

***WINFIELD TOWNSHIP SCHOOL DISTRICT***

***COMPREHENSIVE ANNUAL  
FINANCIAL REPORT***

***FISCAL YEAR ENDED JUNE 30, 2010***

***WINFIELD TOWNSHIP SCHOOL DISTRICT***

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

***Comprehensive Annual Financial Report  
For The Fiscal Year Ended June 30, 2010***

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF THE  
WINFIELD TOWNSHIP SCHOOL DISTRICT  
WINFIELD, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**Prepared by  
Winfield Township School District  
Finance Department**

**And  
Barre & Company, CPAs**

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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***

September 16, 2010

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, 2010. 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 schools 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 142. The following details the changes in the student enrollment of the District over the last five years.

**REPORTING ENTITY AND ITS SERVICES (CONTINUED):**

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2009-2010	139	11.78%
2008-2009	123	3.42%
2007-2008	119	-2.87%
2006-2007	122	6.56%
2005-2006	114	0.88%

**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:

## **INTERNAL ACCOUNTING CONTROLS (CONTINUED):**

- (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, 2010.

**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.

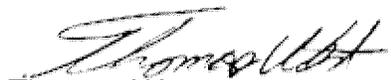
**8) OTHER INFORMATION:**

**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 Letter 04-04 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,

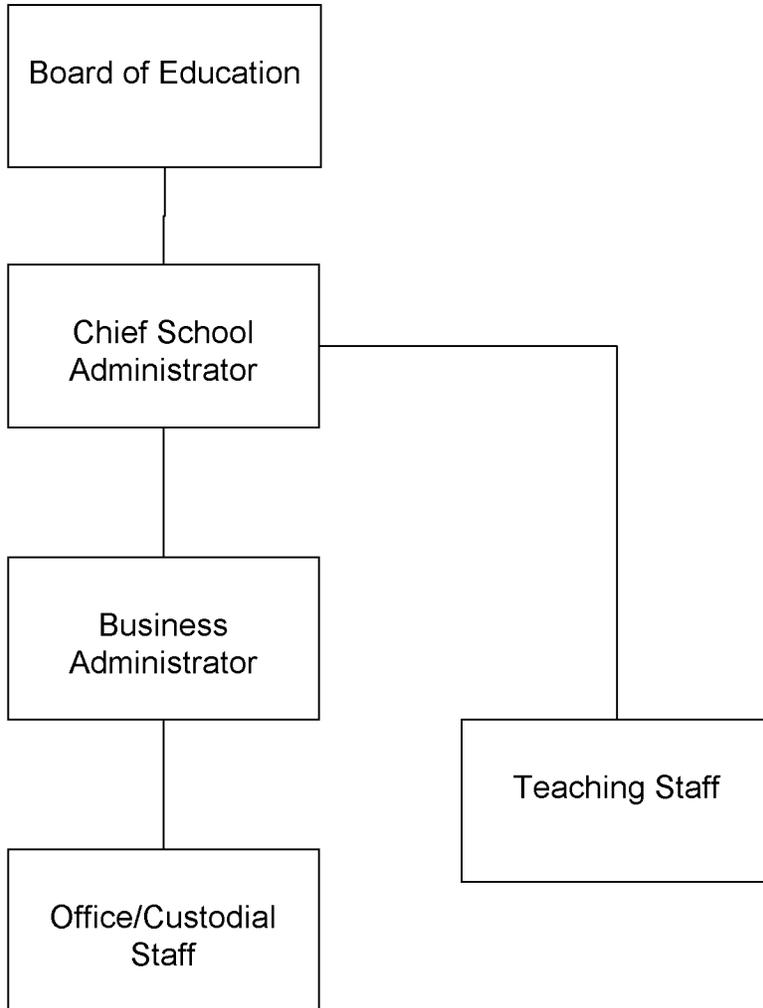


Thomas West  
Business Administrator/Board Secretary

**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, 2010**

<b><u>MEMBERS OF THE BOARD OF EDUCATION</u></b>	<b><u>TERM EXPIRES</u></b>
Ms. Virginia Blackwell	2011
Mrs. Maureen Byrne	2012
Mr. Timothy Heuser	2012
Mr. Adam Koomer	2010
Mr. Sandra Tobias	2010
Mr. Frederick Viteka	2010
Mrs. Carolyn Gerhart	2010
Tony LaRocca III	2012
Mrs. Ann Marie Weiss	2011

**OTHER OFFICIALS**

Ms. Alice Krihak, 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  
Union, New Jersey 07083

***Attorney***

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

***Official Depository***

Commerce Bank  
1701 Route 70 East  
Cherry Hill, NJ 08034

***FINANCIAL SECTION***

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

*2204 Morris Avenue, Suite 303*

*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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Board of Education of the Winfield Township School District in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2010, which collectively comprise of the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Winfield Township School District Board of Education's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 Board of Education, in the County of Union, State of New Jersey, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2010 on our consideration of Winfield Township School District Board

of Education'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 control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the Budgetary Comparison Information starting on pages 14 and 66, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Winfield Township School District Board of Education's basic financial statements. The accompanying introductory section, other supplementary information such as the combining and individual fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section, financial schedules and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis 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 are not a required part of the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relations to the basic financial statements taken as a whole.



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

September 16, 2010

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
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, 2010. 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 (2009-2010) and the prior year (2008-2009) is required to be presented in the MD&A.

### **Financial Highlights**

Key financial highlights for 2010 are as follows:

- ❖ General revenues accounted for \$3,187,263 in revenue or 94% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$202,368 or 6% of total revenues of \$3,389,631.
- ❖ The School District had \$3,268,045 in expenses; with \$202,368 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$3,187,263 were not adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$3,258,882 in revenues and \$3,133,316 in expenditures and other financing sources. The General Fund's fund balance increased \$125,566 over 2009. This increase was anticipated by the Board of Education.

### **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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(CONTINUED)**

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

The *Statement of Net Assets* 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 Assets 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 2010?" The *Statement of Net Assets* 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 assets and changes in those assets. This change in net assets 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.

In the *Statement of Net Assets* 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(CONTINUED)**

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

- ❖ 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 Assets* 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.

**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 41 of this report.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(CONTINUED)**

**The School District as a Whole**

Recall that the *Statement of Net Assets* provides the perspective of the School District as a whole. Net assets 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 assets for 2010 and 2009.

**Table 1  
Net Assets**

	2010	2009
<b>Assets</b>		
Current and Other Assets	\$ 277,588	\$ 135,217
Capital Assets	<u>45,917</u>	<u>49,270</u>
Total Assets	<u>323,505</u>	<u>184,487</u>
<b>Liabilities</b>		
Account and Other Payables	31,846	7,615
Other Current Liabilities	-	2,671
Long-Term Liabilities	<u>21,320</u>	<u>25,448</u>
Total Liabilities	<u>53,166</u>	<u>35,734</u>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Debt	24,597	23,822
Restricted	195,773	95,272
Unrestricted	<u>49,969</u>	<u>29,659</u>
<b>Total Net Assets</b>	<u>\$ 270,339</u>	<u>\$ 148,753</u>

The District's combined net assets were \$270,339 on June 30, 2010, and \$148,753 for 2009.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(CONTINUED)**

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

Table 2 shows changes in net assets for fiscal years ended 2010 and 2009.

**Table 2  
Changes in Net Assets**

	2010	2009
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 21,488	\$ 27,787
Operating Grants and Contributions	180,880	157,776
General Revenues:		
Property Taxes	1,410,633	1,460,632
Grants and Entitlements	1,759,378	1,636,926
Other	<u>17,252</u>	<u>18,380</u>
Total Revenues	<u>3,389,631</u>	<u>3,301,501</u>
<b>Program Expenses</b>		
Instruction	1,646,591	1,479,152
Support Services:		
Tuition	413,399	749,105
Student and Instruction Related	415,680	390,279
General and Business Administrative	262,052	239,283
School Administrative	47,178	44,890
Plant Operations and Maintenance	226,180	202,056
Pupil Transportation	183,219	192,218
Capital Outlay	28,823	61,488
Food Service	<u>44,923</u>	<u>52,257</u>
Total Program Expenses	<u>3,268,045</u>	<u>3,410,728</u>
<b>Changes in Net Assets</b>	<u>\$ 121,586</u>	<u>\$ (109,227)</u>

**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 42% for 2010 and 45% for 2009 of revenues for governmental activities for the Winfield Township School District. The District's total revenues were \$3,356,153 for the

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(CONTINUED)**

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

year ended June 30, 2010, and \$3,260,519 for 2009. Federal, state, and local grants accounted for another 58% for 2010 and 55% for 2009 of revenues which includes \$177,592 for 2010 and \$166,435 for 2009 of state reimbursed TPAF pension and TPAF social security contributions.

The total cost of all program and services was \$3,223,122 for 2010 and \$3,358,471 for 2009. Instruction comprises 51% for 2010 and 44% for 2009 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 revenues exceeded expenses by \$855 for 2010 and for 2009 expenses exceeded revenues by \$13,413.
- ❖ Charges for services represent \$21,488 for 2010 and \$27,787 for 2009 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 \$9,026 for 2010 and \$9,567 for 2009.

**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, 2010  
UNAUDITED  
(CONTINUED)**

**Governmental Activities (Continued)**

**Table 3**

	<b>Total Cost of Services</b>	
	<b>2010</b>	<b>2009</b>
Instruction	\$ 1,646,591	\$ 1,479,152
Support Services:		
Tuition	413,399	749,105
Student and Instruction Related	415,680	390,279
General and Business Administrative	262,052	239,283
School Administrative	47,178	44,890
Plant Operations and Maintenance	226,180	202,056
Pupil Transportation	183,219	192,218
Capital Outlay	28,823	61,488
<b>Total Expenses</b>	<b>\$ 3,223,122</b>	<b>\$ 3,358,471</b>

	<b>Net Cost of Services</b>	
	<b>2010</b>	<b>2009</b>
Instruction	\$ 1,553,199	\$ 1,396,360
Support Services:		
Tuition	413,399	749,105
Student and Instruction Related	415,680	390,279
General and Business Administrative	262,052	239,283
School Administrative	47,178	44,890
Plant Operations and Maintenance	226,180	202,056
Pupil Transportation	104,757	126,801
Capital Outlay	28,823	61,488
<b>Total Expenses</b>	<b>\$ 3,051,268</b>	<b>\$ 3,210,262</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, 2010  
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 \$3,356,153 for 2010 and \$3,260,519 for 2009 and expenditures were \$3,230,587 for 2010 and \$3,379,806 for 2009. The net change in fund balance for the year was an increase of \$125,566 for 2010 and \$119,287 for 2009. The positive change is most significant in the general fund for 2010 and for 2009.

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, 2010, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2009	Percent of Increase/ (Decrease)
Local Sources	\$ 1,424,921	42.46%	\$ (50,463)	-3.42%
State Sources	1,618,076	48.21%	(101,561)	-5.91%
Federal Sources	313,156	9.33%	247,658	378.12%
<b>Total</b>	<b>\$ 3,356,153</b>	<b>100.00%</b>	<b>\$ 95,634</b>	

Local revenues increased by \$50,463. 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 decrease in IDEA and Title funds.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
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, 2010, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2009	Percent of Increase/ (Decrease)
Current Expense:				
Instruction	\$ 1,516,542	46.94%	\$ 152,518	11.18%
Undistributed	1,672,922	51.78%	(256,684)	-13.30%
Capital Outlay	28,823	0.89%	(32,665)	-53.12%
Food Transfers	12,300	0.38%	(12,388)	-50.18%
 Total	 <u>\$ 3,230,587</u>	 <u>99.99%</u>	 <u>\$ (149,219)</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, 2010  
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 \$36,209 at June 30, 2010 and \$39,562 for 2009 invested in land, building, furniture and equipment, and vehicles. Table 4 shows the balances of capital assets (net of depreciation) for fiscal years 2010 and 2009.

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

	2010	2009
Land and Land Improvements	\$ 31,600	\$ 31,600
Machinery and Equipment	4,609	7,962
<b>Total</b>	<b>\$ 36,209</b>	<b>\$ 39,562</b>

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

**Debt Administration**

At June 30, 2010, the School District had \$21,320 of outstanding debt. Of this amount, \$11,000 is for compensated absences; and \$10,320 is for various capital leases.

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,

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(CONTINUED)**

**For the Future (Continued)**

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.

**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 assets 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 ASSETS  
JUNE 30, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents:			
Unrestricted	\$ 183,504	\$ 454	\$ 183,958
Restricted	969		969
Interfund Receivables	33,126		33,126
Receivables	63,716	1,126	64,842
Inventories		303	303
Capital Assets, Net	36,209	9,708	45,917
 Total Assets	 <u>317,524</u>	 <u>11,591</u>	 <u>329,115</u>
LIABILITIES:			
Cash Overdraft			-
Interfund Payable	31,807	39	31,846
Noncurrent Liabilities:			
Due Within One Year	3,630		3,630
Due Beyond One Year	17,690		17,690
 Total Liabilities	 <u>53,127</u>	 <u>39</u>	 <u>53,166</u>
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	14,889	9,708	24,597
Restricted for:			
Other Purposes	131,505	64,268	195,773
Unrestricted	118,003	(62,424)	55,579
 Total Net Assets	 <u>\$ 264,397</u>	 <u>\$ 11,552</u>	 <u>\$ 275,949</u>

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, 2010

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes In Net Assets		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES:</b>								
Instruction:								
Regular	\$ 1,162,688	\$ 92,064	\$ -	\$ -	\$ -	\$ (1,254,752)	\$ -	\$ (1,254,752)
Special Education	305,715	28,005		93,392		(240,328)		(240,328)
Other Special Education	22,843	2,499				(25,342)		(25,342)
Other Instruction	25,296	1,871				(27,167)		(27,167)
Support Services:								
Tuition	413,399					(413,399)		(413,399)
Student and Instruction Related Services	393,318	22,362				(415,680)		(415,680)
General and Business Administrative Services	248,756	13,296				(262,052)		(262,052)
School Administrative Services	42,758	4,420				(47,178)		(47,178)
Plant Operations and Maintenance	215,404	10,776		78,462		(226,180)		(226,180)
Pupil Transportation	180,920	2,299				(104,757)		(104,757)
Capital Outlay	28,823					(28,823)		(28,823)
Total Governmental Activities	3,039,920	177,592	-	171,854	-	(3,045,658)	-	(3,045,658)
<b>BUSINESS-TYPE ACTIVITIES:</b>								
Food Service	44,923		21,488	9,026			(14,409)	(14,409)
Total Business-Type Activities	44,923		21,488	9,026			(14,409)	(14,409)
Total Primary Government	\$ 3,084,843		\$ 21,488	\$ 180,880	\$ -	\$ (3,045,658)	\$ (14,409)	\$ (3,060,067)
<b>GENERAL REVENUES:</b>								
Property Taxes Levied For:								
General Purposes						\$ 1,410,633	\$ -	\$ 1,410,633
Federal and State Aid Not Restricted						1,759,378		1,759,378
Investment Earnings						1,947		1,947
Tuition Revenue						4,986		4,986
Miscellaneous Income						7,355	2,964	10,319
Transfers						(12,300)	12,300	-
Total General Revenues						3,171,999	15,264	3,187,263
Change in Net Assets						126,341	855	127,196
Net Assets - Beginning						138,056	10,697	148,753
Net Assets - Ending						\$ 264,397	\$ 11,552	\$ 275,949

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  
COMBINING BALANCE SHEET  
JUNE 30, 2010

	General Fund	Special Revenue Fund	Total
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 183,504	\$ -	\$ 183,504
Restricted:			
Capital Reserve Account	969		969
Receivables:			
Interfund Accounts Receivable	33,126		33,126
Receivables From Other Governments	31,909	31,807	63,716
	249,508	31,807	281,315
Total Current Assets	249,508	31,807	281,315
Total Assets	\$ 249,508	\$ 31,807	\$ 281,315
<b>LIABILITIES AND FUND BALANCES:</b>			
Liabilities:			
Interfund Accounts Payable	\$ -	\$ 31,807	\$ 31,807
Total Liabilities	-	31,807	31,807
Fund Balances:			
Reserved For:			
Encumbrances	25,536		25,536
Legally Restricted - Designated for Subsequent Year's Expenditures	105,000		105,000
Capital Reserve Account	969		969
Unreserved:			
General Fund	118,003		118,003
Total Fund Balances	249,508	-	249,508
Total Liabilities and Fund Balances	\$ 249,508	\$ 31,807	

Amounts reported for *governmental activities* in the statement of net assets (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 \$667,663.

36,209

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.

(21,320)

Net Assets of Governmental Activities

\$ 264,397

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	General Fund	Special Revenue Fund	Total
<b>REVENUES:</b>			
Local Sources:			
Local Tax Levy	\$ 1,410,633	\$ -	\$ 1,410,633
Tuition	4,986		4,986
Interest on Investments	1,947		1,947
Miscellaneous	7,355		7,355
<b>Total Local Sources</b>	<b>1,424,921</b>	<b>-</b>	<b>1,424,921</b>
State Sources	1,618,076		1,618,076
Federal Sources	215,885	97,271	313,156
<b>Total Revenues</b>	<b>3,258,882</b>	<b>97,271</b>	<b>3,356,153</b>
<b>EXPENDITURES:</b>			
Current:			
Instruction:			
Regular	1,090,104	72,584	1,162,688
Special Education	305,715		305,715
Other Special Education	22,843		22,843
Other	25,296		25,296
Support Services and Undistributed Costs:			
Tuition	413,399		413,399
Student and Instruction Related Services	367,946	24,687	392,633
General and Business Administrative Services	252,491		252,491
School Administrative Services	42,758		42,758
Plant Operations and Maintenance	213,129		213,129
Pupil Transportation	180,920		180,920
Employee Benefits	177,592		177,592
Capital Outlay	28,823		28,823
<b>Total Expenditures</b>	<b>3,121,016</b>	<b>97,271</b>	<b>3,218,287</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	137,866	-	137,866
<b>OTHER FINANCING SOURCES (USES):</b>			
Food Service:			
Transfers to Cover Deficit	(12,300)		(12,300)
<b>Total Other Financing Sources (Uses)</b>	<b>(12,300)</b>	<b>-</b>	<b>(12,300)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>125,566</b>	<b>-</b>	<b>125,566</b>
<b>FUND BALANCES, JULY 1</b>	<b>123,942</b>	<b>-</b>	<b>123,942</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 249,508</b>	<b>\$ -</b>	<b>\$ 249,508</b>

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, 2010

Total net change in fund balances - governmental funds (B-2)	\$ 125,566
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
<p>Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets which are capitalized are allocated over their estimated useful lives as depreciation expense in the current fiscal year.</p>	
Depreciation Expense	(3,353)
<p>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.</p>	
	<u>4,128</u>
Change in net assets of governmental activities	<u>\$ 126,341</u>

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 ASSETS  
 JUNE 30, 2010

**Business-Type Activities - Enterprise Funds**

	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 454
Receivables from Other Governments	1,126
Inventories	<u>303</u>
Total Current Assets	<u>1,883</u>
Noncurrent Assets:	
Machinery and Equipment	33,630
Less: Accumulated Depreciation	<u>(23,922)</u>
Total Noncurrent Assets	<u>9,708</u>
Total Assets	<u><u>\$ 11,591</u></u>
<b>LIABILITIES AND NET ASSETS:</b>	
Liabilities:	
Interfund Accounts Payable	<u>\$ 39</u>
Total Liabilities	<u>39</u>
Net Assets:	
Invested in Capital Assets	9,708
Restricted:	
Contributed Capital	64,268
Unrestricted	<u>(62,424)</u>
Total Net Assets	<u>11,552</u>
Total Liabilities and Net Assets	<u><u>\$ 11,591</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 FUND NET ASSETS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**Business-Type Activities - Enterprise Funds**

	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales Reimbursable Program	\$ 21,488
Total Operating Revenues	<u>21,488</u>
OPERATING EXPENSES:	
Salaries	21,886
Management Fees	8,686
Cost of Sales	11,759
Miscellaneous Expenditures	<u>2,592</u>
Total Operating Expenses	<u>44,923</u>
OPERATING LOSS	<u>(23,435)</u>
NONOPERATING REVENUES:	
State Sources:	
State Lunch Program	590
State Breakfast Program	79
Federal Sources:	
Federal Lunch Program	7,208
Federal Breakfast Program	942
Special Milk Program	207
U.S.D.A. Commodities	<u>2,964</u>
Total Nonoperating Revenues	<u>11,990</u>
Change in Net Assets Before Other Financing Uses	<u>(11,445)</u>
OTHER FINANCING SOURCES:	
Transfers In	<u>12,300</u>
Total Other Financing Sources	<u>12,300</u>
CHANGE IN NET ASSETS	855
TOTAL NET ASSETS - JULY 1	<u>10,697</u>
TOTAL NET ASSETS - JUNE 30	<u><u>\$ 11,552</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, 2010

<b>Business-Type Activities - Enterprise Funds</b>	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	\$ 20,991
Cash Payments to Suppliers and Employees	<u>(47,961)</u>
Net Cash Used In Operating Activities	<u>(26,970)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Cash Received From State And Federal Reimbursements	11,990
Operating Transfers In - General Fund	<u>12,300</u>
Net Cash Provided By Noncapital Financing Activities	<u>24,290</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,680)
CASH AND CASH EQUIVALENTS, JULY 1	<u>3,134</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u><u>\$ 454</u></u>
Reconciliation of Operating Loss to Net Cash Used In Operating Activities:	
Operating Loss	\$ (23,435)
Increase In Receivables From Other Governments	(497)
Decrease In Accounts Payable	<u>(3,038)</u>
Net Cash Used In Operating Activities	<u><u>\$ (26,970)</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 ASSETS  
JUNE 30, 2010

	<u>Bernstein/ Sweeney Scholarships</u>	<u>Agency Fund</u>
<b>ASSETS:</b>		
Cash and Cash Equivalents	\$ 4,855	\$ 2,677
<b>Total Assets</b>	<u>\$ 4,855</u>	<u>\$ 2,677</u>
<b>LIABILITIES:</b>		
Current Liabilities:		
Interfund Accounts Payable		\$ 1,280
Payable to Student Groups		2,628
Accrued Salaries and Benefits		(1,280)
Payroll Deductions and Withholdings		49
<b>Total Liabilities</b>	<u>-</u>	<u>\$ 2,677</u>
<b>NET ASSETS:</b>		
Restricted For:		
Principal Portion - Nonexpendable	<u>4,855</u>	
<b>Total Net Assets</b>	<u>\$ 4,855</u>	

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 ASSETS  
 FISCAL YEAR ENDED JUNE 30, 2010

	Bernstein/ Sweeney Scholarships
ADDITIONS:	
Donations	\$ 1,350
Interest Income	268
	1,618
Total Additions	
	1,618
DEDUCTIONS:	
Scholarship Payments	600
	600
Total Deductions	
	600
Change in Net Assets	1,018
Net Assets, July 1	3,837
Net Assets, June 30	\$ 4,855

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, 2010**

**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.

**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.

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 assets 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 assets and the statement of activities display information about the District as a whole.

WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010

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

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

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 assets 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. 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.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010**

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

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

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 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.

WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010

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

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

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 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

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010**

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

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

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 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.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2010**

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

**Budgets/Budgetary Control (Continued)**

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)	\$ 99,808
Adjustments:	
Less Encumbrances at June 30, 2010	(5,210)
Plus Encumbrances at June 30, 2009	<u>2,673</u>
Total Revenues and Expenditures (GAAP Basis)	<u><u>\$ 97,271</u></u>

**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.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010**

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

**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.

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:

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2010**

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

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

<b><u>Asset Class</u></b>	<b><u>Estimated Useful Lives</u></b>
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.

**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

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010**

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

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

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.

**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, 2010, but which were levied to finance fiscal year 2011 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 Assets:**

Net assets represent the difference between assets and liabilities. Net assets 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 assets are reported as restricted when

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010**

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

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

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 assets are available.

**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

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010**

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

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

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.

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

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010**

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

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

and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**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".

**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.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010**

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

**Deposits (Continued)**

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.

As of June 30, 2010, 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>\$ 184,473</u>	<u>\$ -</u>	<u>\$ 454</u>	<u>\$ 7,532</u>	<u>\$ 192,459</u>

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010**

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

**Investments (Continued)**

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, 2010 was \$192,459 and the bank balance was \$258,563. 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.

As of June 30, 2010, the Board had 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.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2010**

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

**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, 2010, the District had no funds on deposit with the New Jersey Cash Management Fund.

**NOTE 3: RECEIVABLES**

Receivables at June 30, 2010, 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	\$ 31,909	\$ 31,969
Federal Aid	31,807	32,873
Other	-	-
Gross Receivables	<u>63,716</u>	<u>64,842</u>
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net	<u><u>\$ 63,716</u></u>	<u><u>\$ 64,842</u></u>

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010**

**NOTE 4: INTERFUND TRANSFERS AND BALANCES**

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund; (2) repay expenses paid by another fund; and (3) make a Board contribution to the Unemployment Compensation Trust Fund.

The following interfund balances remained on the fund financial statements at June 30, 2010:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 33,126	\$ -
Special Revenue Fund		31,807
Proprietary Fund		39
Fiduciary Fund		1,280
Total	<u>\$ 33,126</u>	<u>\$ 33,126</u>

**NOTE 5: OPERATING LEASES**

The District had a commitment to lease copying equipment under operating leases which will expire on December 2012. Total operating lease payments made during the year ended June 30, 2010 were \$4,128. Future minimum lease payments are as follows:

Year Ended June 30,	Amount
2011	\$ 4,128
2012	4,128
2013	<u>2,064</u>
Total minimum lease payments	10,320
Less: Amount representing interest	<u>798</u>
Present value of net minimum lease payments	<u>\$ 9,522</u>

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010**

**NOTE 6: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2010, 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	49,284	3,353	-	52,637
Total Accumulated Depreciation	<u>665,388</u>	<u>3,353</u>	<u>-</u>	<u>668,741</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	6,884	(3,353)	-	3,531
Government Activity Capital Assets, Net	<u>\$ 38,484</u>	<u>\$ (3,353)</u>	<u>\$ -</u>	<u>\$ 35,131</u>
<b>Business-Type Activities:</b>				
<i>Capital Assets Being Depreciated:</i>				
Machinery and Equipment	\$ 33,630	\$ -	\$ -	\$ 33,630
Less Accumulated Depreciation	(23,922)	-	-	(23,922)
Enterprise Fund Capital Assets, Net	<u>\$ 9,708</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,708</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 2010, 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, 2010**

**NOTE 6: CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions as follows:

Student and Related Services	\$ 685
General and Business Administrative Services	393
Plant Operations and Maintenance	<u>2,275</u>
Total	<u>\$ 3,353</u>

**NOTE 7: LONG-TERM OBLIGATIONS**

Changes in long-term obligations for the year ended June 30, 2010, are as follows:

	Balance July 1, 2009	Increase	Decrease	Balance June 30, 2010	Amounts Due Within One Year
Obligations Under					
Capital Lease	\$ 14,448	\$ -	\$ 4,128	\$ 10,320	\$ 3,630
Compensated Absences Payable	<u>11,000</u>	<u>-</u>	<u>-</u>	<u>11,000</u>	<u>-</u>
Total	<u>\$ 25,448</u>	<u>\$ -</u>	<u>\$ 4,128</u>	<u>\$ 21,320</u>	<u>\$ 3,630</u>

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

**NOTE 8: PENSION PLANS**

**Description of Plans**

All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010**

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

**Description of Plans (Continued)**

These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

**Teachers' Pension and Annuity Fund (TPAF)**

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related noncontributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

The Public Employees' Retirement System was established as of January 1, 1955 under the provisions of N.J.S.A. 43:1 5A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

**Vesting and Benefit Provisions**

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:66 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010**

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

**Vesting and Benefit Provisions (Continued)**

years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for two percent of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**Significant Legislation**

Legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of one percent to 4.5 percent for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets.

**Contribution Requirements**

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of five percent of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a noncontributing employer of TPAF.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2010**

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

**Contribution Requirements (Continued)**

Three-Year Trend Information for PERS			
<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/10	\$14,813	100%	\$14,813
6/30/09	\$13,349	80%	\$10,679
6/30/08	None	100%	None

Three-Year Trend Information for TPAF (Paid on-behalf of the District)			
<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/10	\$77,804	100%	None
6/30/09	\$72,610	100%	None
6/30/08	\$201,170	100%	None

During the fiscal year ended June 30, 2010, the State of New Jersey made \$77,804 to the TPAF for normal and post-retirement benefits on behalf of the District. In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$99,788 during the fiscal year ended June 30, 2010, for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the District-wide financial statements and the fund-based statements as revenues and expenditures in accordance with GASB Statement No. 24.

**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

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010**

**NOTE 9: POST-RETIREMENT BENEFITS (CONTINUED)**

educational employees. As of June 30, 2009, there were 84,590 retirees eligible for post-retirement medical benefits. 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 premiums 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 free 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 \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

**NOTE 10: FUND BALANCE APPROPRIATED**

**General Fund** – Of the \$249,508 General Fund fund balance at June 30, 2010, \$105,000 is reserved for Legally Restricted-Designated for Subsequent Year's Expenditures; \$25,536 is reserved for encumbrances; \$969 has been reserved in the Capital Reserve Account; and 118,003 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, 2010, there is no excess fund balance.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010**

**NOTE 12: RISK MANAGEMENT**

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

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

***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, 2010

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Sheet 1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 1,410,633	\$ -	\$ 1,410,633	\$ 1,410,633	\$ -
Tuition				4,986	4,986
Earnings on Investments	20,000		20,000	1,947	(18,053)
Other Revenues from Local Sources				7,355	7,355
<b>Total Local Sources</b>	<b>1,430,633</b>	<b>-</b>	<b>1,430,633</b>	<b>1,424,921</b>	<b>(5,712)</b>
State Sources:					
Transportation Aid	71,451		71,451	78,596	7,145
Special Education Aid	85,049		85,049	93,554	8,505
Extraordinary Aid	7,170		7,170	30,295	23,125
Equalization Aid	1,189,802	(215,885)	973,917	929,387	(44,530)
Security Aid	18,454		18,454	20,299	1,845
Adjustment Aid	270,333		270,333	283,551	13,218
Other Unrestricted State Aid				6,073	6,073
On-Behalf TPAF Pension Contributions				77,804	77,804
Reimbursed TPAF Social Security Contributions				99,788	99,788
<b>Total State Sources</b>	<b>1,642,259</b>	<b>(215,885)</b>	<b>1,426,374</b>	<b>1,619,347</b>	<b>192,973</b>
Federal Sources:					
ARRA-ESF/GSF Aid		215,885	215,885	215,885	-
<b>Total Federal Sources</b>	<b>-</b>	<b>215,885</b>	<b>215,885</b>	<b>215,885</b>	<b>-</b>
<b>Total Revenues</b>	<b>3,072,892</b>	<b>-</b>	<b>3,072,892</b>	<b>3,260,153</b>	<b>187,261</b>
<b>EXPENDITURES:</b>					
Current Expenses:					
Instruction:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	23,541		23,541	23,541	-
Kindergarten	91,263	(1,447)	89,816	89,816	-
Grades 1-5	427,417	73,376	500,793	500,793	-
Grades 6-8	241,301	(23,730)	217,571	217,568	3
Home Instruction	1,000	(1,000)	-	-	-
<b>Total Regular Programs - Instruction</b>	<b>784,522</b>	<b>47,199</b>	<b>831,721</b>	<b>831,718</b>	<b>3</b>
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	9,979		9,979	9,979	-
General Supplies	26,079	10,469	36,548	29,384	7,164
Textbooks	17,000	2,502	19,502	19,361	141
Miscellaneous Expenditures	13,000	5,993	18,993	18,617	376
<b>Total Regular Programs - Undistributed Instruction</b>	<b>66,058</b>	<b>18,964</b>	<b>85,022</b>	<b>77,341</b>	<b>7,681</b>
<b>Total Regular Programs</b>	<b>850,580</b>	<b>66,163</b>	<b>916,743</b>	<b>909,059</b>	<b>7,684</b>
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	60,540	48,184	108,724	108,723	1
Other Salaries for Instruction	9,629	5,600	15,229	15,225	4
<b>Total Learning and/or Language Disabilities</b>	<b>70,169</b>	<b>53,784</b>	<b>123,953</b>	<b>123,948</b>	<b>5</b>
Resource Room/Resource Center:					
Salaries of Teachers	174,113	(41,977)	132,136	132,093	43
General Supplies	1,200		1,200	977	223
Textbooks	150		150	150	150
Other Objects	250		250	250	250
<b>Total Resource Room/Resource Center</b>	<b>175,713</b>	<b>(41,977)</b>	<b>133,736</b>	<b>133,070</b>	<b>666</b>
Basic Skills/Remedial:					
Salaries of Teachers	23,980	(1,137)	22,843	22,843	-
General Supplies	300		300	300	300
Other Objects	200		200	200	200
<b>Total Basic Skills/Remedial</b>	<b>24,480</b>	<b>(1,137)</b>	<b>23,343</b>	<b>22,843</b>	<b>500</b>
<b>Total Special Education</b>	<b>270,362</b>	<b>10,670</b>	<b>281,032</b>	<b>279,861</b>	<b>1,171</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, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
School-Sponsored Co-Curricular and Extra-Curricular Activities:					
Salaries	\$ 3,728	\$ 3,942	\$ 7,670	\$ 7,662	\$ 8
Supplies and Materials	900	748	1,648	1,569	79
Total School-Sponsored Co-Curricular and Extra-Curricular Activities	4,628	4,690	9,318	9,231	87
School-Sponsored Athletics:					
Salaries	15,846	(6,405)	9,441	9,441	-
Purchased Services	4,780	2,000	6,780	6,624	156
Total School-Sponsored Athletics	20,626	(4,405)	16,221	16,065	156
Total Other Instructional Programs	25,254	285	25,539	25,296	243
Total Instruction	1,146,196	77,118	1,223,314	1,214,216	9,098
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular	240,596		240,596	240,596	-
Tuition to Other LEAs Within the State - Special Education	209,806	(90,992)	118,814	76,406	42,408
Tuition to County Vocational School Districts - Regular	78,000	18,250	96,250	96,250	-
Tuition to Private Schools for the Disabled Within the State	60,800	(12,150)	48,650	147	48,503
Total Instruction	589,202	(84,892)	504,310	413,399	90,911
Attendance and Social Work Services:					
Salaries	24,421		24,421	24,421	-
Total Attendance and Social Work Services	24,421	-	24,421	24,421	-
Health Services:					
Salaries	52,603	55	52,658	52,658	-
Supplies and Materials	600	(55)	545	504	41
Other Objects	400		400	368	32
Total Health Services	53,603	-	53,603	53,530	73
Other Support Services Students - Related Services:					
Purchased Prof/Ed Services	84,000	10,151	94,151	92,241	1,910
Supplies and Materials	200		200	200	-
Total Other Support Services Students - Related Services	84,200	10,151	94,351	92,241	2,110
Other Support Services Students - Regular Services:					
Salaries of Secretarial and Clerical Assistants	24,237	2	24,239	24,238	1
Supplies and Materials	200	(2)	198	178	20
Other Objects	200		200	119	81
Total Other Support Services Students - Regular Services	24,637	-	24,637	24,535	102
Other Support Services Students - Special Services:					
Salaries of Other Professional Staff	33,143	2,781	35,924	35,924	-
Salaries of Secretarial and Clerical Assistants	20,833	188	21,021	21,020	1
Purchased Prof/Ed Services	39,000	18,405	57,405	56,920	485
Supplies and Materials	500	(269)	231	40	191
Total Other Support Services Students - Special Services	93,476	21,105	114,581	113,904	677
Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	56,291	(12,100)	44,191	42,025	2,166
Salaries of Other Professional Staff					
Other Purchased Services	12,000		12,000	11,182	818
Total Improvement of Instruction Services	68,291	(12,100)	56,191	53,207	2,984
Educational Media/Library:					
Salaries	10,160	(4,050)	6,110	4,160	1,950
Supplies and Materials	2,000		2,000	1,948	52
Total Educational Media/Library	12,160	(4,050)	8,110	6,108	2,002

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, 2010

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Sheet 3

(Continued from Prior Page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Instructional Staff Training Services:					
Other Purchased Services	\$ 300	\$ -	\$ 300		\$ 300
<b>Total Instructional Staff Training Services</b>	<b>300</b>	<b>-</b>	<b>300</b>	<b>-</b>	<b>300</b>
Support Services General Administration:					
Salaries	33,547	3,000	36,547	36,547	-
Legal Fees	4,350	50	4,400	2,989	1,411
Audit Fees	8,750	700	9,450	9,450	-
Communications/Telephone	5,960	800	6,760	6,551	209
Other Purchased Services	4,400	350	4,750	4,687	63
General Supplies	700		700	700	-
Miscellaneous Expenditures	1,729	150	1,879	1,854	25
BOE Membership Dues and Fees	2,095	150	2,245	2,195	50
<b>Total Support Services General Administration</b>	<b>61,531</b>	<b>5,200</b>	<b>66,731</b>	<b>64,973</b>	<b>1,758</b>
Support Services School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	34,080	3,000	37,080	37,080	-
Salaries of Secretarial and Clerical Assistants	3,078	250	3,328	3,328	-
Supplies and Materials	500		500	500	-
Other Objects	300		300	300	-
<b>Total Support Services School Administration</b>	<b>37,958</b>	<b>3,250</b>	<b>41,208</b>	<b>41,208</b>	<b>-</b>
Central Services:					
Salaries	85,010		85,010	85,010	-
Purchased Professional Services	2,400	200	2,600	2,596	4
Supplies and Materials	100		100		100
Miscellaneous Expenditures	300		300	282	18
<b>Total Central Services</b>	<b>87,810</b>	<b>200</b>	<b>88,010</b>	<b>87,888</b>	<b>122</b>
Required Maintenance for School Facilities:					
Salaries	29,762	23,350	53,112	53,091	21
Cleaning, Repair and Maintenance Services	19,200	9,000	28,200	28,110	90
General Supplies	8,800	3,000	11,800	10,942	858
<b>Total Required Maintenance for School Facilities</b>	<b>57,762</b>	<b>35,350</b>	<b>93,112</b>	<b>92,143</b>	<b>969</b>
Other Operation and Maintenance of Plant Services:					
Salaries	66,429	(20,000)	46,429	45,432	997
Insurance	11,500	500	12,000	11,981	19
Miscellaneous Purchased Services	3,000	4,500	7,500	7,292	208
Energy (Heat and Electricity)	68,000	(14,500)	53,500	50,217	3,283
Other Objects	2,700	3,600	6,300	6,064	236
<b>Total Other Operation and Maintenance of Plant Services</b>	<b>151,629</b>	<b>(25,900)</b>	<b>125,729</b>	<b>120,986</b>	<b>4,743</b>
Student Transportation Services:					
Salaries for Pupil Transportation (B/T Home & School) - Regular	21,023	2,000	23,023	21,023	2,000
Contracted Services - Aid In Lieu of Payment for Non-public School Students	26,580	(8,000)	18,580	17,922	658
Contracted Services - Transportation (B/T Home & School) - Vendors	80,000	(6,900)	73,100	70,031	3,069
Contracted Services - Transport (Other Than B/T Home & School) - Vendors	6,000	3,000	9,000	7,331	1,669
Contracted Services (Special Ed Students) - Vendors	80,000	(15,300)	64,700	64,613	87
<b>Total Student Transportation Services</b>	<b>213,603</b>	<b>(25,200)</b>	<b>188,403</b>	<b>180,920</b>	<b>7,483</b>
Other Support Services:					
Miscellaneous Expenditures		6,100	6,100	6,100	-
<b>Total Other Support Services</b>	<b>-</b>	<b>6,100</b>	<b>6,100</b>	<b>6,100</b>	<b>-</b>
Allocated Employee Benefits - Regular Programs:					
Health Benefits	202,107	(21,026)	181,081	181,045	36
<b>Total Allocated Employee Benefits - Regular Programs</b>	<b>202,107</b>	<b>(21,026)</b>	<b>181,081</b>	<b>181,045</b>	<b>36</b>
Allocated Employee Benefits - Special Education Programs:					
Health Benefits	48,697		48,697	48,697	-
<b>Total Allocated Employee Benefits - Special Education Programs</b>	<b>48,697</b>	<b>-</b>	<b>48,697</b>	<b>48,697</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, 2010

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Sheet 4

(Continued from Prior Page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Allocated Employee Benefits - General Administration: Health Benefits	\$ 1,550	\$ -	\$ 1,550	\$ 1,550	\$ -
Total Allocated Employee Benefits - General Administration	1,550	-	1,550	1,550	-
Allocated Employee Benefits - School Administration: Health Benefits	1,550	-	1,550	1,550	-
Total Allocated Employee Benefits - School Administration	1,550	-	1,550	1,550	-
Allocated Employee Benefits - Central Services: Health Benefits	13,559	-	13,559	13,559	-
Total Allocated Employee Benefits - Central Services	13,559	-	13,559	13,559	-
Allocated Employee Benefits - Operation and Maintenance of Plant Services: Social Security Contribution	25,000	550	25,550	25,515	35
Other Retirement Contributions - Regular	19,000	(1,500)	17,500	17,306	194
Unemployment Compensation	3,000	1,500	4,500	4,450	50
Workmen's Compensation	14,250	1,400	15,650	15,650	-
Health Benefits	15,500	-	15,500	15,500	-
Tuition Reimbursement	4,500	(4,500)	-	-	-
Total Allocated Employee Benefits - Operation and Maintenance of Plant Services	81,250	(2,550)	78,700	78,421	279
Total Allocated Employee Benefits	348,713	(23,576)	325,137	324,822	315
On-Behalf TPAF Pension Contributions (Non-Budgeted)	-	-	-	77,804	(77,804)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	99,788	(99,788)
Total Contributions	-	-	-	177,592	(177,592)
Total Undistributed Expenditures	1,909,296	(94,362)	1,814,934	1,877,977	(63,043)
Total Expenditures - Current Expenses	3,055,492	(17,244)	3,038,248	3,092,193	(53,945)
Capital Outlay: Instructional Expenditures (Equipment): Regular Programs - Grades 1-5	4,600	5,000	9,600	7,473	2,127
Regular Programs - Grades 6-8	5,800	2,000	7,800	5,800	2,000
Total Instructional Expenditures (Equipment)	10,400	7,000	17,400	13,273	4,127
Facilities Acquisition and Construction Services: Construction Services	-	33,150	33,150	15,550	17,600
Total Facilities Acquisition and Construction Services	-	33,150	33,150	15,550	17,600
Total Capital Outlay	10,400	40,150	50,550	28,823	21,727
Total Expenditures	3,065,892	22,906	3,088,798	3,121,016	(32,218)
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,000	(22,906)	(15,906)	139,137	155,043
OTHER FINANCING SOURCES (USES): Food Services: Transfers to Cover Deficit	(7,000)	(5,750)	(12,750)	(12,300)	450
Total Other Financing Sources (Uses)	(7,000)	(5,750)	(12,750)	(12,300)	450
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	(28,656)	(28,656)	126,837	155,493
FUND BALANCES, JULY 1	286,188	-	286,188	286,188	-
FUND BALANCES, JUNE 30	\$ 286,188	\$ (28,656)	\$ 257,532	\$ 413,025	\$ 155,493

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, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
RECAPITULATION:					
Reserved For:					
Legally Restricted - Designated for Subsequent Year's Expenditures				\$ 105,000	
Encumbrances				25,536	
Capital Reserve Account				969	
Unreserved:					
Unreserved Fund Balance				281,520	
Designated Fund Balance				<u>413,025</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(163,517)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 249,508</u>	

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  
AMERICAN RECOVERY AND REINVESTMENT ACT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Federal Sources:					
ARRA-ESF/GSF Aid	\$ -	\$ 215,885	\$ 215,885	\$ 215,885	\$ -
Total Revenues	-	215,885	215,885	215,885	-
EXPENDITURES:					
Current Expenses:					
Instruction:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Grades 1-5		215,885	215,885	215,885	-
Total Expenditures	-	215,885	215,885	215,885	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
FUND BALANCES, JULY 1	-	-	-	-	-
FUND BALANCES, JUNE 30	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE SOURCES:					
Federal	\$ 99,808	\$ -	\$ 99,808	\$ 99,808	\$ -
Total Revenues	99,808	-	99,808	99,808	-
EXPENDITURES:					
Instruction:					
Salaries of Teachers	12,116		12,116	12,116	-
Other Purchased Services	43,895		43,895	43,895	-
General Supplies	17,340		17,340	17,340	-
Total Instruction	73,351	-	73,351	73,351	-
Support Services:					
Personal Services - Employee Benefits	653		653	653	-
Purchased Prof/Ed Services	19,586		19,586	19,586	-
Purchased Professional Services	2,301		2,301	2,301	-
Other Purchased Services	3,803		3,803	3,803	-
Supplies and Materials	114		114	114	-
Total Support Services	26,457	-	26,457	26,457	-
Total Expenditures	99,808	-	99,808	99,808	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

***NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION***

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 NOTE TO RSI  
 FISCAL YEAR ENDED JUNE 30, 2010

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

	General Fund	Special Revenue Fund
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1] \$ 3,260,153	[C-2] \$ 99,808
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		(2,537)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	162,246	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(163,517)	
Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] \$ 3,258,882	[B-2] \$ 97,271
<b>Uses/Outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 3,133,316	[C-2] \$ 99,808
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.		(2,537)
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.	(12,300)	
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 3,121,016	[B-2] \$ 97,271

***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 expendable 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, 2010

	NCLB Title I	NCLB Title I ARRA	I.D.E.A. Part B	I.D.E.A. ARRA	NCLB Title II	NCLB Title IV	Grand Total
<b>REVENUE SOURCES:</b>							
Federal	15,034	3,461	38,738	34,235	8,000	340	99,808
<b>Total Revenues</b>	15,034	3,461	38,738	34,235	8,000	340	99,808
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	12,116		27,000	16,895			12,116
Other Purchased Services				17,340			43,895
General Supplies							17,340
<b>Total Instruction</b>	12,116	-	27,000	34,235	-	-	73,351
Support Services:							
Personal Services - Employee Benefits	653		11,738		7,848		653
Purchased Prof/Ed Services						340	19,586
Purchased Professional Services	2,265	1,961			38		2,301
Other Purchased Services		1,500			114		3,803
Supplies and Materials							114
<b>Total Support Services</b>	2,918	3,461	11,738	-	8,000	340	26,457
<b>Total Expenditures</b>	15,034	3,461	38,738	34,235	8,000	340	99,808
<b>Total Outflows</b>	15,034	3,461	38,738	34,235	8,000	340	99,808
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**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 utilize to pay unemployment compensation claims as they arise.***

***Scholarship Funds – these are nonexpendable trust funds and limits 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 ASSETS  
 JUNE 30, 2010

	Nonexpendable Trusts <u>Bernstein/ Sweeney Scholarships</u>	<u>Agency Student Activity</u>
ASSETS:		
Cash and Cash Equivalents	\$ 4,855	\$ 2,628
Total Assets	<u>4,855</u>	<u>\$ 2,628</u>
LIABILITIES:		
Payable to Student Groups		\$ 2,628
Total Liabilities	<u>-</u>	<u>\$ 2,628</u>
NET ASSETS:		
Restricted For:		
Principal Portion - Nonexpendable	<u>4,855</u>	
Total Net Assets	<u>\$ 4,855</u>	

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FISCAL YEAR ENDED JUNE 30, 2010

<b>Nonexpendable Trust Funds</b>	<u>Bernstein/ Sweeney Scholarships</u>
<b>ADDITIONS:</b>	
Donations	\$ 1,350
Interest Income	268
	<u>1,618</u>
Total Additions	<u>1,618</u>
<b>DEDUCTIONS:</b>	
Scholarship Payments	<u>600</u>
Total Deductions	<u>600</u>
Change in Net Assets	1,018
Net Assets, July 1	<u>3,837</u>
Net Assets, June 30	<u><u>\$ 4,855</u></u>

WINFIELD TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STUDENT ACTIVITY  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Balance July 1, 2009</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2010</u>
ELEMENTARY SCHOOLS:				
Winfield Township	<u>\$ 753</u>	<u>\$ 31,502</u>	<u>\$ 29,627</u>	<u>\$ 2,628</u>
Total	<u>\$ 753</u>	<u>\$ 31,502</u>	<u>\$ 29,627</u>	<u>\$ 2,628</u>

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 PAYROLL AGENCY FUND  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FISCAL YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ -	\$ 776,158	\$ 776,109	\$ 49
Total Assets	<u>\$ -</u>	<u>\$ 776,158</u>	<u>\$ 776,109</u>	<u>\$ 49</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholding	\$ -	\$ 776,158	\$ 776,109	\$ 49
Total Liabilities	<u>\$ -</u>	<u>\$ 776,158</u>	<u>\$ 776,109</u>	<u>\$ 49</u>

**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, 2010

Series	Amount of Issue	Interest Rate	Balance July 1, 2009	Current Year Addition	Current Year Retired	Balance June 30, 2010
Savin 8055SP Copier	\$ 20,640	2.90%	\$ 14,448	\$ -	\$ 4,128	\$ 10,320
Total			<u>\$ 14,448</u>	<u>\$ -</u>	<u>\$ 4,128</u>	<u>\$ 10,320</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 BY COMPONENT  
LAST SEVEN FISCAL YEARS  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,						
	2010	2009	2008	2007	2006	2005	2004
<b>Governmental Activities</b>							
Invested in capital assets, net of related debt	\$ 14,889	\$ 14,114	\$ 13,339	\$ 34,104	\$ 36,486	\$ 44,176	\$ 46,822
Restricted	131,505	31,004	75,843	55,971	16,205	876	15,009
Unrestricted	118,003	92,938	167,386	123,669	(15,827)	(30,865)	62,669
<b>Total Governmental Activities Net Assets</b>	<b>\$ 264,397</b>	<b>\$ 138,056</b>	<b>\$ 256,568</b>	<b>\$ 213,744</b>	<b>\$ 36,864</b>	<b>\$ 14,187</b>	<b>\$ 124,500</b>
<b>Business-Type Activities</b>							
Invested in capital assets, net of related debt	\$ 9,708	\$ 9,708	\$ -	\$ -	\$ -	\$ 27,544	\$ 36,725
Restricted	64,268	64,268	64,268	64,268	64,268	64,310	64,310
Unrestricted	(62,424)	(63,279)	(66,984)	(63,086)	(63,848)	(69,447)	(63,773)
<b>Total Business-Type Activities Net Assets</b>	<b>\$ 11,552</b>	<b>\$ 10,697</b>	<b>\$ (2,716)</b>	<b>\$ 1,182</b>	<b>\$ 420</b>	<b>\$ 22,407</b>	<b>\$ 37,262</b>
<b>District-wide</b>							
Invested in capital assets, net of related debt	\$ 24,597	\$ 23,822	\$ 13,339	\$ 34,104	\$ 36,486	\$ 71,720	\$ 83,547
Restricted	195,773	95,272	140,111	120,239	80,473	65,186	79,319
Unrestricted	55,579	29,659	100,402	60,583	(79,675)	(100,312)	(1,104)
<b>Total District-wide Net Assets</b>	<b>\$ 275,949</b>	<b>\$ 148,753</b>	<b>\$ 253,852</b>	<b>\$ 214,926</b>	<b>\$ 37,284</b>	<b>\$ 36,594</b>	<b>\$ 161,762</b>

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

	Fiscal Year Ending June 30,						
	2010	2009	2008	2007	2006	2005	2004
<b>Expenses</b>							
Governmental Activities:							
Instruction:							
Regular	\$ 1,254,752	\$ 1,174,324	\$ 1,055,197	\$ 988,435	\$ 1,136,633	\$ 1,053,155	\$ 1,009,863
Special Education	333,720	252,431	232,896	204,298	245,007	158,980	148,074
Other Special Education	25,342	24,794	21,773	19,941	2,852	24,016	11,122
Other Instruction	27,167	27,603	24,232	28,807	26,880	28,439	18,759
Support Services:							
Tuition	413,399	749,105	614,638	648,102	676,911	711,098	628,053
Student and Instruction Related Services	415,680	390,279	403,295	353,645	318,771	271,013	218,768
General and Business Administration Services	262,052	239,283	521,273	495,693	169,363	143,137	224,172
School Administrative Services	47,178	44,890	49,225	48,885	44,106	143,130	169,099
Plant Operations and Maintenance	226,180	202,056	206,033	187,530	234,577	184,101	167,318
Pupil Transportation	183,219	192,218	233,679	186,003	209,300	232,514	159,725
Capital Outlay	28,823	61,488	11,300	11,024	8,109	5,375	8,340
Total Governmental Activities Expenses	<u>\$ 3,217,512</u>	<u>\$ 3,358,471</u>	<u>\$ 3,373,541</u>	<u>\$ 3,172,363</u>	<u>\$ 3,072,509</u>	<u>\$ 2,954,958</u>	<u>\$ 2,763,293</u>
Business-Type Activities:							
Food Service	44,923	52,257	46,462	46,240	45,918	50,057	52,114
Total Business-Type Activities Expenses	<u>44,923</u>	<u>52,257</u>	<u>46,462</u>	<u>46,240</u>	<u>45,918</u>	<u>50,057</u>	<u>52,114</u>
Total District Expenses	<u>\$ 3,262,435</u>	<u>\$ 3,410,728</u>	<u>\$ 3,420,003</u>	<u>\$ 3,218,603</u>	<u>\$ 3,118,427</u>	<u>\$ 3,005,015</u>	<u>\$ 2,815,407</u>
<b>Program Revenues</b>							
Governmental Activities:							
Operating Grants and Contributions	\$ 171,854	\$ 148,209	\$ 174,851	\$ 167,651	\$ 174,937	\$ 166,173	\$ 174,937
Capital Grants and Contributions	-	-	-	-	-	-	-
Total Governmental Activities Expenses	<u>171,854</u>	<u>148,209</u>	<u>174,851</u>	<u>167,651</u>	<u>174,937</u>	<u>166,173</u>	<u>174,937</u>
Business-Type Activities:							
Charges for Services	21,488	27,787	23,131	25,255	29,453	16,212	18,257
Operating Grants and Contributions	9,026	9,567	9,979	9,986	11,206	7,796	9,960
Capital Grants and Contributions	-	-	-	-	-	-	-
Total Business-Type Activities Expenses	<u>30,514</u>	<u>37,354</u>	<u>33,110</u>	<u>35,241</u>	<u>40,659</u>	<u>24,008</u>	<u>28,217</u>
Total District Program Revenues	<u>\$ 202,368</u>	<u>\$ 185,563</u>	<u>\$ 207,961</u>	<u>\$ 202,892</u>	<u>\$ 215,596</u>	<u>\$ 190,181</u>	<u>\$ 203,154</u>
<b>Net (Expense)/Revenue</b>							
Governmental Activities	\$ (3,045,658)	\$ (3,210,262)	\$ (3,198,690)	\$ (3,004,712)	\$ (2,897,572)	\$ (2,788,785)	\$ (2,588,356)
Business-Type Activities	(14,409)	(14,903)	(13,352)	(10,999)	(5,259)	(26,049)	(23,897)
Total District-wide Net Expense	<u>\$ (3,060,067)</u>	<u>\$ (3,225,165)</u>	<u>\$ (3,212,042)</u>	<u>\$ (3,015,711)</u>	<u>\$ (2,902,831)</u>	<u>\$ (2,814,834)</u>	<u>\$ (2,612,253)</u>
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental Activities:							
Property Taxes Levied For:							
General Purposes	\$ 1,410,633	\$ 1,460,632	\$ 1,430,010	\$ 1,430,010	\$ 1,292,278	\$ 1,152,735	\$ 1,026,383
Federal and State Aid Not Restricted	1,759,378	1,636,926	1,791,718	1,716,916	1,625,622	1,530,272	1,522,661
Investment Earnings	1,947	4,407	18,808	24,530	5,365	1,729	948
Tuition Revenue	4,986	8,397	5,555	9,676	2,940	4,405	2,000
Miscellaneous Income	7,355	1,948	2,423	10,040	2,537	525	22,420
Transfer	(12,300)	(24,688)	(7,000)	(9,580)	(8,493)	(11,194)	(4,585)
Total Governmental Activities	<u>3,171,999</u>	<u>3,087,622</u>	<u>3,241,514</u>	<u>3,181,592</u>	<u>2,920,249</u>	<u>2,678,472</u>	<u>2,569,827</u>
Business-Type Activities:							
Miscellaneous Income	2,964	3,628	2,454	2,181	2,323	-	-
Transfer	12,300	24,688	7,000	9,580	8,493	11,194	4,485
Total Business-Type Activities	<u>15,264</u>	<u>28,316</u>	<u>9,454</u>	<u>11,761</u>	<u>10,816</u>	<u>11,194</u>	<u>4,485</u>
Total District-wide	<u>\$ 3,187,263</u>	<u>\$ 3,115,938</u>	<u>\$ 3,250,968</u>	<u>\$ 3,193,353</u>	<u>\$ 2,931,065</u>	<u>\$ 2,689,666</u>	<u>\$ 2,574,312</u>
<b>Change in Net Assets</b>							
Governmental Activities	\$ 126,341	\$ (122,640)	\$ 42,824	\$ 176,880	\$ 22,677	\$ (110,313)	\$ (18,529)
Business-Type Activities	855	13,413	(3,898)	762	5,557	(14,855)	(19,412)
Total District	<u>\$ 127,196</u>	<u>\$ (109,227)</u>	<u>\$ 38,926</u>	<u>\$ 177,642</u>	<u>\$ 28,234</u>	<u>\$ (125,168)</u>	<u>\$ (37,941)</u>

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

	Fiscal Year Ending June 30,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Fund										
Reserved	\$ 131,505	\$ 31,004	\$ 75,843	\$ 55,971	\$ 16,205	\$ 876	\$ 15,009	\$ 16,328	\$ 168,777	\$ 469,266
Unreserved	118,003	92,938	167,386	123,669	(15,827)	(30,865)	62,669	72,833	49,172	119,483
Total General Fund	<u>\$ 249,508</u>	<u>\$ 123,942</u>	<u>\$ 243,229</u>	<u>\$ 179,640</u>	<u>\$ 378</u>	<u>\$ (29,989)</u>	<u>\$ 77,678</u>	<u>\$ 89,161</u>	<u>\$ 217,949</u>	<u>\$ 588,749</u>

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

Fiscal Year Ending June 30,	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Revenues:</b>										
Local Sources:										
Local Tax Levy	\$ 1,410,633	\$ 1,460,632	\$ 1,430,010	\$ 1,430,010	\$ 1,292,278	\$ 1,152,735	\$ 1,026,383	\$ 903,632	\$ 753,954	\$ 753,954
Tuition	4,986	8,397	5,555	9,676	2,940	4,405	2,000	3,905	10,175	5,175
Interest In Investments	1,947	4,407	18,808	24,530	5,365	1,729	948	3,033	9,059	22,970
Miscellaneous	7,355	1,948	2,423	10,040	2,537	525	22,420	7,700	2,523	5,757
Intermediate Sources	-	-	-	-	-	-	-	-	1,000	725
State Sources	1,618,076	1,719,637	1,899,727	1,807,618	1,724,677	1,621,395	1,616,078	1,574,085	1,507,770	1,432,263
Federal Sources	313,156	65,498	66,842	76,949	75,882	75,050	81,520	59,629	75,041	42,052
<b>Total Revenues</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>2,855,839</b>	<b>2,749,349</b>	<b>2,551,984</b>	<b>2,359,522</b>	<b>2,262,896</b>
<b>Expenditures:</b>										
Instruction:										
Regular	1,162,688	1,086,288	1,104,917	1,061,874	1,029,353	784,191	770,303	743,172	771,351	697,824
Special Education	305,715	229,913	237,398	199,082	218,502	114,727	109,164	145,864	143,853	129,579
Other Special Education	22,843	22,313	18,060	16,440	2,475	17,354	8,129	-	10,765	15,170
Other Instruction	25,296	25,510	20,497	25,065	24,280	22,253	14,483	22,829	23,085	28,032
Support Services:										
Tuition	413,399	749,105	614,638	648,102	676,911	711,098	628,053	556,824	474,300	246,712
Student and Instructional Related Services	392,633	367,904	353,943	318,667	292,659	224,521	188,260	179,195	237,089	153,565
General and Business Administration Services	252,491	224,691	226,691	214,920	216,158	129,807	177,297	198,753	174,571	216,950
School Administrative Services	42,758	41,670	43,053	42,515	38,319	89,919	124,237	114,554	112,752	59,712
Plant Operations and Maintenance	213,129	189,854	188,229	170,091	156,982	152,800	140,671	131,442	129,626	151,354
Pupil Transportation	180,920	189,947	229,684	181,984	206,509	224,425	159,725	222,932	240,425	144,852
Employee Benefits	177,592	166,435	291,866	280,217	194,562	475,842	427,585	354,527	269,782	284,157
Capital Outlay	28,823	61,488	23,800	11,024	8,109	5,375	8,340	8,774	129,980	36,391
<b>Total Expenditures</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>	<b>2,952,312</b>	<b>2,756,247</b>	<b>2,678,866</b>	<b>2,717,579</b>	<b>2,164,298</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	137,866	(94,599)	70,589	188,842	38,860	(96,473)	(6,898)	(126,882)	(358,057)	98,598
<b>Other Financing Sources (Uses):</b>										
Transfer to Food Service	(12,300)	(24,688)	(7,000)	(9,580)	(8,493)	(11,194)	(4,585)	(1,906)	(12,743)	(11,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(12,300)</b>	<b>(24,688)</b>	<b>(7,000)</b>	<b>(9,580)</b>	<b>(8,493)</b>	<b>(11,194)</b>	<b>(4,585)</b>	<b>(1,906)</b>	<b>(12,743)</b>	<b>(11,000)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 125,566</b>	<b>\$ (119,287)</b>	<b>\$ 63,589</b>	<b>\$ 179,262</b>	<b>\$ 30,367</b>	<b>\$ (107,667)</b>	<b>\$ (11,483)</b>	<b>\$ (128,788)</b>	<b>\$ (370,800)</b>	<b>\$ 87,598</b>

**Source: District records**

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,	Prior Year Refunds	Miscellaneous Revenue	Annual Total
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
2005	-	525	525
2004	-	22,420	22,420
2003	72	7,628	7,628
2002	-	2,523	2,523
2001	-	5,032	5,032

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>
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
2004	1,382,200	N/A	N/A	1,382,200	15,796,571	93.189
2003	1,382,200	N/A	N/A	1,382,200	13,264,875	83.155
2002	1,382,200	N/A	N/A	1,382,200	12,363,148	74.028
2001	1,382,200	N/A	N/A	1,382,200	12,286,222	65.174
2000	1,382,200	N/A	N/A	1,382,200	13,163,810	54.400

**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	
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
2004	93.189	N/A	93.189	61.086	4.420	158.695
2003	83.155	N/A	83.155	56.121	4.612	143.888
2002	74.028	N/A	74.028	55.614	4.632	134.274
2001	65.174	N/A	65.174	52.075	4.433	121.682
2000	54.400	N/A	54.400	49.570	4.122	108.092

**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 FIVE YEARS AGO

Taxpayer	Taxed Assessed Value	
	2010	2005
Mutual Housing Corporation	\$ 1,382,200	\$ 1,382,200
Total	<u>\$ 1,382,200</u>	<u>\$ 1,382,200</u>

**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	
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	2,372,486	100.00%	N/A
2005	2,203,187	2,203,187	100.00%	N/A
2004	1,994,647	1,994,647	100.00%	N/A
2003	1,861,688	1,861,688	100.00%	N/A
2002	N/A	N/A	N/A	N/A
2001	N/A	N/A	N/A	N/A
2000	1,477,551	1,477,551	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 EIGHT 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					
2010	\$ -	\$ -	\$ 10,320	\$ -	\$ -	\$ -	\$ -	10,320	0.00%	\$ -	
2009	-	-	14,448	-	-	-	-	14,448	0.00%	-	
2008	-	-	18,576	-	-	-	-	18,576	0.00%	-	
2007	-	-	2,164	-	-	-	-	2,164	0.00%	-	
2006	-	-	5,411	-	-	-	-	5,411	0.00%	-	
2005	-	-	8,657	-	-	-	-	8,657	0.00%	-	
2004	-	-	11,902	-	-	-	-	11,902	0.00%	-	
2003	-	-	15,529	-	-	-	-	15,529	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		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>a</sup>
	General Obligation Bonds	Deductions			
2010	\$ -	\$ -	\$ -	0.00%	\$ -
2009	-	-	-	0.00%	-
2008	-	-	-	0.00%	-
2007	-	-	-	0.00%	-
2006	-	-	-	0.00%	-
2005	-	-	-	0.00%	-
2004	-	-	-	0.00%	-
2003	-	-	-	0.00%	-
2002	-	-	-	0.00%	-
2001	-	-	-	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, 2010

<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>\$ -</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 SEVEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2010

Equalized Valuation Basis	
2010	N/A
2009	N/A
2008	N/A
\$	-
<hr/>	
Average Equalized Valuation of Taxable Property	\$ -
Debt Limit (4% of Average Equalization Value)	- a
Total Net Debt Applicable To Limit	-
Legal Debt Margin	\$ -
<hr/>	

	2010	2009	2008	2007	2006	2005	2004
Debt Limit	\$ -	\$ 220,447	\$ 444,385	\$ 434,560	\$ 611,425	\$ 414,246	\$ 379,142
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-
Legal Debt Margin	\$ -	\$ 220,447	\$ 444,385	\$ 434,560	\$ 611,425	\$ 414,246	\$ 379,142
<hr/>							

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%
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**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>
2010	1445	N/A	N/A	N/A
2009	1443	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A
2007	1456	N/A	\$ 32,765	7.20%
2006	N/A	N/A	42,728	7.50%
2005	N/A	N/A	40,758	5.10%
2004	N/A	N/A	39,889	6.40%
2003	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A
2001	N/A	N/A	N/A	N/A

**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	2010			2001		
	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	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
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									
Total	-	-	-	-	-	-	-	-	-	-

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				
2010	142.0	\$ 3,189,464	\$ 25,931	-5.52%	21	6:7		139.2	133.2	11.78%	95.69%	
2009	123.0	3,293,630	27,447	2.24%	21	5:8		122.8	117.9	3.42%	96.01%	
2008	120.0	3,328,976	26,847	-3.12%	21	5:6		118.6	112.7	-2.87%	95.03%	
2007	124.0	3,158,957	27,710	2.44%	21	5:9		122.0	116	6.56%	95.08%	
2006	114.0	3,056,710	27,051	18.41%	21	5:9		114.0	112	0.88%	98.25%	
2005	113.0	2,946,937	22,844	11.40%	21	5:9		113.0	106.6	-14.16%	94.34%	
2004	129.0	2,747,907	20,507	12.90%	21	5:9		129.0	121.5	-3.88%	94.19%	
2003	134.0	2,670,092	18,164	1.08%	21	5:9		134.0	N/A	-9.70%	0.00%	
2002	147.0	2,587,599	17,969	21.60%	21	5:9		147.0	N/A	2.04%	0.00%	
2001	144.0	2,127,907	14,777	0.00%	21	5:9		144.0	N/A	100.00%	0.00%	

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

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>District Building</b>										
<u>Elementary</u>										
Winfield School										
Square Feet	37,538	37,538	37,538	37,538	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (students)	244	244	244	244	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	142	123	120	124	N/A	N/A	N/A	N/A	N/A	N/A
<u>Other</u>										
Name of Building (Year)										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Number of Schools at June 30, 2010  
 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)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Elementary School	N/A	\$ 92,143	\$ 71,135	\$ 65,247	\$ 57,326	\$ 54,172	\$ 56,764	\$ 46,362	\$ 44,138	\$ 50,641	\$ 96,697
Grand Total		\$ 92,143	\$ 71,135	\$ 65,247	\$ 57,326	\$ 54,172	\$ 56,764	\$ 46,362	\$ 44,138	\$ 50,641	\$ 96,697

\* 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, 2010

**NEW JERSEY SCHOOL BOARDS ASSOCIATION INSURANCE GROUP**

SCHOOL PROPERTY POLICY	COVERAGE	DEDUCTIBLE
Property - Blanket Building & Contents	\$ 6,347,944	\$ 1,000
Comprehensive General Liability	1,000,000	1,000
Comprehensive Auto Liability	1,000,000	N/A
Comprehensive Crime Coverage	10,000	250
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	N/A
Errors & Omissions	2,000,000	1,000
School Board Legal Liability	100,000	2,500
Public Employees Faithful Performance		
Blanket:		
Position Bond-Treasurer	153,000	
Board Secretary	5,250	

Source: Borough of Winfield Board of Education

***SINGLE AUDIT SECTION***

**BARRE & COMPANY**  
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**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 the financial statements of the Board of Education of Winfield Township School District, in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated September 16, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Winfield Township School District Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Winfield Township School District Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Winfield Township School District Board of Education's internal control over financial reporting.

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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in

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accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of that entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Winfield Township School District Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

This report is intended for the information and use of the audit committee, management, the Winfield Township School District Board of Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



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

September 16, 2010

**BARRE & COMPANY**  
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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND  
NEW JERSEY OMB CIRCULAR 04-04**

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

**Compliance**

We have audited the compliance of the Board of Education of the Winfield Township School District, in the County of Union, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010. Winfield Township School District Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Winfield Township School District Board of Education's management. Our responsibility is to express an opinion on Winfield Township School District Board of Education's compliance based on our audit.

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 Division of Finance, Department of Education, State of New Jersey; 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*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether

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noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Winfield Township School District Board of Education'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. Our audit does not provide a legal determination of Winfield Township School District Board of Education's compliance with those requirements.

In our opinion, the Board of Education of the Winfield Township School District, in the County of Union, State of New Jersey, complied, in all material aspects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04, and which are described in the accompanying schedule of findings and questioned costs as items.

### **Internal Control Over Compliance**

The management of the Board of Education of the Winfield Township School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Winfield Township School District Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Winfield Township School District Board of Education's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance

with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. Winfield Township School District Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Winfield Township School District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, the Board of Education of Winfield Township School District, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



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

September 16, 2010

WINFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE, 30, 2010

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Carryover/ (Walkover) Amount	Balance at June 30, 2009	Cash Received	Budgetary Expenditures	Adjustments	Repayment Of Prior Years' Balances	Balance at June 30, 2010	
				From	To							Accounts Receivable	Deferred Revenue
<b>U.S. Department of Education</b>													
General Fund:													
ARRA-SFSF-ESF (Educ. State Grants)	84.394	N/A	\$ 207,839	7/1/09	6/30/10	-	\$ -	\$ 207,839	\$ (207,839)	-	\$ -	\$ -	\$ -
ARRA-SFSF-GSF (Government Services)	84.397	N/A	8,046	7/1/09	6/30/10	-	-	8,046	(8,046)	-	-	-	-
Total General Fund							-	215,885	(215,885)	-	-	-	-
<b>U.S. Department of Education</b>													
Passed-through State Department of Education													
Special Revenue Fund:													
Title I	84.010	NCLB581010	15,304	9/1/09	8/31/10	-	-	11,353	(15,034)	-	-	(3,681)	-
Title I - Carryover	84.010	NCLB581009	19,660	9/1/09	8/31/09	(3,716)	3,716	3,716	-	-	-	-	-
Title II, Part A	84.367A	NCLB581010	7,848	9/1/09	8/31/10	-	-	6,722	(7,848)	-	-	(1,126)	-
Title II, Part A - Carryover	84.367A	NCLB581009	7,758	9/1/09	8/31/09	(1,246)	1,246	1,246	-	-	-	-	-
Title II, Part D	84.318	NCLB581010	152	9/1/09	8/31/10	-	-	152	(152)	-	-	-	-
Title IV	84.186	NCLB581010	340	9/1/09	8/31/10	-	-	340	(340)	-	-	-	-
I.D.E.A. Part B, Basic	84.027	IDEA581010	38,738	9/1/09	8/31/10	-	11,738	11,738	(38,738)	-	-	(27,000)	-
ARRA - Title I Part A	84.389	ARRA 2010	3,461	7/1/09	8/31/11	-	3,461	3,461	(3,461)	-	-	-	-
ARRA - I.D.E.A., Part B	84.391	ARRA 2010	34,235	7/1/09	8/31/11	-	34,235	34,235	(34,235)	-	-	-	-
Total Special Revenue Fund						(4,962)	72,963	(99,809)		-	-	(31,807)	-
<b>U.S. Department of Agriculture</b>													
Passed-through State Department of Education													
Enterprise Fund:													
Food Distribution Program	10.550	N/A	2,964	7/1/09	6/30/10	-	-	2,964	(2,964)	-	-	(82)	-
School Breakfast Program	10.553	N/A	942	7/1/09	6/30/10	-	-	860	(942)	-	-	-	-
School Breakfast Program	10.553	N/A	1,017	7/1/08	6/30/09	(67)	67	67	-	-	-	-	-
National School Lunch Program	10.555	N/A	7,208	7/1/09	6/30/10	-	-	6,253	(7,208)	-	-	(955)	-
National School Lunch Program	10.555	N/A	7,633	7/1/08	6/30/09	(518)	518	518	-	-	-	(29)	-
Special Milk Program	10.556	N/A	207	7/1/09	6/30/10	-	-	178	(207)	-	-	-	-
Total U.S. Department of Agriculture						(585)	10,840	(11,321)		-	-	(1,066)	-
Total Federal Financial Assistance						(5,547)	299,688	(327,014)		-	-	(32,873)	\$ -

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

State Grantor/Program Title	Grant Number	Program or Award Amount	Grant Period		Balance at June 30, 2009			Carryover/ (Wekover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Balance	Balance at June 30, 2010			MEMO																																					
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	(Accounts Receivable)					Interfund Payable/ Deferred Revenue	Due to Grantor	Budgetary Receivable		Cumulative Total Expenditures																																				
<b>State Department of Education</b>																																																				
General Fund:																																																				
Equalization Aid	10-495-034-5120-078	\$ 1,189,802	7/1/09	6/30/10	\$ -	\$ -	\$ -	\$ 854,930	\$ (973,917)	\$ -	\$ -	\$ (118,987)	\$ -	\$ -	\$ 334,872	\$ 973,917																																				
Equalization Aid	09-495-034-5120-078	1,214,826	7/1/09	6/30/09	(120,544)			120,544				(7,145)			7,145	71,451																																				
Transportation Aid	10-495-034-5120-014	71,451	7/1/09	6/30/10	(7,011)			7,011	(71,451)																																											
Transportation Aid	09-495-034-5120-014	35,178	7/1/09	6/30/09								(8,505)			8,505	85,049																																				
Special Education Aid	10-495-034-5120-089	85,049	7/1/09	6/30/10	(8,343)			76,544	(85,049)																																											
Special Education Aid	09-495-034-5120-089	84,078	7/1/09	6/30/09				8,343				(1,845)			1,845	18,454																																				
Security Aid	10-495-034-5120-084	18,454	7/1/09	6/30/10	(1,878)			16,609	(18,454)						17,049	18,454																																				
Security Aid-Carryover	09-495-034-5120-084	18,927	7/1/09	6/30/09				1,878				(27,035)			36,383	260,975																																				
Adjustment Aid	10-495-034-5120-085	270,333	7/1/09	6/30/10	(24,470)			233,940	(260,975)																																											
Adjustment Aid-Carryover	09-495-034-5120-085	246,606	7/1/09	6/30/09				24,470				(23,125)			23,125	23,125																																				
Extraordinary Aid	10-100-034-5120-473	23,125	7/1/09	6/30/10					(23,125)			(8,784)			8,784	8,784																																				
Other State Aid	10-100-034-5120-473	8,784	7/1/09	6/30/10				77,804	(77,804)							77,804																																				
On-Behalf TPAF Pension Contributions	10-495-034-5095-006	77,804	7/1/09	6/30/10				99,788	(99,788)							99,788																																				
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	99,788	7/1/09	6/30/10								(195,426)			437,718	1,619,347																																				
Total General Fund																																																				
Enterprise Fund:																																																				
<b>State Department of Agriculture</b>																																																				
Enterprise Fund:																																																				
State School Breakfast Program	10-100-010-3350-021	79	7/1/09	6/30/10				72	(79)			(7)			7	79																																				
State School Breakfast Program	09-100-010-3350-021	161	7/2/08	6/30/09	(10)			10				(53)			53	590																																				
State School Lunch Program	10-100-010-3350-023	590	7/1/09	6/30/10	(35)			537	(590)																																											
State School Lunch Program	09-100-010-3350-023	556	7/1/09	6/30/09				35				(60)			60	669																																				
Total Enterprise Fund																																																				
Total State Financial Assistance																																																				
<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:5%;"></td> </tr> <tr> <td>\$</td> <td>(162,246)</td> <td>\$</td> <td>-</td> <td>\$</td> <td>-</td> <td>\$</td> <td>-</td> <td>\$</td> <td>1,586,821</td> <td>\$</td> <td>(1,620,016)</td> <td>\$</td> <td>(195,486)</td> <td>\$</td> <td>-</td> <td>\$</td> <td>437,778</td> <td>\$</td> <td>1,620,016</td> </tr> </table>																																	\$	(162,246)	\$	-	\$	-	\$	-	\$	1,586,821	\$	(1,620,016)	\$	(195,486)	\$	-	\$	437,778	\$	1,620,016
\$	(162,246)	\$	-	\$	-	\$	-	\$	1,586,821	\$	(1,620,016)	\$	(195,486)	\$	-	\$	437,778	\$	1,620,016																																	

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, 2010**

---

**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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

**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 that payment is not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL  
ASSISTANCE  
JUNE 30, 2010**

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$1,271) for the general fund and \$2,537 for the special revenue fund. See Note 1 [the Notes to 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:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 215,885	\$ 1,618,076	\$ 1,833,961
Special Revenue Fund	97,271	-	97,271
Food Service Fund	8,357	669	9,026
Total Awards & Financial Assistance	<u>\$ 321,513</u>	<u>\$ 1,618,745</u>	<u>\$ 1,940,258</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, 2010.

**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 District for the year ended June 30, 2010. 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, 2010.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL  
ASSISTANCE  
JUNE 30, 2010**

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**NOTE 7. 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 Expenditure of Federal Awards. The following funds by program are included in schoolwide programs in the district.

Program	Total
Title I, Part A: <i>Improving Basic Programs Operated by Local Education Agencies</i>	\$ 15,034
Title II, Part A: <i>Teacher and Principal Training and Recruiting</i>	8,000
Title IV, Part A: <i>Safe and Drug-Free Schools and Communities</i>	<u>340</u>
Total	<u>\$ 23,374</u>

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2010**

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

**Financial Statements**

Type of auditors’ report issued on financial statements		<u>Unqualified</u>
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ Yes	<u>  X  </u> No
2) Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes	_____ None Reported <u>  X  </u>
Noncompliance material to basic financial statements noted?	_____ Yes	<u>  X  </u> No

**Federal Awards Section – Not Applicable**

**State Awards Section**

Dollar threshold used to distinguish between Type A and Type B programs:		\$300,000
Auditee qualified as low-risk auditee?	<u>  X  </u> Yes	_____ No
Type of auditors’ report issued on compliance for major programs		<u>Unqualified</u>
Internal control over major programs:		
1) Material weakness(es) identified?	_____ Yes	<u>  X  </u> No
2) Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes	_____ None Reported <u>  X  </u>
Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04?	_____ Yes	<u>  X  </u> No

Identification of major state programs:

GMIS Number(s)	Name of State Program
_____ 10-495-034-5120-078	_____ Equalization Aid
_____	_____
_____	_____

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2010**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

**Finding**

There were no matters reported.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2010**

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

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04.

**FEDERAL AWARDS**

**Finding**

There were no matters reported.

**STATE AWARDS**

**Findings**

There were no matters reported.

**WINFIELD TOWNSHIP SCHOOL DISTRICT**  
**Summary Schedule of Prior Year Audit Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2010**

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**STATUS OF PRIOR YEAR FINDINGS**

There were none.