u>
<i>Capital Assets Being Depreciated:</i>				
Site Improvements	342,000	-	-	342,000
Building and Building Improvements	274,104	-	-	274,104
Machinery and Equipment	56,168	-	-	56,168
Totals at Historical Cost	<u>672,272</u>	<u>-</u>	<u>-</u>	<u>672,272</u>
Less Accumulated Depreciation For:				
Site Improvements	342,000	-	-	342,000
Building and Building Improvements	274,104	-	-	274,104
Machinery and Equipment	56,168	-	-	56,168
Total Accumulated Depreciation	<u>672,272</u>	<u>-</u>	<u>-</u>	<u>672,272</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Government Activity Capital Assets, Net	<u>\$ 31,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,600</u>
<b>Business-Type Activities:</b>				
<i>Capital Assets Being Depreciated:</i>				
Machinery and Equipment	\$ 33,630	\$ -	\$ -	\$ 33,630
Less Accumulated Depreciation	<u>(33,630)</u>	<u>-</u>	<u>-</u>	<u>(33,630)</u>
Enterprise Fund Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

At the end of the fiscal year 2015, the School District did not have a capital assets inventory completed and therefore the capital assets schedule is not updated.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 7: LONG-TERM OBLIGATIONS**

Changes in long-term obligations for the year ended June 30, 2015, are as follows:

	Balance			Balance	Amounts
	July 1, 2014	Increase	Decrease	June 30, 2015	Due Within
					One Year
Obligations Under					
Capital Lease	\$ 30,033	\$ -	\$ 7,668	\$ 22,365	\$ 7,668
Compensated Absences Payable	67,500	-	45,000	22,500	-
	<u>97,533</u>	<u>-</u>	<u>\$ 52,668</u>	<u>\$ 44,865</u>	<u>\$ 7,668</u>
Total	<u>\$ 97,533</u>	<u>\$ -</u>	<u>\$ 52,668</u>	<u>\$ 44,865</u>	<u>\$ 7,668</u>

Compensated absences and capital leases have been liquidated in the General Fund.

**NOTE 8: PENSION PLANS**

Substantially all the Board's employees participate in one of the two contributory, defined benefit public employee systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

**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 the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015**

**NOTE 8: PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

**Benefits Provided**

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

<b>Tier</b>	<b>Descriptions</b>
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, 2010 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 1/55<sup>th</sup> 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 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to tier 5 members upon 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age of which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 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.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 8: PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

**Contributions**

The contribution policy for PERS is set by N.J.S.A. 15A and required contributions by active members and contributing members. 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 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. School District contributions to PERS amounted to \$26,353 for fiscal year 2015.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased on over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2015, the School District reported a liability of \$598,507 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2013 which was rolled forward to June 30, 2014. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the School District's proportion was 0.0031966838%, which was an increase of 0.0000649466% from its proportion measured as of June 30, 2013.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 8: PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

For the fiscal year ended June 30, 2014, the School District recognized pension expense of \$23,597. At June 30, 2014, the School District reported deferred outflows of resources and deferred related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 18,820	\$ -
Changes in Proportion	10,485	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	<u>-</u>	<u>35,668</u>
	<u>\$ 29,305</u>	<u>\$ 35,668</u>

Amounts reported as deferred outflows of resources and deferred inflows resources (excluding employer specific amounts including changes in proportion) related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2015	\$ (5,457)
2016	(5,457)
2017	(5,457)
2018	(5,457)
2019	3,460
Thereafter	<u>1,522</u>
	<u>\$ (16,846)</u>

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 8: PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 01, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuations as of July 01, 2013. This actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15-4.40% based on age
Thereafter	3.15-5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2014 are summarized in the following table:

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 8: PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

**Long-Term Expected Rate of Return (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgage	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

**Discount Rate**

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and June 30, 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90% and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and June 30, 2013, respectively based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments after that date in determining the total pension liability.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 8: PENSION PLANS (CONTINUED)**

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the School District's proportionate share of the collective net pension liability as of June 30, 2014 calculated using the discount rate as disclosed below, 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:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
School District's proportionate share of the Net Pension Liability	\$ 752,942	\$ 598,507	\$ 468,820

	Fiscal Year Ended June 30, 2013		
	1% Decrease (4.55%)	Current Discount Rate (5.55%)	1% Increase (6.55%)
School District's proportionate share of the Net Pension Liability	\$ 745,100	\$ 598,537	\$ 475,737

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015**

**NOTE 8: PENSION PLANS (CONTINUED)**

**B. Teacher’s Pension Annuity Fund (TPAF)**

**Pension Description**

The State of New Jersey, Teacher’s 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 fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

**Benefit Provided**

The vesting and benefit provision 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 of 2% of related interest earned on the contributions. In the case of death before retirement, member’s beneficiaries are entitled to full interest credited to the member’s accounts. The following represents the membership tiers for TPAF:

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

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 8: PENSION PLANS (CONTINUED)**

**Teacher's Pension Annuity Fund (TPAF) (Continued)**

**Contributions**

The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing members. 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 included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For Fiscal year 2014 and 2013, the State's pension contribution was less than the actuarially determined amount.

The Employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the School District. This note discloses the portion of the School District's total proportionate share of the net pension liability that is associated with the School District. During the fiscal years ended 2015, the State of New Jersey contributed \$39,168 to the TPAF for normal pension benefits on behalf of the School District, which is less than the contractually required contribution of \$56,830.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

As June 30, 2015, the State's proportionate share of the net pension liability associated with the School District was \$7,150,329. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2013 which was rolled forward to June 30, 2014.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015**

**NOTE 8: PENSION PLANS (CONTINUED)**

**Teacher's Pension Annuity Fund (TPAF) (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, School District's proportion was 0.0133784174%, which was a decrease of 0.0001042776% from its proportion measured as of June 30, 2013.

District's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>7,150,329</u>
Total	<u><u>\$ 7,150,329</u></u>

For the fiscal year ended June 30, 2014, the State recognized pension expense on behalf of the School District in the amount of \$56,830 and the School District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2015 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 2,306,623,861	\$ -
Difference Between Expected and Actual Experience		21,969,019
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		<u>1,741,236,574</u>
	<u><u>\$ 2,306,623,861</u></u>	<u><u>\$ 1,763,205,593</u></u>

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015**

**NOTE 8: PENSION PLANS (CONTINUED)**

**Teacher's Pension Annuity Fund (TPAF) (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

The \$2,306,623,861 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$21,969,019 reported as deferred inflows of resources related to pensions resulting from the difference between expected and actual experience will be amortized over a period of 8.5 years. The \$1,741,236,574 reported as a deferred inflow of resources resulting from the difference between projected and actual earnings on pension plan investments will be amortized over a period of 5 years.

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense excluding that attributable to employer-paid member contributions as follows:

Fiscal Year Ending June 30,	Total
2015	\$ (130,688,498)
2016	(130,688,498)
2017	(130,688,498)
2018	(130,688,496)
2019	304,620,646
Thereafter	<u>761,551,612</u>
	<u>\$ 543,418,268</u>

**Actuarial Assumptions**

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 01, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 01, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015**

**NOTE 8: PENSION PLANS (CONTINUED)**

**Teacher's Pension Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions (Continued)**

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 200 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on pension investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF' target asset allocation as of June 30, 2014 is summarized in the following table:

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015

NOTE 8: **PENSION PLANS (CONTINUED)**

**Teacher's Pension Annuity Fund (TPAF) (Continued)**

**Long-Term Expected Rate of Return (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-U.S. Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad U.S. Equities	25.90%	5.88%
Large CAP U.S. Equities	0.00%	5.62%
Mid CAP U.S. Equities	0.00%	6.39%
Small CAP U.S. Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds / Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

**Discount Rate – TPAF**

The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and June 30, 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90% and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and June 30, 2013, respectively based on 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. The projection of cash flows used to determine

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015**

**NOTE 8: PENSION PLANS (CONTINUED)**

**Teacher's Pension Annuity Fund (TPAF) (Continued)**

**Discount Rate – TPAF (Continued)**

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 upon the average of the last five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above, as well as what the State's 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:

Fiscal Year Ended June 30, 2014			
	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
School District's proportionate share of the Net Pension Liability	\$ 8,658,911	\$ 7,199,337	\$ 5,985,353

Fiscal Year Ended June 30, 2013			
	1% Decrease (3.95%)	Current Discount Rate (4.95%)	1% Increase (5.95%)
School District's proportionate share of the Net Pension Liability	\$ 8,226,814	\$ 6,847,930	\$ 5,710,146

**Pension Plan Fiduciary Net Position – TPAF**

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 8: PENSION PLANS (CONTINUED)**

**C. Defined Contribution Retirement Program (DCRP)**

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by the New Jersey Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by the State of New Jersey regulation. Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums.

For DCRP, the School District recognized pension expense of \$2,372 for the fiscal year ended June 30, 2015. Employee contributions to DCRP amounted to \$4,348 for the fiscal year ended June 30, 2015.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 9: POST-RETIREMENT BENEFITS**

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2014 there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

**NOTE 10: FUND BALANCE APPROPRIATED**

**General Fund** – Of the (\$10,964) General Fund fund balance at June 30, 2015, \$200 is reserved for encumbrances; \$976 has been reserved in the Capital Reserve Account; and (\$12,140) is unreserved and undesignated.

**NOTE 11: RESERVED FUND BALANCES – GENERAL FUND**

**Calculation Of Excess Surplus** – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). 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. At June 30, 2015, there is no excess fund balance.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 12: DEFICIT FUND BALANCES**

The School District has a deficit fund balance of \$10,964 in the General Fund as of June 30, 2015 as reported in the fund statements (modified accrual basis). *N.J.S.A. 18A:22-44.2* provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General Fund fund balance deficit does not alone indicate that the school district is facing financial difficulties.

Pursuant to *N.J.S.A. 18A:22-44.2* any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$10,964 is less than the last state aid payment.

**NOTE 13: RISK MANAGEMENT**

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

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

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 14: CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION**

For fiscal year 2015, the School District implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2014.

Net Position at June 30, 2014	\$	34,956
Adjustments:		
Net Pension Liability		(598,537)
Deferred Outflow - Payments Subsequent to Measurement Date		26,353
Total Adjustments		<u>(572,184)</u>
Restated Net Position at June 30, 2014	\$	<u>(537,228)</u>

Other than employer contributions subsequent to the measurement date, the School District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

***REQUIRED SUPPLEMENTARY INFORMATION – PART II***

***SECTION C – BUDGETARY COMPARISON SCHEDULE***

WINFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 1,526,912	\$ -	\$ 1,526,912	\$ 1,526,912	\$ -
Tuition				7,740	7,740
Other Revenues from Local Sources	22,340		22,340	15,386	(6,954)
<b>Total Local Sources</b>	<b>1,549,252</b>	<b>-</b>	<b>1,549,252</b>	<b>1,550,038</b>	<b>786</b>
State Sources:					
School Choice Aid	140,535	(26,025)	114,510	114,510	-
Transportation Aid	60,475		60,475	60,475	-
Special Education Aid	97,159		97,159	97,159	-
Equalization Aid	1,310,098		1,310,098	1,310,098	-
Security Aid	20,166		20,166	20,166	-
Adjustment Aid	34,066		34,066	34,066	-
Other Unrestricted State Aid				174	174
PARCC Readiness Aid	1,640		1,640	1,640	-
Per Pupil Growth Aid	1,640		1,640	1,640	-
On-Behalf TPAF Pension Contributions				177,476	177,476
Reimbursed TPAF Social Security Contributions				79,509	79,509
<b>Total State Sources</b>	<b>1,665,779</b>	<b>(26,025)</b>	<b>1,639,754</b>	<b>1,896,913</b>	<b>257,159</b>
<b>Total Revenues</b>	<b>3,215,031</b>	<b>(26,025)</b>	<b>3,189,006</b>	<b>3,446,951</b>	<b>257,945</b>
<b>EXPENDITURES:</b>					
Current Expenses:					
Instruction:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	78,996		78,996	78,996	-
Kindergarten	89,234		89,234	89,234	-
Grades 1-5	401,696	(14,000)	387,696	387,540	156
Grades 6-8	261,103	(13,000)	248,103	248,103	-
Home Instruction	1,000		1,000	1,000	-
<b>Total Regular Programs - Instruction</b>	<b>832,029</b>	<b>(27,000)</b>	<b>805,029</b>	<b>804,873</b>	<b>156</b>
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	31,184	(20,000)	11,184	10,875	309
General Supplies	31,079	1,066	32,145	29,724	2,421
Textbooks	12,000	(7,945)	4,055	2,498	1,557
Miscellaneous Expenditures	13,000	19,760	32,760	32,760	-
<b>Total Regular Programs - Undistributed Instruction</b>	<b>87,263</b>	<b>(7,119)</b>	<b>80,144</b>	<b>75,857</b>	<b>4,287</b>
<b>Total Regular Programs</b>	<b>919,292</b>	<b>(34,119)</b>	<b>885,173</b>	<b>880,730</b>	<b>4,443</b>
Special Education:					
Learning and/or Language Disabilities:					
Other Salaries for Instruction	21,657	20,000	41,657	41,657	-
<b>Total Learning and/or Language Disabilities</b>	<b>21,657</b>	<b>20,000</b>	<b>41,657</b>	<b>41,657</b>	<b>-</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

WINFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Resource Room/Resouce Center:					
Salaries of Teachers	\$ 249,577	\$ 37,366	\$ 286,943	\$ 286,867	\$ 76
General Supplies	1,200	(758)	442	326	116
Textbooks	150		150		150
Other Objects	250		250	155	95
<b>Total Resource Room/Resouce Center</b>	<b>251,177</b>	<b>36,608</b>	<b>287,785</b>	<b>287,348</b>	<b>437</b>
Basic Skills/Remedial:					
Salaries of Teachers	27,432	(27,408)	24	24	-
General Supplies	300		300		300
Other Objects	200		200		200
<b>Total Basic Skills/Remedial</b>	<b>27,932</b>	<b>(27,408)</b>	<b>524</b>	<b>24</b>	<b>500</b>
<b>Total Special Education</b>	<b>300,766</b>	<b>29,200</b>	<b>329,966</b>	<b>329,029</b>	<b>937</b>
Other Instructional Programs:					
School-Sponsored Co-Curricular and Extra-Curricular Activities:					
Salaries	3,508		3,508	3,508	-
Supplies and Materials	900		900	680	220
<b>Total School-Sponsored Co-Curricular and Extra-Curricular Activities</b>	<b>4,408</b>	<b>-</b>	<b>4,408</b>	<b>4,188</b>	<b>220</b>
School-Sponsored Athletics:					
Salaries	8,919	4,100	13,019	13,019	-
Purchased Services	2,390		2,390	1,971	419
<b>Total School-Sponsored Athletics</b>	<b>11,309</b>	<b>4,100</b>	<b>15,409</b>	<b>14,990</b>	<b>419</b>
<b>Total Other Instructional Programs</b>	<b>15,717</b>	<b>4,100</b>	<b>19,817</b>	<b>19,178</b>	<b>639</b>
<b>Total Instruction</b>	<b>1,235,775</b>	<b>(819)</b>	<b>1,234,956</b>	<b>1,228,937</b>	<b>6,019</b>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular	411,945		411,945	411,945	-
Tuition to Other LEAs Within the State - Special Education	199,641	11,642	211,283	211,192	91
Tuition to County Vocational School Districts - Regular	79,351	17,849	97,200	97,200	-
<b>Total Instruction</b>	<b>690,937</b>	<b>29,491</b>	<b>720,428</b>	<b>720,337</b>	<b>91</b>
Attendance and Social Work Services:					
Salaries	17,817	11,200	29,017	28,132	885
<b>Total Attendance and Social Work Services</b>	<b>17,817</b>	<b>11,200</b>	<b>29,017</b>	<b>28,132</b>	<b>885</b>
Health Services:					
Salaries	55,938		55,938	55,938	-
Supplies and Materials	600		600	374	226
Other Objects	400		400		400
<b>Total Health Services</b>	<b>56,938</b>	<b>-</b>	<b>56,938</b>	<b>56,312</b>	<b>626</b>
Other Support Services Students - Related Services:					
Purchased Prof/Ed Services	45,000	(2,200)	42,800	42,349	451
Supplies and Materials	200		200		200
<b>Total Other Support Services Students - Related Services</b>	<b>45,200</b>	<b>(2,200)</b>	<b>43,000</b>	<b>42,349</b>	<b>651</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

WINFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Other Support Services Students - Regular Services:					
Salaries of Secretarial and Clerical Assistants	\$ 15,427	\$ 12,705	\$ 28,132	\$ 28,132	\$ -
Supplies and Materials	200		200		200
Other Objects	200		200		200
<b>Total Other Support Services Students - Regular Services</b>	<b>15,827</b>	<b>12,705</b>	<b>28,532</b>	<b>28,132</b>	<b>400</b>
Other Support Services Students - Special Services:					
Salaries of Other Professional Staff	74,465	1,369	75,834	75,834	-
Salaries of Secretarial and Clerical Assistants	22,659	1,075	23,734	23,734	-
Purchased Prof/Ed Services	50,000	7,045	57,045	56,402	643
Supplies and Materials	500	(500)	-		-
<b>Total Other Support Services Students - Special Services</b>	<b>147,624</b>	<b>8,989</b>	<b>156,613</b>	<b>155,970</b>	<b>643</b>
Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	44,475	(5,000)	39,475	38,911	564
Other Purchased Services	12,000		12,000	11,768	232
<b>Total Improvement of Instruction Services</b>	<b>56,475</b>	<b>(5,000)</b>	<b>51,475</b>	<b>50,679</b>	<b>796</b>
Educational Media/Library:					
Salaries	20,000	(20,000)	-		-
Supplies and Materials	1,783		1,783	1,256	527
<b>Total Educational Media/Library</b>	<b>21,783</b>	<b>(20,000)</b>	<b>1,783</b>	<b>1,256</b>	<b>527</b>
Instructional Staff Training Services:					
Other Purchased Services	300		300	43	257
<b>Total Instructional Staff Training Services</b>	<b>300</b>	<b>-</b>	<b>300</b>	<b>43</b>	<b>257</b>
Support Services General Administration:					
Salaries	39,188		39,188	39,188	-
Legal Fees	4,700		4,700	4,700	-
Audit Fees	10,300		10,300	10,300	-
Communications/Telephone	6,605		6,605	6,549	56
Other Purchased Services	5,175		5,175	5,175	-
General Supplies	700		700	700	-
Miscellaneous Expenditures	2,044		2,044	1,944	100
BOE Membership Dues and Fees	2,445		2,445	2,445	-
<b>Total Support Services General Administration</b>	<b>71,157</b>	<b>-</b>	<b>71,157</b>	<b>71,001</b>	<b>156</b>
Support Services School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	41,337		41,337	37,886	3,451
Salaries of Secretarial and Clerical Assistants	3,763		3,763	3,248	515
Supplies and Materials	545		545	545	-
Other Objects	300		300	300	-
<b>Total Support Services School Administration</b>	<b>45,945</b>	<b>-</b>	<b>45,945</b>	<b>41,979</b>	<b>3,966</b>
Central Services:					
Salaries	81,840		81,840	79,159	2,681
Purchased Professional Services	2,600		2,600	2,600	-
Supplies and Materials	100		100		100
Miscellaneous Expenditures	300		300	300	-
<b>Total Central Services</b>	<b>84,840</b>	<b>-</b>	<b>84,840</b>	<b>82,059</b>	<b>2,781</b>
Required Maintenance for School Facilities:					
Salaries	53,408	12,485	65,893	64,940	953
Cleaning, Repair and Maintenance Services	39,200	4,047	43,247	40,434	2,813
General Supplies	6,800		6,800	6,790	10
<b>Total Required Maintenance for School Facilities</b>	<b>99,408</b>	<b>16,532</b>	<b>115,940</b>	<b>112,164</b>	<b>3,776</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

WINFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Other Operation and Maintenance of Plant Services:					
Salaries	\$ 86,873	\$ (36,000)	\$ 50,873	\$ 50,873	\$ -
Insurance	12,500	3,000	15,500	15,443	57
Miscellaneous Purchased Services	3,000		3,000	2,823	177
Energy (Heat and Electricity)	45,000	9,410	54,410	53,681	729
Other Objects	2,700		2,700	2,700	-
<b>Total Other Operation and Maintenance of Plant Services</b>	<b>150,073</b>	<b>(23,590)</b>	<b>126,483</b>	<b>125,520</b>	<b>963</b>
Student Transportation Services:					
Salaries for Pupil Transportation (B/T Home & School) - Regular	15,988	6,757	22,745	22,745	-
Contracted Services - Aid In Lieu of Payment for Non-public School Students	5,000	(3,000)	2,000	1,768	232
Contracted Services - Transportation (B/T Home & School) - Vendors	65,000	8,100	73,100	73,082	18
Contracted Services - Transport (Other Than B/T Home & School) - Vendors	2,300	5,100	7,400	6,992	408
Contracted Services (Special Ed Students) - Vendors	60,500	17,000	77,500	75,157	2,343
<b>Total Student Transportation Services</b>	<b>148,788</b>	<b>33,957</b>	<b>182,745</b>	<b>179,744</b>	<b>3,001</b>
Allocated Employee Benefits - Regular Programs:					
Health Benefits	207,841	(51,410)	156,431	155,865	566
<b>Total Allocated Employee Benefits - Regular Programs</b>	<b>207,841</b>	<b>(51,410)</b>	<b>156,431</b>	<b>155,865</b>	<b>566</b>
Allocated Employee Benefits - Special Education Programs:					
Health Benefits	60,000		60,000	60,000	-
<b>Total Allocated Employee Benefits - Special Education Programs</b>	<b>60,000</b>	<b>-</b>	<b>60,000</b>	<b>60,000</b>	<b>-</b>
Allocated Employee Benefits - General Administration:					
Health Benefits	1,550		1,550	1,550	-
<b>Total Allocated Employee Benefits - General Administration</b>	<b>1,550</b>	<b>-</b>	<b>1,550</b>	<b>1,550</b>	<b>-</b>
Allocated Employee Benefits - School Administration:					
Health Benefits	1,550		1,550	1,550	-
<b>Total Allocated Employee Benefits - School Administration</b>	<b>1,550</b>	<b>-</b>	<b>1,550</b>	<b>1,550</b>	<b>-</b>
Allocated Employee Benefits - Central Services:					
Health Benefits	13,559		13,559	13,559	-
<b>Total Allocated Employee Benefits - Central Services</b>	<b>13,559</b>	<b>-</b>	<b>13,559</b>	<b>13,559</b>	<b>-</b>
Allocated Employee Benefits - Operation and Maintenance of Plant Services:					
Social Security Contribution	30,000	18,495	48,495	48,495	-
Other Retirement Contributions - Regular	28,000	(1,647)	26,353	26,353	-
Unemployment Compensation	3,500	4,148	7,648	7,648	-
Workmen's Compensation	17,560	3,000	20,560	20,339	221
Health Benefits	15,500		15,500	15,500	-
Tuition Reimbursement	7,500		7,500	7,500	-
<b>Total Allocated Employee Benefits - Operation and Maintenance of Plant Services</b>	<b>102,060</b>	<b>23,996</b>	<b>126,056</b>	<b>125,835</b>	<b>221</b>
<b>Total Allocated Employee Benefits</b>	<b>386,560</b>	<b>(27,414)</b>	<b>359,146</b>	<b>358,359</b>	<b>787</b>
On-Behalf TPAF Pension Contributions (Non-Budgeted)				177,476	(177,476)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				79,509	(79,509)
<b>Total Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>256,985</b>	<b>(256,985)</b>
<b>Total Undistributed Expenditures</b>	<b>2,039,672</b>	<b>34,670</b>	<b>2,074,342</b>	<b>2,311,021</b>	<b>(236,679)</b>
<b>Total Expenditures - Current Expenses</b>	<b>3,275,447</b>	<b>33,851</b>	<b>3,309,298</b>	<b>3,539,958</b>	<b>(230,660)</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

WINFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Capital Outlay:					
Instructional Expenditures (Equipment):					
Regular Programs - Grades 1-5	\$ 4,400	\$ -	\$ 4,400	\$ 4,400	\$ -
Regular Programs - Grades 6-8	5,600		5,600	5,600	-
Total Capital Outlay	10,000	-	10,000	10,000	-
Total Expenditures	3,285,447	33,851	3,319,298	3,549,958	(230,660)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,416)	(59,876)	(130,292)	(103,007)	27,285
OTHER FINANCING SOURCES (USES):					
Food Services:					
Transfers to Cover Deficit				(10,600)	(10,600)
Total Other Financing Sources (Uses)	-	-	-	(10,600)	(10,600)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(70,416)	(59,876)	(130,292)	(113,607)	16,685
FUND BALANCES, JULY 1	266,613	-	266,613	266,613	-
FUND BALANCES, JUNE 30	\$ 196,197	\$ (59,876)	\$ 136,321	\$ 153,006	\$ 16,685
RECAPITULATION:					
Reserved For:					
Year-End Encumbrances				\$ 200	
Capital Reserve Account				976	
Unassigned:					
Unassigned Fund Balance				151,830	
				153,006	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(163,970)	
Fund Balance Per Governmental Funds (GAAP)				\$ (10,964)	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE SOURCES:					
Federal	\$ 59,122	\$ 3,572	\$ 62,694	\$ 61,601	\$ (1,093)
Total Revenues	59,122	3,572	62,694	61,601	(1,093)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	9,744		9,744	9,744	-
Other Purchased Services	27,000		27,000	27,000	-
Total Instruction	36,744	-	36,744	36,744	-
Support Services:					
Personal Services - Employee Benefits	2,532	2,479	5,011	5,011	-
Purchased Prof/Ed Services	18,138		18,138	18,138	-
Purchased Professional Services	1,058	1,093	2,151	1,058	1,093
Other Purchased Services	650		650	650	-
Total Support Services	22,378	3,572	25,950	24,857	1,093
Total Expenditures	59,122	3,572	62,694	61,601	1,093
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

***NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II***

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 NOTE TO RSI  
 FISCAL YEAR ENDED JUNE 30, 2015

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

	<u>General Fund</u>		<u>Special Revenue Fund</u>
<b>Sources/Inflows of Resources</b>			
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1] \$ 3,446,951	[C-2]	\$ 61,601
Difference - Budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized			(2,105)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	165,724		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(163,970)</u>		
Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] \$ <u>3,448,705</u>	[B-2]	\$ <u>59,496</u>
<b>Uses/Outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 3,560,558	[C-2]	\$ 61,601
Differences - Budget to GAAP:			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial accounting purposes.			(2,105)
Transfers to and from other fund are presented as outflows of budgetary resources but are not expenditures for financial accounting purposes.			
Net Transfers (Outflows) to/from general fund.	<u>(10,600)</u>		
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ <u>3,549,958</u>	[B-2]	\$ <u>59,496</u>

***REQUIRED SUPPLEMENTARY INFORMATION – PART III***

***SECTION L – DISTRICT’S PROPORTIONATE SHARE OF THE NET PENSION  
LIABILITY FOR TPAF AND PERS AND DISTRICT’S PERS CONTRIBUTION***

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 LAST TWO FISCAL YEARS  
 UNAUDITED

	Fiscal Year Ending June 30,	
	2014	2015
School District's proportion of the net pension liability	0.0031317372%	0.0031966838%
School District's proportionate share of the net pension liability	\$ 598,537	\$ 598,507
School District's covered employees payroll	\$ 214,947	\$ 183,071
School District's proportionate share of the net pension liability as a percentage of it's covered employee payroll	278.46%	326.93%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF THE SCHOOL DISTRICT CONTRIBUTIONS  
 PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 LAST TWO FISCAL YEARS  
 UNAUDITED

	Fiscal Year Ending June 30,	
	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$ 23,597	\$ 26,353
Contributions in relation to the contractually required contribution	<u>(23,597)</u>	<u>(26,353)</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>
School District's covered employee payroll	\$ 214,947	\$ 183,071
Contributions as a percentage of covered employee payroll	10.98%	14.39%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 TEACHERS PENSION AND ANNUITY FUND  
 LAST TWO FISCAL YEARS  
 UNAUDITED

	Fiscal Year Ending June 30,	
	2014	2015
State's proportion of the net pension liability attributable of the School District	0.0134826950%	0.0133784174%
State's proportionate share of the net pension liability attributable to the School District	\$ 7,049,346	\$ 7,150,329
School District's covered employees payroll	\$ 1,227,651	\$ 1,058,140
School District's proportionate share of the net pension liability as a percentage of it's covered employee payroll	574.21%	675.75%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS  
 TEACHERS PENSION AND ANNUITY FUND  
 FISCAL YEAR ENDING JUNE 30, 2015  
 UNAUDITED

Contractually required contribution	\$ 56,830
Contributions in relation to the contractually required contribution	<u>\$ (39,168)</u>
Contribution deficiency/(excess)	<u><u>\$ 17,662</u></u>
School District's covered employee payroll	\$ 1,058,140
Contributions as a percentage of covered employee payroll	5.37%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

***NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III***

WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
FOR FISCAL YEAR ENDED JUNE 30, 2014

**A. Benefit Changes**

There were none.

**B. Changes in Assumptions**

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
TEACHERS PENSION AND ANNUITY FUND  
FOR FISCAL YEAR ENDED JUNE 30, 2014

**A. Benefit Changes**

There were none.

**B. Changes in Assumptions**

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

***OTHER SUPPLEMENTARY INFORMATION***

**SECTION E – SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

*The Special Revenue Fund is used to account for the proceeds of specific sources (other than expandable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.*

WINFIELD TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	NCLB Title I	I.D.E.A. Part B	I.D.E.A. Preschool	NCLB Title II	Grand Total
<b>REVENUE SOURCES:</b>					
Federal	\$ 15,405	\$ 38,423	\$ 1,058	\$ 6,715	\$ 61,601
Total Revenues	15,405	38,423	1,058	6,715	61,601
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	9,744	27,000			9,744
Other Purchased Services					27,000
Total Instruction	9,744	27,000	-	-	36,744
Support Services:					
Personal Services - Employee Benefits	5,011				5,011
Purchased Prof/Ed Services		11,423		6,715	18,138
Other Purchased Prof/Tech Services			1,058		1,058
Other Purchased Services	650				650
Total Support Services	5,661	11,423	1,058	6,715	24,857
Total Expenditures	15,405	38,423	1,058	6,715	61,601
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

**SECTION G – PROPRIETARY FUND  
DETAIL STATEMENTS**

*Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district’s board is that the costs of providing goods or services be financed through user charges.*

*Food Services Fund – The fund provides for the operation of food services in all schools within the school district.*

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5, AND  
B-6.**

**SECTION H – FIDUCIARY FUNDS  
DETAIL STATEMENTS**

***Fiduciary Funds are used to account for funds received by the school district for a specific purpose.***

***Unemployment Insurance Compensation Trust Fund – this expendable trust fund is used to account for deductions from employees' salaries which are utilized to pay unemployment compensation claims as they arise.***

***Scholarship Funds – these are nonexpendable trust funds and limit expenses to the amounts earned on the trust principal.***

***Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.***

***Student Activity Fund – This agency fund is used to account for student funds held at the schools.***

***Payroll Fund – this agency fund is used to account for payroll transactions of the school district.***

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2015

	Nonexpendable Trusts	Agency			Total Agency Fund
	Bernstein/ Sweeney Scholarships	Student Activity	Payroll Agency	Net Payroll	
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 4,227	\$ 4,878	\$ 398	\$ 691	\$ 5,967
Interfund Accounts Receivable		1,050	2,569		3,619
<b>Total Assets</b>	<b>4,227</b>	<b>\$ 5,928</b>	<b>\$ 2,967</b>	<b>\$ 691</b>	<b>\$ 9,586</b>
<b>LIABILITIES:</b>					
Interfund Accounts Payable	1,050	\$ -	\$ -	\$ 691	\$ 691
Payable to Student Groups		5,928			5,928
Payroll Deductions and Withholdings			2,967		2,967
<b>Total Liabilities</b>	<b>1,050</b>	<b>\$ 5,928</b>	<b>\$ 2,967</b>	<b>\$ 691</b>	<b>\$ 9,586</b>
<b>NET POSITION:</b>					
Restricted For:					
Principal Portion - Nonexpendable	3,177				
<b>Total Net Position</b>	<b>\$ 3,177</b>				

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FISCAL YEAR ENDED JUNE 30, 2015

<b>Nonexpendable Trust Funds</b>	<u>Bernstein/ Sweeney Scholarships</u>
ADDITIONS:	
Interest Income	<u>\$          2</u>
Total Additions	<u>          2</u>
DEDUCTIONS:	
Scholarship Payments	<u>          350</u>
Total Deductions	<u>          350</u>
Change in Net Position	(348)
Net Position, July 1	<u>          3,525</u>
Net Position, June 30	<u><u>          \$      3,177</u></u>

WINFIELD TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STUDENT ACTIVITY  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
ELEMENTARY SCHOOLS:				
Winfield Township	\$ 4,114	\$ 26,885	\$ 25,071	\$ 5,928
Total	<u>\$ 4,114</u>	<u>\$ 26,885</u>	<u>\$ 25,071</u>	<u>\$ 5,928</u>

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 PAYROLL AGENCY FUND  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FISCAL YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Receipts	Disbursements	Balance June 30, 2015
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 5,120	\$ 806,258	\$ 810,980	\$ 398
Receivables:				
Interfund	-	2,569		2,569
<b>Total Assets</b>	<b>\$ 5,120</b>	<b>\$ 808,827</b>	<b>\$ 810,980</b>	<b>\$ 2,967</b>
<b>LIABILITIES:</b>				
Interfund Accounts Payable	\$ 2,368	\$ -	\$ 2,368	\$ -
Payroll Deductions and Withholding	2,752	808,827	808,612	2,967
<b>Total Liabilities</b>	<b>\$ 5,120</b>	<b>\$ 808,827</b>	<b>\$ 810,980</b>	<b>\$ 2,967</b>

**SECTION I – LONG-TERM DEBT SCHEDULES**

***The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.***

WINFIELD TOWNSHIP SCHOOL DISTRICT  
LONG TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
AS OF JUNE 30, 2015

Series	Amount of Issue	Balance July 1, 2014	Current Year Addition	Current Year Retired	Balance June 30, 2015
Savin MP6002SP Copier	\$ 38,340	\$ 30,033	\$ -	\$ 7,668	\$ 22,365
Total		<u>\$ 30,033</u>	<u>\$ -</u>	<u>\$ 7,668</u>	<u>\$ 22,365</u>

**STATISTICAL SECTION (UNAUDITED)**

***GASB requires that ten years of statistical data be presented. The following information is presented utilizing information available. Each year thereafter, an additional year's data will be included until ten years of data is presented.***

**Contents**

**Financial Trends**

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

**Revenue Capacity**

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

**Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning that year.*

***FINANCIAL TRENDS***

WINFIELD TOWNSHIP SCHOOL DISTRICT  
NET ASSETS/POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Governmental Activities</b>										
Net Investment in Capital Assets/ Invested in capital assets, net of related debt	\$ 31,600	\$ 31,600	\$ 31,600	\$ 1,289	\$ 15,664	\$ 14,889	\$ 14,114	\$ 13,339	\$ 34,104	\$ 36,486
Restricted	1,176	65,243	61,728	42,153	149,973	131,505	31,004	75,843	55,971	16,205
Unrestricted	(661,887)	(61,887)	62,658	76,712	59,204	118,003	92,938	167,386	123,669	(15,827)
Total Governmental Activities Net Assets/Position	\$ (629,111)	\$ 34,956	\$ 155,986	\$ 120,154	\$ 224,841	\$ 264,397	\$ 138,056	\$ 256,568	\$ 213,744	\$ 36,864
<b>Business-Type Activities</b>										
Net Investment in Capital Assets/ Invested in capital assets, net of related debt	\$ -	\$ -	\$ 2,427	\$ 4,854	\$ 9,708	\$ 9,708	\$ 9,708	\$ -	\$ -	\$ -
Restricted	64,268	64,268	64,268	64,268	64,268	64,268	64,268	64,268	64,268	64,268
Unrestricted	(62,202)	(62,065)	(61,076)	(65,123)	(62,781)	(62,424)	(63,279)	(66,984)	(63,086)	(63,848)
Total Business-Type Activities Net Assets/Position	\$ 2,066	\$ 2,203	\$ 5,619	\$ 3,999	\$ 11,195	\$ 11,552	\$ 10,697	\$ (2,716)	\$ 1,182	\$ 420
<b>District-wide</b>										
Net Investment in Capital Assets/ Invested in capital assets, net of related debt	\$ 31,600	\$ 31,600	\$ 34,027	\$ 6,143	\$ 25,372	\$ 24,597	\$ 23,822	\$ 13,339	\$ 34,104	\$ 36,486
Restricted	65,444	129,511	125,996	106,421	214,241	195,773	95,272	140,111	120,239	80,473
Unrestricted	(724,089)	(123,952)	1,582	11,589	(3,577)	55,579	29,659	100,402	60,583	(79,675)
Total District-wide Net Assets/Position	\$ (627,045)	\$ 37,159	\$ 161,605	\$ 124,153	\$ 236,036	\$ 275,949	\$ 148,753	\$ 253,852	\$ 214,926	\$ 37,284

WINFIELD TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET ASSETS/POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Expenses</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 1,195,967	\$ 1,315,111	\$ 1,348,073	\$ 1,310,648	\$ 1,253,234	\$ 1,254,752	\$ 1,174,324	\$ 1,055,197	\$ 988,435	\$ 1,136,633
Special Education	438,390	412,207	394,391	358,537	356,942	333,720	252,431	232,896	204,298	245,007
Other Special Education	28	-	23,246	17,735	13,506	25,342	24,794	21,773	19,941	2,852
Other Instruction	21,662	31,300	30,300	34,293	28,371	27,167	27,603	24,232	28,807	26,880
Support Services:										
Tuition	720,337	546,742	371,117	561,915	422,735	413,399	749,105	614,638	648,102	676,911
Student and Instruction Related Services	423,308	409,273	436,381	418,306	405,231	415,680	390,279	403,295	353,645	318,771
General and Business Administration Services	165,989	235,939	203,880	189,493	290,310	262,052	239,283	521,273	495,693	169,363
School Administrative Services	49,712	51,474	53,952	48,531	49,097	47,178	44,890	49,225	48,885	44,106
Plant Operations and Maintenance	380,928	374,346	372,074	307,282	206,346	226,180	202,056	206,033	187,530	234,577
Pupil Transportation	183,163	197,728	136,204	179,440	164,776	183,219	192,218	233,679	186,003	209,300
Capital Outlay	10,000	28,000	44,127	19,432	30,555	28,823	61,488	11,300	11,024	8,109
Total Governmental Activities Expenses	3,589,484	3,602,120	3,413,745	3,445,612	3,221,103	3,217,512	3,358,471	3,373,541	3,172,363	3,072,509
Business-Type Activities:										
Food Service	59,901	59,824	57,222	55,119	49,738	44,923	52,257	46,462	46,240	45,918
Total Business-Type Activities Expenses	59,901	59,824	57,222	55,119	49,738	44,923	52,257	46,462	46,240	45,918
Total District Expenses	\$ 3,649,385	\$ 3,661,944	\$ 3,470,967	\$ 3,500,731	\$ 3,270,841	\$ 3,262,435	\$ 3,410,728	\$ 3,420,003	\$ 3,218,603	\$ 3,118,427
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services	\$ 7,740	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Grants and Contributions	157,634	157,465	156,751	150,236	150,727	171,854	148,209	174,851	167,651	174,937
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	165,374	157,465	156,751	150,236	150,727	171,854	148,209	174,851	167,651	174,937
Business-Type Activities:										
Charges for Services	30,988	32,367	24,032	29,049	25,420	21,488	27,787	23,131	25,255	29,453
Operating Grants and Contributions	18,176	14,896	18,610	14,874	14,861	11,990	13,195	12,433	12,167	13,529
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Expenses	49,164	47,263	42,642	43,923	40,281	33,478	40,982	35,564	37,422	42,982
Total District Program Revenues	\$ 214,538	\$ 204,728	\$ 199,393	\$ 194,159	\$ 191,008	\$ 205,332	\$ 189,191	\$ 210,415	\$ 205,073	\$ 217,919
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (3,424,110)	\$ (3,444,655)	\$ (3,256,994)	\$ (3,295,376)	\$ (3,070,376)	\$ (3,045,658)	\$ (3,210,262)	\$ (3,198,690)	\$ (3,004,712)	\$ (2,897,572)
Business-Type Activities	(10,737)	(12,561)	(14,580)	(11,196)	(9,457)	(11,445)	(11,275)	(10,898)	(8,818)	(2,956)
Total District-wide Net Expense	\$ (3,434,847)	\$ (3,457,216)	\$ (3,271,574)	\$ (3,306,572)	\$ (3,079,833)	\$ (3,057,103)	\$ (3,221,537)	\$ (3,209,588)	\$ (3,013,530)	\$ (2,900,508)

WINFIELD TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET ASSETS/POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>General Revenues and Other Changes in Net Assets/Position</b>										
Governmental Activities:										
Property Taxes Levied For:										
General Purposes	\$ 1,526,912	\$ 1,496,973	\$ 1,467,621	\$ 1,438,845	\$ 1,410,633	\$ 1,410,633	\$ 1,460,632	\$ 1,430,010	\$ 1,430,010	\$ 1,292,278
Federal and State Aid Not Restricted	1,800,529	1,806,956	1,812,465	1,744,122	1,608,797	1,759,378	1,636,926	1,791,718	1,716,916	1,625,622
Investment Earnings	-	580	765	781	1,439	1,947	4,407	18,808	24,530	5,365
Tuition Revenue	-	8,130	3,560	-	11,777	4,986	8,397	5,555	9,676	2,940
Miscellaneous Income	15,386	20,131	24,615	10,941	7,274	7,355	1,948	2,423	10,040	2,537
Transfer	(10,600)	(9,145)	(16,200)	(4,000)	(9,100)	(12,300)	(24,688)	(7,000)	(9,580)	(8,493)
Total Governmental Activities	3,332,227	3,323,625	3,292,826	3,190,689	3,030,820	3,171,999	3,087,622	3,241,514	3,181,592	2,920,249
Business-Type Activities:										
Transfer	10,600	9,145	16,200	4,000	9,100	12,300	24,688	7,000	9,580	8,493
Total Business-Type Activities	10,600	9,145	16,200	4,000	9,100	12,300	24,688	7,000	9,580	8,493
Total District-wide	\$ 3,342,827	\$ 3,332,770	\$ 3,309,026	\$ 3,194,689	\$ 3,039,920	\$ 3,184,299	\$ 3,112,310	\$ 3,248,514	\$ 3,191,172	\$ 2,928,742
<b>Change in Net Assets/Position</b>										
Governmental Activities	\$ (91,883)	\$ (121,030)	\$ 35,832	\$ (104,687)	\$ (39,556)	\$ 126,341	\$ (122,640)	\$ 42,824	\$ 176,880	\$ 22,677
Business-Type Activities	(137)	(3,416)	1,620	(7,196)	(357)	855	13,413	(3,898)	762	5,557
Total District	\$ (92,020)	\$ (124,446)	\$ 37,452	\$ (111,883)	\$ (39,913)	\$ 127,196	\$ (109,227)	\$ 38,926	\$ 177,642	\$ 28,234

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Assigned/Reserved	\$ 1,176	\$ 65,243	\$ 61,728	\$ 42,153	\$ 149,973	\$ 131,505	\$ 31,004	\$ 75,843	\$ 55,971	\$ 16,205
Unassigned/Unreserved	(12,140)	35,646	97,331	79,290	75,357	118,003	92,938	167,386	123,669	(15,827)
Total General Fund	\$ (10,964)	\$ 100,889	\$ 159,059	\$ 121,443	\$ 225,330	\$ 249,508	\$ 123,942	\$ 243,229	\$ 179,640	\$ 378
All Other Governmental Funds										
Assigned/Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned/Unreserved, Reported In: Special Revenue Fund	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

WINFIELD TOWNSHIP SCHOOL DISTRICT  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Revenues:</b>										
Local Sources:										
Local Tax Levy	\$ 1,526,912	\$ 1,496,973	\$ 1,467,621	\$ 1,438,845	\$ 1,410,633	\$ 1,410,633	\$ 1,460,632	\$ 1,430,010	\$ 1,430,010	\$ 1,292,278
Tuition	7,740	8,130	3,560	-	11,777	4,986	8,397	5,555	9,676	2,940
Interest In Investments	-	580	765	781	1,439	1,947	4,407	18,808	24,530	5,365
Miscellaneous	15,386	20,131	24,615	10,941	7,274	7,355	1,948	2,423	10,040	2,537
State Sources	1,898,667	1,904,409	1,907,075	1,774,240	1,693,553	1,618,076	1,719,637	1,899,727	1,807,618	1,724,677
Federal Sources	59,496	60,012	62,141	120,118	65,971	313,156	65,498	66,842	76,949	75,892
<b>Total Revenues</b>	<b>3,508,201</b>	<b>3,490,235</b>	<b>3,465,777</b>	<b>3,344,925</b>	<b>3,190,647</b>	<b>3,356,153</b>	<b>3,260,519</b>	<b>3,423,365</b>	<b>3,358,823</b>	<b>3,103,679</b>
<b>Expenditures:</b>										
Instruction:										
Regular	1,073,339	1,192,031	1,204,538	1,196,612	1,157,194	1,162,688	1,086,288	1,104,917	1,061,874	1,029,353
Special Education	389,005	369,825	347,816	323,684	326,796	305,715	229,913	237,398	199,082	218,502
Other Special Education	24	-	19,986	15,689	12,158	22,843	22,313	18,060	16,440	2,475
Other Instruction	19,178	28,435	27,211	31,445	26,366	25,296	25,510	20,497	25,065	24,280
Support Services:										
Tuition	720,337	546,742	371,117	561,915	422,735	413,399	749,105	614,638	648,102	676,911
Student and Instructional Related Services	385,625	373,688	393,450	384,664	376,417	392,633	367,904	353,943	318,667	292,659
General and Business Administration Services	168,169	157,679	180,739	172,452	174,123	174,070	162,128	161,942	164,466	151,205
School Administrative Services	43,529	45,500	46,722	43,198	44,058	42,758	41,670	43,053	42,515	38,319
Plant Operations and Maintenance	363,519	356,695	356,662	284,345	295,869	291,550	252,417	252,978	220,545	221,935
Pupil Transportation	179,744	194,547	132,494	176,531	162,352	180,920	189,947	229,684	181,984	206,509
Employee Benefits	256,985	246,118	287,099	223,321	188,626	177,592	166,435	291,866	280,217	194,562
Capital Outlay	10,000	28,000	44,127	19,432	30,555	28,823	61,488	23,800	11,024	8,109
<b>Total Expenditures</b>	<b>3,609,454</b>	<b>3,539,260</b>	<b>3,411,961</b>	<b>3,444,812</b>	<b>3,205,725</b>	<b>3,218,287</b>	<b>3,355,118</b>	<b>3,352,776</b>	<b>3,169,981</b>	<b>3,064,819</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(101,253)	(49,025)	53,816	(99,887)	(15,078)	137,866	(94,599)	70,589	188,842	38,860
<b>Other Financing Sources (Uses):</b>										
Transfer to Food Service	(10,600)	(9,145)	(16,200)	(4,000)	(9,100)	(12,300)	(24,688)	(7,000)	(9,580)	(8,493)
Total Other Financing Sources (Uses)	(10,600)	(9,145)	(16,200)	(4,000)	(9,100)	(12,300)	(24,688)	(7,000)	(9,580)	(8,493)
<b>Net Change in Fund Balance</b>	<b>\$ (111,853)</b>	<b>\$ (58,170)</b>	<b>\$ 37,616</b>	<b>\$ (103,887)</b>	<b>\$ (24,178)</b>	<b>\$ 125,566</b>	<b>\$ (119,287)</b>	<b>\$ 63,589</b>	<b>\$ 179,262</b>	<b>\$ 30,367</b>
<b>Source: District records</b>										

Note: Noncapital expenditures are total expenditures less capital outlay.  
Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.  
Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
 LAST TEN FISCAL YEARS  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,	Donations	Prior Year Refunds	Miscellaneous Revenue	Annual Total
2015	\$ 9,814	\$ -	\$ 5,572	\$ 15,386
2014	-	-	20,131	20,131
2013	-	-	24,615	24,615
2012	-	-	10,941	10,941
2011	-	-	7,274	7,274
2010	-	2,287	5,068	5,068
2009	-	350	1,598	1,598
2008	-	-	2,423	2,423
2007	-	5,000	5,040	5,040
2006	-	15	2,522	2,522

Source: District records

***REVENUE CAPACITY***

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 UNAUDITED

Year Ended December 31,	Total Total Assessed Value	Less: Tax Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2014	\$ 1,382,200	N/A	N/A	\$ 1,382,200	\$ 16,563,900	110.125
2013	1,382,200	N/A	N/A	1,382,200	16,567,320	107.835
2012	1,382,200	N/A	N/A	1,382,200	16,567,320	107.835
2011	1,382,200	N/A	N/A	1,382,200	16,565,366	103.831
2010	1,382,200	N/A	N/A	1,382,200	16,566,111	101.798
2009	1,382,200	N/A	N/A	1,382,200	16,537,080	101.793
2008	1,382,200	N/A	N/A	1,382,200	16,568,773	105.400
2007	1,382,200	N/A	N/A	1,382,200	16,533,493	103.197
2006	1,382,200	N/A	N/A	1,382,200	16,537,013	103.197
2005	1,382,200	N/A	N/A	1,382,200	16,795,397	103.197

**Source: Municipal Tax Assessor**

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

**a** Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

**b** Tax rates are per \$100

**N/A** At the time of CAFR completion, this data was not yet available

WINFIELD TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(rate per \$100 of assessed value)

Year Ended December 31,	Winfield Township School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	(From J-6) Total Direct School Tax Rate	Winfield Township	Union County	
2014	110.125	N/A	110.125	101.699	6.119	217.943
2013	107.835	N/A	107.835	99.450	5.793	213.078
2012	107.835	N/A	107.835	99.450	5.793	213.078
2011	103.831	N/A	103.831	92.579	4.930	201.340
2010	101.798	N/A	101.798	90.007	4.412	196.217
2009	101.793	N/A	101.793	85.093	4.042	190.928
2008	105.400	N/A	105.400	83.550	3.937	192.887
2007	103.197	N/A	103.197	67.249	4.683	175.129
2006	103.197	N/A	103.197	63.437	4.383	171.017
2005	103.197	N/A	103.197	63.437	4.383	171.017

**Source: Municipal Tax Collector**

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

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- b** Rates for debt service are based on each year's requirements.

**N/A** At the time of CAFR completion, this data was not yet available

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Taxed Assessed Value	
	2015	2006
Mutual Housing Corporation	\$ 1,382,200	\$ 1,382,200
Total	\$ 1,382,200	\$ 1,382,200

**Source:** Municipal Tax Assessor

WINFIELD TOWNSHIP SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED

Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 3,021,844	\$ 3,021,844	100.00%	N/A
2013	3,021,844	3,021,844	100.00%	N/A
2012	2,960,435	2,960,435	100.00%	N/A
2011	2,792,560	2,792,560	100.00%	N/A
2010	2,721,483	2,721,483	100.00%	N/A
2009	2,648,322	2,648,322	100.00%	N/A
2008	2,672,895	2,672,895	100.00%	N/A
2007	2,491,110	2,491,110	100.00%	N/A
2006	2,372,487	2,372,487	100.00%	N/A
2005	2,203,187	2,203,187	100.00%	N/A

**Source:** District records including the Certificate and Report of School Taxes (A4F form)

- a** School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

**N/A** At the time of CAFR completion, this data was not yet available

*DEBT CAPACITY*

WINFIELD TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities				Bond Anticipation Notes (BANS)		Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Capital Leases	Capital Leases	Capital Leases					
2015	\$ -	\$ -	\$ 22,365	\$ -	\$ -	-	-	22,365	0.00%	\$ -	
2014	-	-	30,033	-	-	-	-	30,033	0.00%	-	
2013	-	-	-	-	-	-	-	-	0.00%	-	
2012	-	-	2,064	-	-	2,064	-	2,064	0.00%	-	
2011	-	-	6,192	-	-	6,192	-	6,192	0.00%	-	
2010	-	-	10,320	-	-	10,320	-	10,320	0.00%	-	
2009	-	-	14,448	-	-	14,448	-	14,448	0.00%	-	
2008	-	-	18,576	-	-	18,576	-	18,576	0.00%	-	
2007	-	-	2,164	-	-	2,164	-	2,164	0.00%	-	
2006	-	-	5,411	-	-	5,411	-	5,411	0.00%	-	

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

- a** See J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding.

WINFIELD 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 <sup>a</sup> of Property	Per Capita <sup>a</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	\$ -	\$ -	\$ -	0.00%	\$ -
2014	-	-	-	0.00%	-
2013	-	-	-	0.00%	-
2012	-	-	-	0.00%	-
2011	-	-	-	0.00%	-
2010	-	-	-	0.00%	-
2009	-	-	-	0.00%	-
2008	-	-	-	0.00%	-
2007	-	-	-	0.00%	-
2006	-	-	-	0.00%	-

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

**a** See J-6 for property tax data.

**b** Population data can be found in J-14.

WINFIELD TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2015

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Winfield Township	N/A	0.000%	N/A
Union County General Obligation Debt	N/A	0.000%	N/A
Other Debt			
Municipal Water Authority - Winfield Township District's Share	N/A	0.000%	<u>N/A</u>
Subtotal, Overlapping Debt			-
<b>Winfield District Direct Debt</b>			<u>N/A</u>
<b>Total Direct and Overlapping Debt</b>			<u>\$ -</u>

**Source:** Assessed value data used to estimate applicable percentages provided by the Union County Board of Taxation.

**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 Winfield. 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, for each overlapping payment.

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

**N/A** At the time of CAFR completion, this data was not yet available

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2015

Equalized Valuation Basis	
2015	N/A
2014	N/A
2013	N/A
	\$ -
Average Equalized Valuation of Taxable Property	\$ -
Debt Limit (4% of Average Equalization Value)	- a
Total Net Debt Applicable To Limit	-
Legal Debt Margin	\$ -

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220,447	\$ 444,385	\$ 434,560	\$ 611,425
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	-	-	-	-	-	-	-	-	-	-
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

***DEMOGRAPHIC AND ECONOMIC INFORMATION***

WINFIELD TOWNSHIP SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2015	1,480	N/A	\$54,382	7.60%
2014	1,475	N/A	53,816	7.80%
2013	1,471	N/A	N/A	N/A
2012	1,480	N/A	N/A	15.60%
2011	1,445	N/A	N/A	15.69%
2010	1,445	N/A	N/A	N/A
2009	1,443	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A
2007	1,456	N/A	32,765	7.20%
2006	N/A	N/A	42,728	7.50%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

**N/A** At the time of CAFR completion, this data was not yet available

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND TEN YEARS AGO

Employer	2015			2006		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
Company	N/A		N/A	N/A		N/A
Individual	N/A		N/A	N/A		N/A
	-		0.00%	-		0.00%

**N/A** At the time of CAFR completion, this data was not yet available

***OPERATING INFORMATION***

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction:										
Regular	N/A									
Special Education	N/A									
Other Special Education	N/A									
Other Instruction	N/A									
Support Services:										
Tuition	N/A									
Student and Instruction Related Services	N/A									
General and Business Administration Services	N/A									
School Administrative Services	N/A									
Plant Operations and Maintenance	N/A									
Pupil Transportation	N/A									
Special Schools	N/A									
Food Service	N/A									
<b>Total</b>	-	-	-	-	-	-	-	-	-	-

**Source:** District Personnel Records

**N/A** At the time of CAFR completion, this data was not yet available

WINFIELD TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	Percent Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2015	154.0	\$ 3,599,454	\$ 23,373	0.51%	21	7:33	N/A	N/A	153.79	145.52	-1.38%	94.62%
2014	151.0	3,511,260	23,253	4.08%	21	7:4:1	N/A	N/A	155.91	147.08	0.00%	94.34%
2013	151.0	3,367,834	22,304	-2.39%	21	7:1	N/A	N/A	155.91	147.08	3.79%	94.34%
2012	150.0	3,425,380	22,836	1.39%	21	6:7	N/A	N/A	150.00	142.80	6.40%	95.20%
2011	141.0	3,175,170	22,519	0.26%	21	6:7	N/A	N/A	140.40	133.90	0.85%	95.37%
2010	142.0	3,189,464	22,461	-19.22%	21	5:8	N/A	N/A	139.20	133.20	11.78%	95.69%
2009	123.0	3,293,630	26,777	-3.60%	21	5:6	N/A	N/A	122.80	117.90	3.42%	96.01%
2008	120.0	3,328,976	27,741	8.17%	21	5:9	N/A	N/A	118.60	112.70	-2.87%	95.03%
2007	124.0	3,158,957	25,475	-5.25%	21	5:9	N/A	N/A	122.00	116.00	6.56%	95.08%
2006	114.0	3,056,710	26,813	2.74%	21	5:9	N/A	N/A	114.00	112.00	0.88%	98.25%

Sources: District records

Note: Enrollment based on annual October District count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certified staff.
- c Average daily enrollment and average daily attendance are obtained from School Register Summary (SRS).

N/A At the time of CAFR completion, this data was not yet available

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Winfield School										
Square Feet	37,538	37,538	37,538	37,538	37,538	37,538	37,538	37,538	37,538	N/A
Capacity (students)	244	244	244	244	244	244	244	244	244	N/A
Enrollment	154	151	151	150	141	142	123	120	124	N/A
<b><u>Other</u></b>										
Name of Building (Year)	N/A	N/A								
Square Feet										

Number of Schools at June 30, 2015  
 Elementary = 1

**Source: District Facilities Office**

Note: Increases in square footage and capacity are the result of and additions.  
 Enrollment is based on the annual October District count.

**N/A** At the time of CAFR completion, this data was not yet available

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF REQUIRED MAINTENANCE  
 LAST TEN FISCAL YEARS

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

* School Facilities	Project # (s)	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Elementary School	N/A	\$ 112,164	\$ 91,028	\$ 137,508	\$ 77,394	\$ 69,086	\$ 92,143	\$ 71,135	\$ 65,247	\$ 57,326	\$ 54,172
Grand Total		\$ 112,164	\$ 91,028	\$ 137,508	\$ 77,394	\$ 69,086	\$ 92,143	\$ 71,135	\$ 65,247	\$ 57,326	\$ 54,172

\* 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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2015

**NEW JERSEY SCHOOL BOARDS ASSOCIATION INSURANCE GROUP**

SCHOOL PROPERTY POLICY	COVERAGE	DEDUCTIBLE
Property - Blanket Building & Contents	\$ 6,621,890	\$ 1,000
Comprehensive General Liability	1,000,000	1,000
Comprehensive Auto Liability	1,000,000	N/A
Comprehensive Crime Coverage	25,000	500
Computers & Scheduled Equipment		
Data Processing Equipment	175,000	1,000
Other Perils		
Boiler and Machinery		
Property Damage	1,000,000	1,000
Umbrella Liability-		
Umbrella Policy	6,000,000	5,000
Errors & Omissions	2,000,000	1,000
School Board Legal Liability	100,000	5,000
Public Employees Faithful Performance	25,000	500
Blanket:		
Position Bond-Treasurer	153,000	
Board Secretary	5,250	

Source: Borough of Winfield Board of Education

***SINGLE AUDIT SECTION***

**BARRE & COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**

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**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  
Winfield Township School District  
County of Union  
Winfield, 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 in compliance with 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 Winfield Township School District (School District), in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District’s basic financial statements as listed in table of contents and have issued our report thereon dated December 14, 2015.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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 weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. However, material weakness may exist that have not been identified.

### **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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We also noted other matters that we reported to the Board of Trustees of the Winfield Township School District in a separate report entitled, Auditor's Management Report on Administrative Findings dated December 14, 2015.

### **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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the Office of School Finance, Department of Education, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Richard M. Barre  
Licensed Public School Accountant  
No. CS-01181  
Barre & Company, CPA's

December 14, 2015

**BARRE & COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**

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**Independent Auditor’s Report on Compliance for Each Major State Program;  
Report on Internal Control over Compliance; and Report on the Schedule of  
Expenditures of State Financial Assistance Required by and New Jersey OMB  
Circular(s) 04-04 and/or 15-08**

Honorable President and  
Members of the Board of Education  
Winfield Township School District  
County of Union  
Winfield, New Jersey

**Report on Compliance for Each Major State Program**

We have audited the compliance of the Winfield Township School District (School District), in the County of Union, State of New Jersey, with the types of compliance requirements described in the *New Jersey OMB Circular(s) 04-04 and/or 15-08 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 year ended June 30, 2015. 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.

***Management’s Responsibility***

The School District’s management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the School District’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB’s Circulars 04-04 and 15-08 require that we plan and perform the audit to

obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major State Program***

In our opinion, the Winfield Township School District, in the County of Union, State of New Jersey, 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, 2015.

### **Report on Internal Control over Compliance**

Management of Winfield Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB's Circulars 04-04 and 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results that the testing based on the requirements of New Jersey OMB's Circulars 04-04 and 15-08. Accordingly, this report is not suitable for any other purposes.

**Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB's Circulars 04-04 and 15-08**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Winfield Township School District, as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated December 14, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by the New Jersey OMB's Circulars 04-04 and 15-08 are presented for purposed of additional analysis and are not a required part of the basic financial statements. Such information is the responsibilities of management and was derived from and related directly to the underlying accounting and other records used to prepare basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



Richard M. Barre  
Licensed Public School Accountant  
No. CS-01181  
Barre & Company, CPA's

December 14, 2015



WINFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Reversal of Prior Year's Balance	Balance at June 30, 2015		MEMO	
			From	To	Deferred Revenues (Accounts Receivable)	Due to Grantor					Accounts Receivable	Deferred Revenues (Interfund Payable)		Due to Grantor
<b>State Department of Education</b>														
General Fund:														
Equalization Aid	15-495-034-5120-078	\$ 1,310,098	7/1/14	6/30/15	\$ -	\$ -	\$ 1,179,093	\$ (1,310,098)	\$ -	\$ -	\$ (131,005)	\$ -	\$ 131,005	\$ 1,310,098
Equalization Aid	14-495-034-5120-078	1,310,098	7/1/13	6/30/14	(131,005)		131,005				(9,716)		9,716	97,159
Special Education Aid	15-495-034-5120-089	97,159	7/1/14	6/30/15			97,159	(97,159)			(2,017)		2,017	20,166
Special Education Aid	14-495-034-5120-089	97,159	7/1/13	6/30/14	(9,716)		97,159				(3,406)		3,406	34,066
Security Aid	15-495-034-5120-084	20,166	7/1/14	6/30/15			20,166	(20,166)			(11,451)		11,451	114,510
Security Aid	14-495-034-5120-084	20,166	7/1/13	6/30/14	(2,017)		20,166				(6,047)		6,047	60,475
Adjustment Aid	15-495-034-5120-085	34,066	7/1/14	6/30/15			34,066	(34,066)			(6,047)		6,047	60,475
Adjustment Aid	14-495-034-5120-085	34,066	7/1/13	6/30/14	(3,406)		34,066				(174)		174	1,640
School Choice Aid	15-495-034-5120-068	135,330	7/1/14	6/30/15			135,330				(1,640)		1,640	108,886
School Choice Aid	14-495-034-5120-068	135,330	7/1/13	6/30/14	(13,533)		135,330				(68,590)		68,590	68,590
Transportation Aid	15-495-034-5120-014	60,475	7/1/14	6/30/15			60,475	(60,475)			(3,762)		3,762	79,509
Transportation Aid	14-495-034-5120-014	60,475	7/1/13	6/30/14	(4,891)		60,475				(167,906)		167,906	1,896,913
Extracurricular Aid	14-100-034-5120-473	4,891	7/1/13	6/30/14			4,891							174
Nonpublic School Transportation Costs	15-100-034-5120-068	174	7/1/14	6/30/15			1,476	(1,476)			(164)		164	1,640
PARCC Readiness Aid	15-495-034-5120-068	1,640	7/1/14	6/30/15			1,476	(1,476)			(164)		164	108,886
Per Pupil Growth Aid	15-495-034-5120-067	1,640	7/1/14	6/30/15			108,886	(108,886)						68,590
TPAF Post-Retirement Medical Contributions	15-495-034-5094-001	108,886	7/1/14	6/30/15			75,747	(75,747)						79,509
On-Behalf TPAF Pension Contributions	15-495-034-5094-006	68,590	7/1/14	6/30/15			1,899,622	(1,899,622)						167,932
Reimbursed TPAF - Social Security	15-495-034-5094-003	79,509	7/1/14	6/30/15										1,896,913
					(170,615)						(167,906)		167,906	1,896,913
<b>Total General Fund</b>														
<b>State Department of Agriculture</b>														
Enterprise Fund:														
National School Lunch Program (State Share)	15-100-010-3350-023	453	7/1/14	6/30/15			427	(427)			(26)		26	453
National School Lunch Program (State Share)	14-100-010-3350-023	460	7/1/13	6/30/14	(29)		29							
					(29)		456	(453)			(26)		26	453
<b>Total Enterprise Fund</b>														
					(170,644)		1,900,078	(1,897,366)			(167,932)		167,932	1,897,366
<b>Total All Funds</b>														
State Financial Assistance Not Subject to Major Program Determination:														
General Fund:														
TPAF Post-Retirement Medical Contributions	15-495-034-5094-001	108,886	7/1/14	6/30/15			(108,886)	108,886						(108,886)
On-Behalf TPAF Pension Contributions	15-495-034-5094-006	68,590	7/1/14	6/30/15			(68,590)	68,590						(68,590)
<b>Total On-Behalf TPAF Payments</b>														
							(177,476)	177,476						(177,476)
<b>Total State Financial Assistance Subject to Single Audit</b>														
					(170,644)		1,722,602	(1,719,890)			(167,932)		167,932	1,719,890

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

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL  
ASSISTANCE  
JUNE 30, 2015**

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**NOTE 1. GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Winfield Township School District. The Board of Education is defined in Note 1 to the board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of U.S. OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circulars 04-04 and 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 presentation of, the basic financial statements. This does not apply to charter schools as districts are not permitted to defer the June payments to charter schools.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the 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

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL  
ASSISTANCE  
JUNE 30, 2015**

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**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

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 June state aid payment 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 \$1,754 for the general fund and \$2,105 for the special revenue fund. See Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the board's basic financial statements on a GAAP basis as presented below:

	Federal	State	Total
General Fund	\$ -	\$ 1,898,667	\$ 1,898,667
Special Revenue Fund	59,496	-	59,496
Food Service Fund	17,723	453	18,176
Total Awards & Financial Assistance	<u>\$ 77,219</u>	<u>\$ 1,899,120</u>	<u>\$ 1,976,339</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**

Winfield Township School District has no loan balances outstanding at June 30, 2015.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL  
ASSISTANCE  
JUNE 30, 2015**

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**NOTE 6. OTHER**

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, 2015. 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, 2015.

**NOTE 7. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the School District's basic financial statements and the amount subject to State single audit and major program determination.

**NOTE 8. SCHOOLWIDE PROGRAM FUNDS**

Schoolwide programs are not separate federal programs as defined in OMB Circular A-133; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the school district.

Program	Total
Title I, Part A: <i>Grants to Local Education Agencies</i>	\$ 15,405
Title II, Part A: <i>Teacher and Principal Training and Recruiting</i>	<u>6,715</u>
Total	<u><u>\$ 22,120</u></u>

WINFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditors’ report issued on financial statements Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

2) Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None Reported

Noncompliance material to basic financial statements noted? \_\_\_\_\_ Yes   X   No

**State Awards**

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?   X   Yes \_\_\_\_\_ No

Internal control over major programs:

1) Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

2) Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None Reported

Type of auditors’ report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04? \_\_\_\_\_ Yes   X   No

Identification of major state programs:

<b>GMIS Number(s)</b>	<b>Name of State Program</b>
<u>15-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>15-495-034-5120-068</u>	<u>School Choice Aid</u>
_____	_____
_____	_____

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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***Section II – Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit. See paragraphs 13.15 and 13.35.

**Finding**

There were no matters reported.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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***Section III – State Financial Assistance  
Findings and Questioned Costs***

This section identifies audit findings required to be reported by NJOMB Circular Letters 04-04 and 15-08.

**STATE AWARDS**

**Findings**

There were no matters reported..

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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**STATUS OF PRIOR YEAR FINDINGS**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB Circular A-133 (.315(a)(b)) and NJOMB's Circulars 04-04 and 15-08.

**Findings**

There were no matters reported.