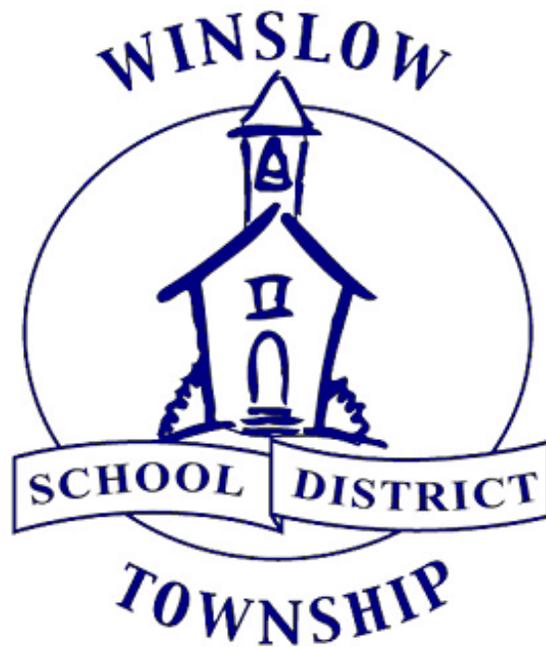


**BOARD OF EDUCATION
OF THE
TOWNSHIP OF WINSLOW
SCHOOL DISTRICT**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2013**

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
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INTRODUCTORY SECTION

WINSLOW TOWNSHIP BOARD OF EDUCATION

40 Coopers Folly Road, Atco, New Jersey 08004-2620

Telephone: (856) 767-2850 Fax: (856) 768-2765

H. Major Poteat, Ed.D.
Superintendent

Tyra McCoy-Boyle
Business Admin./Board Secretary

November 27, 2013

Honorable President and
Members of the Board of Education
Township of Winslow School District
County of Camden
Atco, New Jersey 08004

Dear Board Members:

The comprehensive annual financial report of the Winslow Township School District (District) for the fiscal year ended June 30, 2013, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is presented in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes the transmittal letter, Management's Discussion and Analysis (MD&A), the District's organizational chart, and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the State of New Jersey Circular 04-04-0MB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-0MB, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

The Township of Winslow was created by an act of the Senate and General Assembly on March 8, 1845. Winslow Township, created from a part of Gloucester Township, contains 57.4 square miles. The Winslow Township community is made up of the smaller towns of: Albion, Ancora, Atco, Blue Anchor, Braddock, Cedar Brook, Elm, Rosedale, Sicklerville, Tansboro, West Atco, Waterford Works, and Winslow. The western end of the Township has become mostly residential, while the eastern end still contains many family farms. The residential population of the community is approximately 38,000. The Winslow Township Municipal Building is located at 125 South Rt. 73 in the Braddock section of the Township and the Board of Education is located at 40 Coopers Folly Road in Atco.

Winslow Township School District, with a current enrollment of approximately 5,000 pupils and, in its current configuration as a PK-12 school district, was formed July 1, 2001 after the Lower Camden County Regional School District #1 (LCCR) was dissolved by public referendum in 1998. Prior to July 2001, the Winslow Township School District had a PK-6 grade level configuration with a pupil population of approximately 3,500, sending both junior and senior high school students to the LCCR Edgewood Junior and Senior High Schools.

The District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Winslow Township Board of Education and its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, as well as special education for handicapped youngsters.

2. MAJOR INITIATIVES

The following initiatives have been supported by the Annual School District Budgets and were accomplished during this period:

- o Curriculum writing to align curriculum with state model curriculum and common core standards
- o Implementation of district writing programs for grades k through 5 (Lucy Calkins and Empowering Writers)
- o Continuing implementation of Grad Point Core to support the district's alternative program Winsoar and home instruction for grades 7 through 12
- o Continued support of purchased language arts and math resources for grades k through 6
- o Support of professional development
- o Textbook Purchases
 - o Marketing Hospitality
 - o Developing Child
 - o Human Sexuality

2. MAJOR INITIATIVES (CONT'D)

- o Support of district's parent/student communication system
- o Continued support of Response to Intervention
- o Technology
 - o Installation of 110 Mimio Boards
 - o Continued expansion and infusion of iPads and Chrome books
 - o Purchase of Document cameras for all schools
 - o Purchase of projectors for all schools
 - o Installed digital announcement monitors in all schools
 - o Installed televisions in libraries in Schools 1 through 4 and the cafeteria of the Middle School
 - o Installed large screen projection systems for Schools 5, Middle and High
 - o Additional wireless access points installed
 - o Purchased additional Smart Boards
 - o Purchased 250 additional desktop computers
- o Facilities
 - o Installation of new PA systems - Schools No. 1 through 4
 - o Installed new cabinets and sinks in classrooms – Schools No. 1, 3 & 4
 - o Painted classrooms/offices - Middle School, Schools No. 3, 4, 5 and 6
 - o Renovated restrooms – School No. 2 & Middle School
 - o Installation of new floor tiles in cafeteria, 2 classrooms and teachers' lounge – School No. 3
 - o Cement repair on ramp - School No. 4
 - o Replaced floor tile in cafeteria - School No. 5
 - o Cement repairs to auditorium and courtyard steps – High School
 - o Expanded, repaired and repaved roadway behind gym – High School
 - o Sanded and refinished gym floors in main and auxiliary gyms - School No. 5, 6, Middle School and High School
 - o Repainted parking lot lines and curbs throughout the district
- o Transportation
 - o Purchased 7 new buses (six 54 passenger, one 24 passenger)

2. MAJOR INITIATIVES (CONT'D)

Capital Improvement

Capital improvements continue to provide for maintaining our structures. The District is committed to several projects which include the replacement of unit ventilators in School #3, electrical upgrades in Schools 1 through 4, new exterior door replacements at Schools 1 through 4, outdoor field lighting at the High School, and addressing the drainage of the courtyard at School #2. The District is also engaged in a Power Purchase Agreement which would provide for the reroofing of Schools No. 5 and No. 6.

3. INTERNAL ACCOUNTING CONTROLS

The Administrative Staff (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 Accounting Principles Generally Accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognized that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by Management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic 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 and regulations.

4. 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, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are canceled or are included as reappropriations of fund balance in the subsequent year. Amounts to be reappropriated are reported as reservations of fund balance at June 30, 2013.

5. ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

6. DEBT ADMINISTRATION

At June 30, 2013 the District's outstanding debt issues included \$18,260,000 of general obligation bonds.

7. CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute detailed in "Notes to the 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.

8. RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9. OTHER INFORMATION

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman and Company LLP 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 Amendments of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. This auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10. ACKNOWLEDGEMENTS

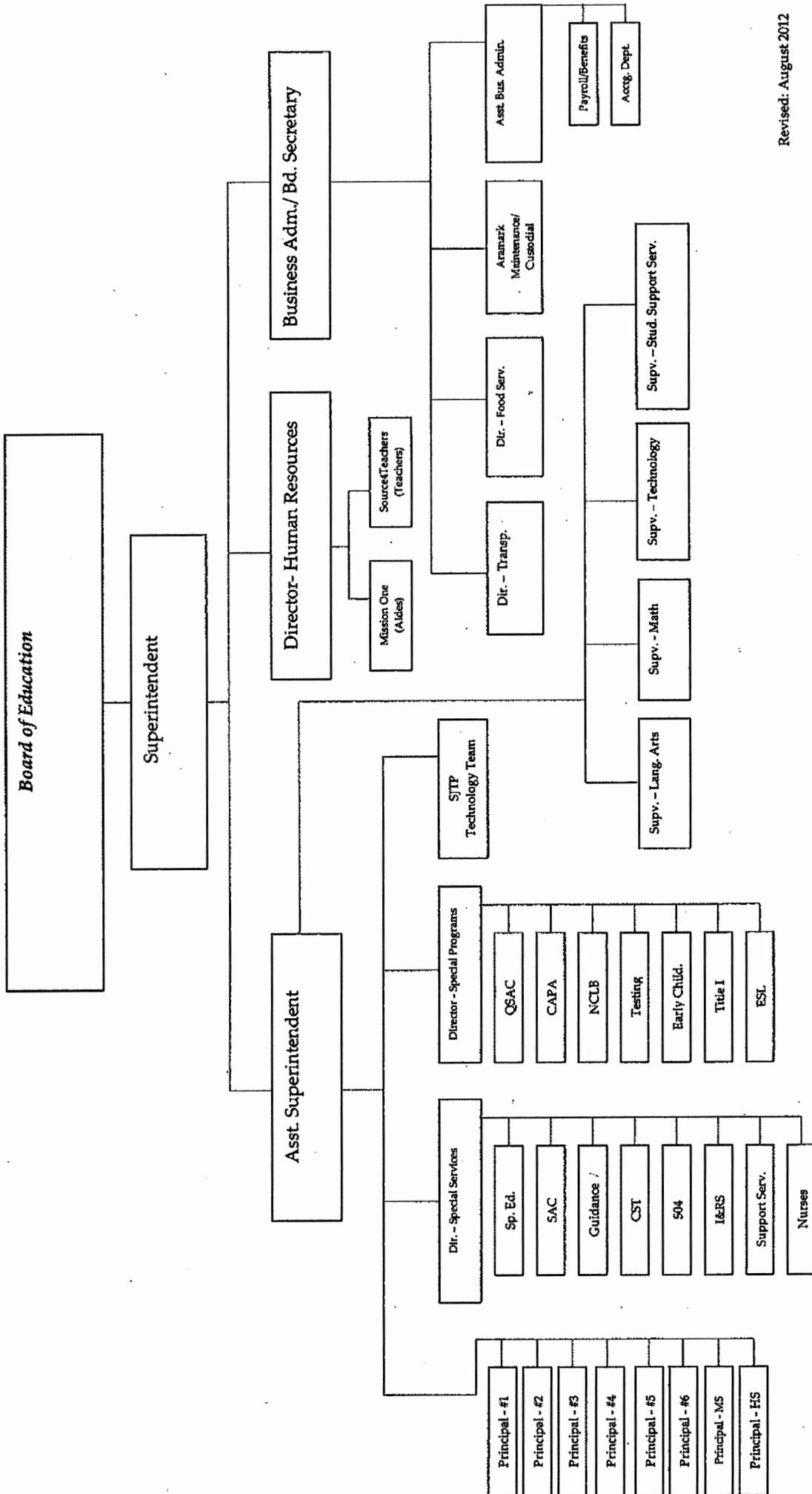
We would like to express our appreciation to the members of the Winslow Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the Winslow School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully Submitted,


H. Major Poteat
Superintendent


Tyra McCoy-Boyle
Business Administrator/Board Secretary

**Winslow Township Board of Education
2012-2013 Organizational Chart**



**BOARD OF EDUCATION
WINSLOW TOWNSHIP SCHOOL DISTRICT
WINSLOW, NEW JERSEY**

ROSTER OF OFFICIALS

JUNE 30, 2013

<u>Members of the Board of Education</u>	<u>Title</u>	<u>Term Expires</u>
Patricia Davis	President	2014
Lorraine Dredden	Vice President	2014
Ewuniki Brown		2015
Gail Watkins		2015
Cheryl Pitts		2015
Joanne Masciocchi		2013
Julie A. Peterson		2013
Aleta Sturdivant		2013
Gulab Gidwani		2014
<u>Other Officials</u>		
H. Major Poteat, Ed.D.	Superintendent	
Tyra McCoy-Boyle	Board Secretary/School Business Administrator	
Howard Long, Jr.	Solicitor	

**BOARD OF EDUCATION
WINSLOW TOWNSHIP SCHOOL DISTRICT
WINSLOW, NEW JERSEY**

CONSULTANTS AND ADVISORS

JUNE 30, 2013

Architect/Engineer

Armm Associates, Inc
725 Kenilworth Avenue
Cherry Hill, New Jersey 08002

Audit Firm

Bowman & Company LLP
601 White Horse Road
Voorhees, New Jersey 08043

Attorney

Wade, Long, Wood & Kennedy LLC
1250 Chews Landing Road, Suite 1
Laurel Springs, New Jersey 08021

Insurance Broker

Conner Strong
40 Lake Center Executive Park
401 Route 73 North
Marlton, New Jersey 08053

Official Depositories

TD Bank
247 South White Horse Pike
Berlin, New Jersey 08009

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Winslow School District
County of Camden, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Winslow School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Winslow School District in the County of Camden, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2013, the School District adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB): *Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and *Statement No. 65, Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Winslow School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 27, 2013 on our consideration of the Township of Winslow School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of Winslow School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Public School Accountant No. CS 238400

Voorhees, New Jersey
November 27, 2013

**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**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Winslow School District
County of Camden, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Winslow School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 27, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Winslow School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Winslow School District's internal control.

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

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

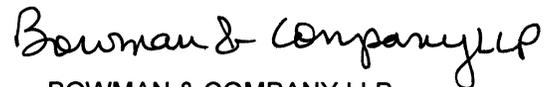
Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Public School Accountant No. CS 238400

Voorhees, New Jersey
November 27, 2013

REQUIRED SUPPLEMENTARY INFORMATION
PART I

Township of Winslow School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)

As management of the Township of Winslow School District, we offer readers of the Township of Winslow School District's financial statements this narrative overview and analysis of the financial activities of the Township of Winslow School District for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the Township of Winslow School District's financial performance as a whole; readers should also review the information furnished in our letter of transmittal, notes to the basic financial statements, and financial statements to enhance their understanding of the Township of Winslow School District's financial performance.

Financial Highlights

- Net Position - In total, Net Position increased **\$4,970,598**, which represents a **7.6%** increase from 2011-2012.
- General Revenues – General revenues accounted for **\$97,311,452** in revenue or **89.7%** of all revenues. Program specific revenues in the form of charges for services, and operating grants and contributions, accounted for **\$11,199,637** or **10.3%** of total revenues of **\$108,511,089**.
- The School District had **\$103,540,491** in expenses; **\$11,199,637** of these expenses were offset by program specific charges for services, grants or contributions.
- Among major funds, the General Fund had **\$99,508,613** in revenues, **\$93,856,168** in expenditures and **\$72,573** in other financing uses. The General Fund's balance increased **\$5,579,872** from 2012. This increase was anticipated by the Board of Education.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township of Winslow School District's basic financial statements. The Township of Winslow School District's basic financial statements comprise three components: (1) district-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements themselves.

District-wide financial statements - The district-wide financial statements are designed to provide readers with a broad overview of the Township of Winslow School District's finances, in a manner similar to a private-sector business.

The statement of net position (A-1) presents information on all of the Township of Winslow School District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township of Winslow School District is improving or deteriorating.

The statement of activities (A-2) presents information showing how the Township of Winslow School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused sick leave).

Township of Winslow School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited) (Cont'd)

Both of the district-wide financial statements distinguish functions of the Township of Winslow School District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township of Winslow School District include the education of students in grades Pre-K through 12 at the Township of Winslow School District's eight schools. The business-type activities of the Township of Winslow School District include a food service program and a before-after school child care program. The District ceased operating the Regional Day School effective June 20, 2011.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township of Winslow School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township of Winslow School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds - Most of the Township of Winslow 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 periods. These funds are reported using an accounting method called modified accrual basis of 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 Township of Winslow School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

The Township of Winslow School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund and the debt service fund, all of which are considered to be major funds.

The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Also, the Township of Winslow School District adopts an annual budget for its each fund with the exception of the capital projects fund. Budgetary comparison schedules have been provided for each to demonstrate compliance with the budgets.

Proprietary Funds - The Township of Winslow School District maintains three types of proprietary funds. Enterprise funds, which are a proprietary fund type used to report an activity for which a fee is charged to external users for goods or services, are used to report the same functions presented as business-type activities in the district-wide financial statements. The Township of Winslow School District uses enterprise funds to account for its food service and before-after school child care program. The School District accounts for the Regional Day School as a discontinued operation.

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the food service, before-after school child care and regional day school programs.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the Township of Winslow School District's own programs. The District uses trust and agency funds to account for resources held for scholarships, student activities and groups and for payroll transactions.

Township of Winslow School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited) (Cont'd)

Notes to the Financial Statement - The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

District-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township of Winslow School District, assets exceeded liabilities by **\$70,547,952** at the close of the most recent fiscal year. The table below provides a summary of the School District's net position for June 30, 2013 and 2012.

Winslow Township School District		
Net Position		
	June 30, 2013	June 30, 2012
Current and Other Assets	\$ 19,917,411	\$ 19,629,390
Capital Assets	<u>76,440,975</u>	<u>79,169,881</u>
Total Assets	96,358,386	98,799,271
Deferred Loss on Defeasance of Debt	<u>852,467.83</u>	<u> </u>
Current Liabilities	4,920,570	22,927,625
Noncurrent Liabilities	<u>21,742,331</u>	<u>10,294,292</u>
Total Liabilities	26,662,901	33,221,917
Net Position		
Net Investment in Capital Assets	57,982,210	58,508,877
Restricted	18,369,952	12,749,934
Unrestricted	<u>(5,804,210)</u>	<u>(5,681,457)</u>
Total Net Position	<u><u>\$ 70,547,952</u></u>	<u><u>\$ 65,577,354</u></u>

Township of Winslow School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited) (Cont'd)

The table below reflects changes in net position for 2013 and 2012.

Winslow Township School District		
Change in Net Position		
For the Fiscal Years Ended June 30, 2013 and 2012		
	<u>2013</u>	<u>2012</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,549,632	\$ 1,546,399
Operating Grants & Contributions	9,650,006	7,888,294
General Revenues:		
Property Taxes	44,892,930	44,058,822
Federal & State Aid Not Restricted	44,206,214	46,624,667
Federal & State Aid Restricted	5,535,842	5,831,728
Tuition	2,987,299	3,120,400
Other	(310,833)	1,330,325
Total Revenues	<u>108,511,089</u>	<u>110,400,634</u>
Program Expenses		
Governmental Activities:		
Instruction		
Regular	27,332,367	27,488,961
Special Services	8,097,471	8,398,811
Other	1,505,175	1,461,358
Support Services:		
Instruction	5,450,113	7,835,985
Student & Instruction Related Services	8,654,668	8,304,507
General Administrative Services	1,105,009	1,069,235
School Administrative Services	3,207,212	3,351,815
Other Administrative Services	1,648,763	1,786,927
Plant Operation and Maintenance	8,006,723	8,883,536
Pupil Transportation	7,482,558	7,415,441
Unallocated Benefits	20,149,815	19,491,803
Transfer of Funds to Charter School	6,780,574	5,214,298
Debt Service	963,172	1,005,388
Capital Outlay	188,752	185,348
Amortization of Debt Issuance Costs	235,974	23,621
Total Expenses, Governmental Activities	<u>100,808,346</u>	<u>101,917,034</u>
Business-type Activities:		
Food Service	2,120,807	2,188,643
Regional Day School	2,913	18,780
After School Child Care	608,426	712,167
Total Expenses Business-Type Activities	<u>2,732,145</u>	<u>2,919,590</u>
Total Expenses	<u>103,540,491</u>	<u>104,836,624</u>
Increase/(Decrease) in Net Position	4,970,598	5,564,010
Net Position, July 1	<u>65,577,354</u>	<u>60,013,344</u>
Net Position, June 30	<u>\$ 70,547,952</u>	<u>\$ 65,577,354</u>

Township of Winslow School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited) (Cont'd)

- The largest portion of the District's net position reflects its net investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment); less any related debt (general obligation bonds payable and obligations under capital leases less unspent bond proceeds) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* may be used to meet the District's ongoing obligations to students, employees, and creditors.

Financial Analysis of the District's Funds

As stated earlier, the Township of Winslow School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the Township of Winslow School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township of Winslow School District's financing requirements. The unreserved fund balance is divided between designated balances and undesignated balances. The District has designated portions of the unreserved fund balance to earmarked resources for certain government-wide liabilities and post employment obligations that are not recognized in the governmental funds. Undesignated balances in the general fund are required by state law to be appropriated in the following year's budget. Fund balances of capital projects and other governmental funds are restricted by state law to be spent for the purpose of the fund and are not available for spending at the District's discretion. The unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General fund - The general fund is the chief operating fund of the District. At the end of the current fiscal year, the total fund surplus was **\$14,154,151**.

The capital projects fund has a total fund balance of **\$2,076,927**, which will be utilized to complete improvements and renovations to District schools as approved in the 2009-2010 budget.

The debt service fund has a total fund balance of **\$3** which is restricted to pay future debt service.

Township of Winslow School District
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2013
 (Unaudited) (Cont'd)

Capital Asset and Debt Administration

Capital Assets

The Township of Winslow School District's investment in capital assets for its governmental and business-type activities as of June 30, 2013 amounts to **\$76,440,975** (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, and equipment.

Winslow Township School District Capital Assets		
	June 30, 2013	June 30, 2012
Land and Land Improvements	\$ 4,865,811	\$ 4,865,811
Construction in Progress	4,485,573	7,494,392
Building and Building Improvements	101,167,532	99,047,066
Furniture and Equipment	<u>11,764,375</u>	<u>11,055,542</u>
Total Capital Assets	122,283,291	122,462,811
Less: Accumulated Depreciation	<u>(45,842,316)</u>	<u>(43,292,930)</u>
Net Capital Assets	<u><u>\$ 76,440,975</u></u>	<u><u>\$ 79,169,881</u></u>

Additional information on the Township of Winslow School District's capital assets can be found in Note 7.

Long-term Debt Administration

Additional information on the District's long-term debt can be found in Note 8 to the basic financial statements.

Economic Factors

For the 2012-13 school year, the Township of Winslow School District was able to sustain its budget through the township tax levy, federal aid, state aid and miscellaneous revenue sources. Despite unpredictable funding from the State of New Jersey, the district manages to provide an excellent educational opportunity for all the School District students. The School District's budget has grown steadily over the past 5 years. The 2007-2008 budget reflected a spending plan of **\$100,159,892** the 2012-2013 budget contemplates spending **\$106,784,495**, an increase of **6.6%**. These increases are the result of salary increases and significant cost increases for health benefits and property insurances.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Office of the School Business Administrator at:

Winslow Township Board of Education
 40 Coopers Folly Road
 Atco, NJ 08004

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF WINSLOW SCHOOL DISTRICT

Statement of Net Position
June 30, 2013

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 1,781,015.60	\$ 800,253.04	\$ 2,581,268.64
Receivables, net	10,881,305.95	308,804.60	11,190,110.55
Prepaid Expenses		5,851.98	5,851.98
Inventory		46,802.53	46,802.53
Restricted Cash and Cash Equivalents	6,000,290.96		6,000,290.96
Capital Assets, net	<u>76,332,453.87</u>	<u>108,521.00</u>	<u>76,440,974.87</u>
Total Assets	<u>94,995,066.38</u>	<u>1,270,233.15</u>	<u>96,265,299.53</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Loss on Defeasance of Debt	<u>852,467.83</u>		<u>852,467.83</u>
LIABILITIES:			
Accounts Payable	1,962,590.27	1,902,330.16	3,864,920.43
Contracts Payable	6,537.90		6,537.90
Other Current Liabilities	9,521.21		9,521.21
Payable to State Government	58,508.85		58,508.85
Interfunds Payable	42,773.50		42,773.50
Accrued Interest	423,881.04		423,881.04
Unearned Revenue	374,855.16	46,485.90	421,341.06
Noncurrent Liabilities:			
Due within One Year	2,754,179.47		2,754,179.47
Due beyond One Year	<u>18,904,865.37</u>	<u>83,286.58</u>	<u>18,988,151.95</u>
Total Liabilities	<u>24,537,712.77</u>	<u>2,032,102.64</u>	<u>26,569,815.41</u>
NET POSITION:			
Net Investment in Capital Assets	57,873,689.26	108,521.00	57,982,210.26
Restricted for:			
Other Purposes	16,292,866.69	156.90	16,293,023.59
Capital Projects	2,076,927.26		2,076,927.26
Debt Service	1.00		1.00
Unrestricted (Deficit)	<u>(4,933,662.77)</u>	<u>(870,547.39)</u>	<u>(5,804,210.16)</u>
Total Net Position	<u>\$ 71,309,821.44</u>	<u>\$ (761,869.49)</u>	<u>\$ 70,547,951.95</u>

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

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2013

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular Instruction	\$ 27,332,366.77				\$ (27,332,366.77)		\$ (27,332,366.77)
Special Education Instruction	8,097,470.92				(8,097,470.92)		(8,097,470.92)
Other Special Instruction	1,505,175.22				(1,505,175.22)		(1,505,175.22)
Support Services:							
Instruction	5,450,112.82				(5,450,112.82)		(5,450,112.82)
Attendance and Social Work	78,351.19				(78,351.19)		(78,351.19)
Health Services	748,072.07				(748,072.07)		(748,072.07)
Support Services - Students	6,673,773.00				(6,673,773.00)		(6,673,773.00)
Support Services - Instructional Staff	488,307.43				(488,307.43)		(488,307.43)
Educational Media / Library	550,332.87				(550,332.87)		(550,332.87)
Instructional Staff Training Services	115,831.65				(115,831.65)		(115,831.65)
General Administration	1,105,009.08				(1,105,009.08)		(1,105,009.08)
School Administration	3,207,211.81				(3,207,211.81)		(3,207,211.81)
Operations and Maintenance	7,946,802.16				(7,946,802.16)		(7,946,802.16)
Central Services	1,136,397.26				(1,136,397.26)		(1,136,397.26)
Administration Information Technology	512,366.21				(512,366.21)		(512,366.21)
Care and Upkeep of Grounds	40,902.50				(40,902.50)		(40,902.50)
Security Equipment	19,018.00				(19,018.00)		(19,018.00)
Student Transportation	7,482,557.54				(7,482,557.54)		(7,482,557.54)
Unallocated Benefits	11,823,465.13				(11,823,465.13)		(11,823,465.13)
Other Undistributed Costs							
On - behalf T.P.A.F. Pension Contributions:							
Normal Cost	2,521,413.00		\$ 2,521,413.00				
Post-Retirement Medical Contribution	2,851,081.00		2,851,081.00				
Reimbursed T.P.A.F. Social Security Contributions	2,953,856.09		2,953,856.09				
Transfer to Charter School	6,780,574.00				(6,780,574.00)		(6,780,574.00)
Debt Service:							
Interest and Other Charges	963,172.09				(963,172.09)		(963,172.09)
Capital Outlay	188,752.00				(188,752.00)		(188,752.00)
Amortization of Debt Issuance Costs	235,974.19				(235,974.19)		(235,974.19)
Total Governmental Activities	100,808,346.00		8,326,350.09	-	(92,481,995.91)		(92,481,995.91)
Business-Type Activities:							
Food Service	2,120,806.75	\$ 784,701.75	1,323,655.80			\$ (12,449.20)	(12,449.20)
Regional Day School	2,913.00					(2,913.00)	(2,913.00)
Before-After-School Program	608,425.58	764,929.90				156,504.32	156,504.32
Total Business-Type Activities	2,732,145.33	1,549,631.65	1,323,655.80	-		141,142.12	141,142.12
Total Primary Government	\$ 103,540,491.33	\$ 1,549,631.65	\$ 9,650,005.89	\$ -	(92,481,995.91)	141,142.12	(92,340,853.79)

(Continued)

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Statement of Activities
 For the Fiscal Year Ended June 30, 2013

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, net					\$ 43,158,135.00	\$ 43,158,135.00
Taxes Levied for Debt Service					1,734,795.00	1,734,795.00
Federal and State Aid not Restricted					44,206,214.16	44,206,214.16
Federal and State Aid Restricted					5,535,842.08	5,535,842.08
Tuition Received					2,987,298.53	2,987,298.53
Miscellaneous Income					835,859.85	835,859.85
Special Item:						
Gain/Loss on Disposal of Capital Assets					(22,678.00)	(22,678.00)
Cancellation of Prior Year Accounts Payable					10,764.84	10,764.84
Transfer to Food Service Fund - Board Contribution					(90,222.80)	90,222.80
Refund of Prior Year Payments for RDS Compensated Absences					5,680.39	5,680.39
Reclassification of Fixed Assets					(1,142,489.83)	(1,142,489.83)
Compensated Absences						2,021.80
					<u>97,219,199.22</u>	<u>97,219,199.22</u>
Total General Revenues, Special Items, Extraordinary Items and Transfers						
Change in Net Position					4,737,203.31	4,737,203.31
Net Position -- July 1					66,572,618.13	66,572,618.13
Net Position -- June 30					<u>\$ 71,309,821.44</u>	<u>\$ 71,309,821.44</u>
					<u>(985,264.28)</u>	<u>65,577,353.85</u>
					<u>233,394.79</u>	<u>4,970,598.10</u>
					<u>92,252.67</u>	<u>97,311,451.89</u>
					<u>8.07</u>	<u>835,867.92</u>

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

FUND FINANCIAL STATEMENTS

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 1,781,015.60			\$ 3.12	\$ 1,781,018.72
Receivables, net	2,486,637.79				2,486,637.79
Due from Other Funds	1,131,831.42				1,131,831.42
Receivables from Other Governments	4,523,749.68	\$ 1,058,848.10	\$ 2,630,384.86		8,212,982.64
Restricted Cash	6,000,287.84				6,000,287.84
Total Assets	\$ 15,923,522.33	\$ 1,058,848.10	\$ 2,630,384.86	\$ 3.12	\$ 19,612,758.41
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 1,717,076.98	\$ 245,513.29			\$ 1,962,590.27
Contracts Payable			\$ 6,537.90		6,537.90
Interfunds Payable	42,773.50	403,226.20	546,919.70		992,919.40
Other Current Liabilities	9,521.21				9,521.21
Payable to State Government		58,508.85			58,508.85
Unearned Revenue		374,855.16			374,855.16
Total Liabilities	1,769,371.69	1,082,103.50	553,457.60		3,404,932.79
Fund Balances:					
Restricted:					
Capital Reserve	5,000,143.92				5,000,143.92
Maintenance Reserve	1,000,143.92				1,000,143.92
Capital Projects			2,076,927.26		2,076,927.26
Debt Service				\$ 1.00	1.00
Excess Surplus -- Designated for Subsequent Year's Expenditures	2,343,587.00				2,343,587.00
Excess Surplus	1,464,871.40				1,464,871.40
Assigned:					
Subsequent Year's Expenditures				2.12	2.12
Other Purposes	6,484,118.33				6,484,118.33
Unassigned	(2,138,713.93)	(23,255.40)			(2,161,969.33)
Total Fund Balances	14,154,150.64	(23,255.40)	2,076,927.26	3.12	16,207,825.62
Total Liabilities and Fund Balances	\$ 15,923,522.33	\$ 1,058,848.10	\$ 2,630,384.86	\$ 3.12	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$121,161,102.87 and the accumulated depreciation is \$44,828,646.00

76,332,453.87

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.

(21,659,044.84)

Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the new bonds.

852,467.83

Interest on long term debt in the statement of activities is accrued, regardless when due.

(423,881.04)

Net position of governmental activities

\$ 71,309,821.44

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

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Fiscal Year Ended June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 43,158,135.00			\$ 1,734,795.00	\$ 44,892,930.00
Tuition Charges	2,987,298.53				2,987,298.53
Miscellaneous	830,615.40	\$ 4,039.86	\$ 1,204.59		835,859.85
State Sources	52,443,397.39	873,801.20		1,494,003.00	54,811,201.59
Federal Sources	89,166.86	3,168,037.88			3,257,204.74
Total Revenues	99,508,613.18	4,045,878.94	1,204.59	3,228,798.00	106,784,494.71
EXPENDITURES:					
Current:		2,503,054.53			27,179,251.77
Regular Instruction	24,676,197.24				8,097,470.92
Special Education Instruction	8,097,470.92				1,505,175.22
Other Special Instruction	1,505,175.22				
Support Services and Undistributed Costs:					
Instruction	4,183,226.40	1,266,886.42			5,450,112.82
Attendance and Social Work	78,351.19				78,351.19
Health Services	747,147.07				747,147.07
Support Services - Students	6,673,618.00				6,673,618.00
Support Services - Instructional Staff	486,668.43				486,668.43
Educational Media / Library	536,802.87				536,802.87
Instructional Staff Training Services	94,126.65				94,126.65
General Administration	1,104,012.08				1,104,012.08
School Administration	3,206,911.81				3,206,911.81
Operations and Maintenance	5,916,158.16				5,916,158.16

(Continued)

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Fiscal Year Ended June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (CONT'D):					
Support Services and Undistributed Costs (Cont'd):					
Central Services	\$ 1,135,900.26				\$ 1,135,900.26
Administration Information Technology	512,366.21				512,366.21
Care and Upkeep of Grounds	40,153.50				40,153.50
Student Transportation	6,972,998.54				6,972,998.54
Unallocated Benefits	11,619,052.09				11,619,052.09
On-behalf T.P.A.F. Pension Contributions					
Normal Cost	2,521,413.00				2,521,413.00
Post-Retirement Medical Contribution	2,851,081.00				2,851,081.00
Reimbursed T.P.A.F. Social Security Contributions	2,953,856.09				2,953,856.09
Transfer to Charter School	6,780,574.00				6,780,574.00
Debt Service:					
Principal				\$ 2,385,000.00	2,385,000.00
Interest and Other Charges				843,797.50	843,797.50
Capital Outlay	1,162,907.64	\$ 262,860.99	\$ 4,704.00		1,430,472.63
Total Expenditures	93,856,168.37	4,032,801.94	4,704.00	3,228,797.50	101,122,471.81
Excess (Deficit) of Revenues over Expenditures	5,652,444.81	13,077.00	(3,499.41)	0.50	5,662,022.90
OTHER FINANCING SOURCES (USES):					
Transfer to Food Service Fund - Board Contribution	(90,222.80)				(90,222.80)
Refund of Prior Year Payments for RDS Compensated Absences	5,680.39				5,680.39
Non-Operating Transfer in - Capital Projects Fund	1,204.59		(1,204.59)		-
Cancellation of Prior Year Accounts Payable	10,764.84				10,764.84
Total Other Financing Sources (Uses)	(72,572.98)	-	(1,204.59)	-	(73,777.57)
Net Change in Fund Balances	5,579,871.83	13,077.00	(4,704.00)	0.50	5,588,245.33
Fund Balance -- July 1	8,574,278.81	(36,332.40)	2,081,631.26	2.62	10,619,580.29
Fund Balance -- June 30	\$ 14,154,150.64	\$ (23,255.40)	\$ 2,076,927.26	\$ 3.12	\$ 16,207,825.62

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

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2013

Total Net Change in Fund Balances - Governmental Funds		\$ 5,588,245.33
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	\$ (2,949,786.00)	
Debt Service Assessment Charged to Capital Outlay	(6,858.00)	
Capital Outlays	1,430,472.63	(1,526,171.37)
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		
Obligations under Capital Lease		8,166.40
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		
		2,385,000.00
The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
		12,912,924.13
Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.		
		(38,272.91)
The net effect of various miscellaneous transactions involving capital assets (i.e., disposals and donations) is to decrease net assets.		
		(1,165,167.83)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		(197,520.44)
Change in Net Assets of Governmental Activities		\$ 4,737,203.31

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

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2013

	Business-Type Activities - Enterprise Funds			Totals
	Food <u>Service</u>	Regional <u>Day School</u>	Before-After <u>School Program</u>	
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 383,695.67	\$ 118,376.66	\$ 298,180.71	\$ 800,253.04
Accounts Receivable:				
State	5,475.76			5,475.76
Federal	225,019.57			225,019.57
Other	6,454.86		68,609.10	75,063.96
Interfund Accounts Receivable:				
Due Before and After School	13,281.50			13,281.50
Due Students, Net	3,245.31			3,245.31
Prepaid Expenses			5,851.98	5,851.98
Inventories	46,802.53			46,802.53
Total Current Assets	683,975.20	118,376.66	372,641.79	1,174,993.65
Noncurrent Assets:				
Furniture, Machinery and Equipment	995,518.00	126,673.00		1,122,191.00
Less Accumulated Depreciation	(896,714.00)	(116,956.00)		(1,013,670.00)
Total Noncurrent Assets	98,804.00	9,717.00	-	108,521.00
Total Assets	782,779.20	128,093.66	372,641.79	1,283,514.65
LIABILITIES:				
Current Liabilities:				
Interfund Accounts Payable:				
Due General Fund	60,829.51	1,253,842.08	89,834.48	1,404,506.07
Due Food Service			13,281.50	13,281.50
Accounts Payable	497,824.09			497,824.09
Unearned Revenue	46.55		46,439.35	46,485.90
Total Current Liabilities	558,700.15	1,253,842.08	149,555.33	1,962,097.56
Noncurrent Liabilities:				
Compensated Absences Payable		83,286.58		83,286.58
Total Liabilities	558,700.15	1,337,128.66	149,555.33	2,045,384.14
NET POSITION:				
Net Investment in Capital Assets	98,804.00	9,717.00		108,521.00
Restricted for:				
Encumbrances		156.90		156.90
Unrestricted	125,275.05	(1,218,908.90)	223,086.46	(870,547.39)
Total Net Position	\$ 224,079.05	\$ (1,209,035.00)	\$ 223,086.46	\$ (761,869.49)

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

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2013

	Business-Type Activities - Enterprise Fund			
	<u>Food Service</u>	<u>Regional Day School</u>	<u>Before-After School Program</u>	<u>Total Enterprise</u>
OPERATING REVENUES:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 317,912.86			\$ 317,912.86
Daily Sales - Non-Reimbursable Programs	354,211.52			354,211.52
Other Sales	112,577.37			112,577.37
Tuition			\$ 755,920.50	755,920.50
Miscellaneous			9,009.40	9,009.40
Total Operating Revenues	784,701.75	-	764,929.90	1,549,631.65
OPERATING EXPENSES:				
Management Fees	184,909.49			184,909.49
Salaries	713,052.74		513,395.16	1,226,447.90
Employee Benefits	195,008.84			195,008.84
Other Purchased Services	35,163.71		85,314.02	120,477.73
General Supplies	59,797.19		9,716.40	69,513.59
Depreciation	34,654.00	\$ 2,913.00		37,567.00
Cleaning, Repairs and Maintenance	26,244.07			26,244.07
Insurance	27,245.06			27,245.06
Cost of Sales	844,731.65			844,731.65
Total Operating Expenses	2,120,806.75	2,913.00	608,425.58	2,732,145.33
Operating Income / (Loss)	(1,336,105.00)	(2,913.00)	156,504.32	(1,182,513.68)
NONOPERATING REVENUES (EXPENSES):				
State Sources:				
State School Lunch Program	22,752.95			22,752.95
Federal Sources:				
National School Lunch Program	932,635.89			932,635.89
National School Breakfast Program	226,965.00			226,965.00
Food Distribution Program	141,301.96			141,301.96
Compensated Absences		2,021.80		2,021.80
Interest and Investment Revenue	8.07			8.07
Total Nonoperating Revenues (Expenses)	1,323,663.87	2,021.80	-	1,325,685.67
Income (loss) before Transfers	(12,441.13)	(891.20)	156,504.32	143,171.99
Operating Transfer - Board Contribution	90,222.80			90,222.80
Change in Net Position	77,781.67	(891.20)	156,504.32	233,394.79
Net Position -- July 1	146,297.38	(1,208,143.80)	66,582.14	(995,264.28)
Net Position -- June 30	\$ 224,079.05	\$ (1,209,035.00)	\$ 223,086.46	\$ (761,869.49)

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

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds			
	Food Service	Regional Day School	Before-After School Program	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers	\$ 772,095.29		\$ 745,889.74	\$ 1,517,985.03
Payments to Employees	(713,052.74)		(423,560.68)	(1,136,613.42)
Payments for Employee Benefits	(195,008.84)			(195,008.84)
Payments to Suppliers	(976,549.28)		(122,208.83)	(1,098,758.11)
Budget Appropriations	90,222.80	\$ (115,054.23)		(24,831.43)
Net Cash Provided by (used for) Operating Activities	<u>(1,022,292.77)</u>	<u>(115,054.23)</u>	<u>200,120.23</u>	<u>(937,226.77)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
State Sources	22,642.30			22,642.30
Federal Sources	1,138,063.46			1,138,063.46
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,160,705.76</u>	<u>-</u>	<u>-</u>	<u>1,160,705.76</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and Dividends	8.07			8.07
Net Cash Provided by (used for) Investing Activities	<u>8.07</u>	<u>-</u>	<u>-</u>	<u>8.07</u>
Net Increase (Decrease) in Cash and Cash Equivalents	138,421.06	(115,054.23)	200,120.23	223,487.06
Cash and Cash Equivalents -- July 1	245,274.61	233,430.89	98,060.48	576,765.98
Cash and Equivalents -- June 30	<u>\$ 383,695.67</u>	<u>\$ 118,376.66</u>	<u>\$ 298,180.71</u>	<u>\$ 800,253.04</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating Income (Loss)	\$ (1,336,105.00)	\$ (2,913.00)	\$ 156,504.32	\$ (1,182,513.68)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Depreciation and Net Amortization	34,654.00	2,913.00		37,567.00
Bad Debt Expense				-
Compensated Absences		2,021.80		2,021.80
Board Contribution for Purchase of Fixed Assets	90,222.80			90,222.80
(Increase) Decrease in Accounts Receivable Other	(4,157.86)		(1,527.71)	(5,685.57)
(Increase) Decrease in Interfunds Receivable	(4,272.10)		47,249.96	42,977.86
(Increase) Decrease in Due Students, Net	(4,223.05)			(4,223.05)
(Increase) Decrease in Inventories	2,850.13			2,850.13
(Increase) Decrease in Prepaid Expenses			10,179.29	10,179.29
Increase (Decrease) in Accounts Payable	162,670.63	(15,218.54)		147,452.09
Increase (Decrease) in Interfund Payable	36,021.13	(65,744.77)	5,226.82	(24,496.82)
Increase (Decrease) in Other Current Liabilities	46.55	(3,069.39)	(17,512.45)	(20,535.29)
Increase (Decrease) in Accrued Salaries Benefits		(33,043.33)		(33,043.33)
Total Adjustments	<u>313,812.23</u>	<u>(112,141.23)</u>	<u>43,615.91</u>	<u>245,286.91</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,022,292.77)</u>	<u>\$ (115,054.23)</u>	<u>\$ 200,120.23</u>	<u>\$ (937,226.77)</u>

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

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2013

	Trust Funds	Agency Funds	
	Unemployment Compensation <u>Trust</u>	Student <u>Activity</u>	<u>Payroll</u>
ASSETS:			
Cash and Cash Equivalents	\$ 296.78	\$ 158,601.18	\$ 626,730.07
Interfund Accounts Receivable: Due General Fund			45,636.75
Total Assets	296.78	\$ 158,601.18	\$ 672,366.82
LIABILITIES:			
Payable to Student Groups		\$ 158,601.18	
Payroll Deductions and Withholdings			\$ 669,503.57
Interfund Accounts Receivable: Due General Fund			2,863.25
Total Liabilities	-	\$ 158,601.18	\$ 672,366.82
NET POSITION:			
Held in Trust for Unemployment Claims and Other Purposes	\$ 296.78		

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

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2013

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Board Contribution	<u>\$ -</u>
Total Additions	<u>-</u>
DEDUCTIONS:	
Quarterly Contribution Reports	<u>-</u>
Total Deductions	<u>-</u>
Change in Net Position	-
Net Position -- July 1	<u>296.78</u>
Net Position -- June 30	<u><u>\$ 296.78</u></u>

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

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Winslow School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("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 following is a summary of the more significant of these policies.

Description of the Reporting Entity

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades PK through 12 at its eight schools. The School District has an approximate enrollment at June 30, 2013 of 5,137.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, provide guidance that all entities associated with a primary government are potential component units, and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. In addition, GASB Statement No. 61 clarifies the manner in which component units are presented (discretely presented, blended, or included in the fiduciary fund financial statements).

Based on the aforementioned, the School District has determined that no component units exist for the fiscal year ended June 30, 2013.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The government-wide financial statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements - The School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

The governmental funds are accounted for on the "flow of current financial resources" measurement focus. This measurement focus is based on the concept of accountability, which includes measuring interperiod equity whether current year revenues were sufficient to pay for current year services. The proprietary fund is accounted for on an "economic resources" measurement focus. Accordingly, statement of revenues, expenses and changes in fund net position for the proprietary fund reports increases and decreases in total economic worth. The private-purpose trust fund is reported using the economic resources measurement focus.

Governmental Funds - Governmental funds are those through which most School District functions are financed. The acquisition, use, and balances of the School District's expendable financial resources and the related liabilities, except those accounted for in the proprietary fund and fiduciary funds, are accounted for through the governmental funds. The measurement focus is upon determination of changes in financial resources rather than upon determination of net income. The following are the School District's major governmental funds:

General Fund - The general fund is the primary operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)****Fund Financial Statements (Cont'd)****Governmental Funds (Cont'd)**

General Fund (Cont'd) - As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, 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, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

In addition to the capital outlay sub-fund, the School District is accountable for an additional sub-fund, the Education Jobs Fund ("Ed Jobs"), resulting from federal legislation signed into law on August 10, 2010. The Ed Jobs program was created to provide funding assistance to states in order to save or create education jobs for the 2010-2011 school year, through September 30, 2012. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education. Ed Jobs revenues and expenditures are recorded in the general fund (fund 18) on a reimbursement basis. As such, revenue is not included in the fiscal year surplus, and no portion of general fund balance at June 30, 2013 is considered to be attributable to Ed Jobs. Ed Jobs expenditures during the fiscal year ended June 30, 2013 are included as a component of overall general fund expenditures, and also are included in total general fund expenditures for purposes of the excess surplus calculation.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Permanent Fund - The permanent fund is used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the School District's programs, that is, for the benefit of the School District or its students as a whole. The School District does not maintain any permanent funds.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)

Fund Financial Statements (Cont'd)

Proprietary Funds

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District maintains the following enterprise funds:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Before and After School Program Fund - This fund accounts for the financial activity related to providing day care services for School District students before school, after school and during the summer.

Regional Day School Fund (Discontinued Operations) - This fund accounts for the financial activity related to providing special education services to behaviorally disabled and multiply disabled students between 7 and 21 years of age.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The School District maintains the following fiduciary funds:

Agency Funds - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

Private-Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. The School District maintains the following private-purpose trust fund:

New Jersey Unemployment Compensation Insurance Trust Fund - Revenues consist of contributions that have been included in the annual budget of the School District, employee payroll withholdings, and interest income. Expenditures represent claims incurred for unemployment.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)****Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Modified Accrual

Under the modified accrual basis, revenues are recognized in the accounting period in which they become susceptible to accrual, i.e. both available and measurable. "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. Significant revenues susceptible to accrual include ad valorem taxes, reimbursable-type grants, and interest on investments. The School District considers all revenues, with the exception of the expenditure-driven grants, as available if they are collected within sixty (60) days after fiscal year-end. The expenditure driven grants are considered available if received within one fiscal year from the balance sheet date. Property tax revenue is recognized when taxes are received, except at fiscal year end when revenue is recognized for taxes received by the School District within sixty (60) days subsequent to fiscal year end. Expenditures are recognized in the accounting period in which the liability is incurred. However, exceptions include the amount of unmatured principal and interest on general long-term debt, compensated absences, claims and judgments and certain prepaids which are recognized when due / paid.

In applying the susceptible to accrual concept to revenues from federal and state sources, the legal contractual requirements of the numerous individual programs are used as guidance. Revenue from grants and entitlements is recognized when all eligibility requirements have been satisfied. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before the School District will receive any amounts; therefore, revenues are recognized based on the occurrence of expenditures. In the other type, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed legal and contractual requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. In cases where monies are received and all eligibility requirements, including timing, have been satisfied, but the occurrence of expenditure has yet to happen, amounts are reported as unearned revenue. Conversely, where monies are received but eligibility requirements, including timing, have yet to be satisfied, such amounts are reported as deferred inflows of resources.

Accrual

Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred.

Revenue Recognition

Property Taxes - 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 School 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 School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Encumbrances (Cont'd)**

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned 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.

Cash, Cash Equivalents and Investments

Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Inventories

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

Tuition Receivable

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position.

Capital Assets

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at fair market value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	20-50 Years	N/A
Buildings and Improvements	20-40 Years	N/A
Furniture and Equipment	8-15 Years	15 Years
Vehicles	8 Years	8 Years

The School District does not possess any infrastructure assets.

Deferred Loss on Refunding of Debt

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Tuition Payable**

Tuition charges for the fiscal years ended June 30, 2012 and 2011 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2013, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. An expenditure is recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, 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, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Bond Discounts / Premiums**

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

Net Position

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance (Cont'd)**

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. authority of the business administrator is established by way of a formal job description for the position, approved by the Board of Education.

Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues / expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

In November 2010, the GASB issued Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements*. GASBS 60 provides financial reporting guidance for service concession arrangements (SCAs). SCAs are defined as an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This Statement is effective for periods beginning after December 15, 2011. The School District does not have any SCAs and therefore the adoption of GASBS 60 does not have any impact on the School District's financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued and Adopted Accounting Pronouncements (Cont'd)**

In November 2010, the GASB issued Statement 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. GASBS 61 provides additional criteria for classifying entities as component units to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. This Statement is effective for periods beginning after June 15, 2012. The adoption of GASBS 61 does not have any impact on the School District's financial statements.

In December 2010, the GASB issued Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASBS 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for periods beginning after December 15, 2011. The adoption of GASBS 62 does not have any impact on the School District's financial statements.

In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASBS 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components: assets, deferred outflows of resources, liabilities, and deferred inflows of resources. This Statement is effective for financial statements for periods beginning after December 15, 2011. The adoption of GASBS 63 does not have a material impact on the School District's financial statements.

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. GASBS 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement is effective for periods beginning after December 15, 2012. The School District elected to early implement GASBS 65 effective for fiscal year 2013. The adoption of GASBS 65, however, does not have a material impact on the School District's financial statements.

In March 2012, the GASB issued Statement 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*. GASBS 66 is to improve accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement 54 and Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement 62 and Statements No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, regarding the reporting of certain operating lease transactions, and No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements (Cont'd)**

This Statement is effective for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*. GASBS 67 is to improve the usefulness of pension information included in the general purpose external financial reports (financial reports) of state and local governmental pension plans for making decisions and assessing accountability. This Statement is effective for periods beginning after June 15, 2013. The School District does not administer any state or local pension plans; therefore, the adoption of GASBS 67 will not have any impact on the School District's financial statements.

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASBS 68 is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. In addition, this Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This Statement is effective for periods beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements and expects the impact to be material.

In January 2013, the GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. GASBS 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement is effective for periods beginning after December 15, 2013. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

In April 2013, the GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. GASBS 70 is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements (Cont'd)**

This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. This Statement is effective for periods beginning after June 15, 2013. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below.

As of June 30, 2013, the School District's bank balances of \$10,488,349.11 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 787,639.22
Collateralized by securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name	<u>9,450,709.89</u>
Total	<u><u>\$ 10,238,349.11</u></u>

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District June 27, 2012. On June 26, 2013, the district approved an additional \$4,000,000.00 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2.

Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Capital Reserve

Beginning Balance July 1, 2012	\$ 1,000,000.00
Increased by:	
Interest Earnings	143.92
Deposits:	
Approved at June 26, 2013 Board Meeting	<u>4,000,000.00</u>
Ending Balance June 30, 2013	<u><u>\$ 5,000,143.92</u></u>

The June 30, 2013 LRF balance of local support costs of uncompleted projects at June 30, 2013 is in excess of the balance in the capital reserve account.

Note 4: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the School District on June 27, 2012, for the accumulation of funds for use as required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the maintenance reserve account are restricted to required maintenance of school facilities in the School District's in accordance with the comprehensive maintenance plan pursuant to N.J.A.C.6A:26A-4. A school district may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both.

The activity of the maintenance reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Maintenance Reserve

Beginning Balance July 1, 2012	\$ 1,000,000.00
Increased by:	
Interest Earnings	<u>143.92</u>
Ending Balance June 30, 2013	<u><u>\$ 1,000,143.92</u></u>

Note 5: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2013 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Description</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Other	\$ 2,486,637.79			\$ 75,063.96	\$ 2,561,701.75
Intergovernmental	4,523,749.68	\$ 1,058,848.10	\$ 2,630,384.86	230,495.33	8,443,477.97
Total	<u>\$ 7,010,387.47</u>	<u>\$ 1,058,848.10</u>	<u>\$ 2,630,384.86</u>	<u>\$ 305,559.29</u>	<u>\$ 11,005,179.72</u>

Note 6: INVENTORY

Inventory recorded at June 30, 2013 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 36,230.07
Supplies	<u>10,572.46</u>
Total	<u>\$ 46,802.53</u>

Note 7: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013 is as follows:

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Adjustments/ Transfer</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
Governmental Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 3,053,818.00				\$ 3,053,818.00
Construction in Progress	7,494,392.00	\$ 4,704.00	\$ (3,013,523.26)		4,485,572.74
Total Capital Assets not being Depreciated	10,548,210.00	4,704.00	(3,013,523.26)	-	7,539,390.74
Capital Assets, being Depreciated:					
Land Improvements	1,811,993.13				1,811,993.13
Building and Improvements	99,047,066.00	229,812.00	1,890,654.00		101,167,532.00
Equipment	9,933,350.94	1,097,638.00	(880.94)	\$ (387,924.00)	10,642,184.00
Total Capital Assets, being Depreciated:	110,792,410.07	1,327,450.00	1,889,773.06	(387,924.00)	113,621,709.13
Less Accumulated Depreciation:					
Land Improvements	(1,672,242.00)	(30,615.00)			(1,702,857.00)
Building and Improvements	(34,853,285.00)	(2,087,044.00)	72,840.00		(36,867,489.00)
Equipment	(5,791,300.00)	(832,127.00)	(119.00)	365,246.00	(6,258,300.00)
Total Accumulated Depreciation	(42,316,827.00)	(2,949,786.00)	72,721.00	365,246.00	(44,828,646.00)
Total Capital Assets, being Depreciated, Net	68,475,583.07	(1,622,336.00)	1,962,494.06	(22,678.00)	68,793,063.13
Governmental Activities Capital Assets, Net	\$ 79,023,793.07	\$ (1,617,632.00)	\$ (1,051,029.20)	\$ (22,678.00)	\$ 76,332,453.87
Business-Type Activities:					
Equipment	\$ 1,122,191.00				\$ 1,122,191.00
Less Accumulated Depreciation	(976,103.00)	\$ (37,567.00)			(1,013,670.00)
Business-Type Activities Capital Assets, Net	\$ 146,088.00	\$ (37,567.00)	\$ -	\$ -	\$ 108,521.00

Note 7: CAPITAL ASSETS (CONT'D)

Depreciation expense was charged to functions / programs of the School District as follows:

Regular Instruction	\$ 153,115.00
Support Services:	
Support Services	155.00
Student Support Services	1,639.00
School Athletics (Health)	925.00
Educational Media/Library	13,530.00
General Administration	997.00
School Administration	300.00
Central Services	497.00
Technology Services	21,705.00
Operation/Custodian	2,030,644.00
Care and Upkeep of Grounds	749.00
Security	19,018.00
Transportation	509,559.00
Other	15,059.00
Construction Services	181,894.00
	<u>181,894.00</u>
Total Depreciation Expense	<u><u>\$2,949,786.00</u></u>

Note 8: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2013, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2013</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 21,335,000.00	\$ 13,230,000.00	\$(16,305,000.00)	\$ 18,260,000.00	\$ 2,565,000.00
Obligations under Capital					
Lease	12,085.95		(8,166.40)	3,919.55	3,919.55
Compensated Absences	<u>2,150,291.96</u>	<u>197,520.44</u>		<u>2,347,812.40</u>	<u>32,906.65</u>
Governmental Activity					
Long-term Liabilities	<u>\$ 23,497,377.91</u>	<u>\$ 13,427,520.44</u>	<u>\$(16,313,166.40)</u>	20,611,731.95	2,601,826.20
Premium on Bonds				1,053,799.31	153,279.90
Bond Discount				<u>(6,486.43)</u>	<u>(926.63)</u>
				<u>\$ 21,659,044.83</u>	<u>\$ 2,754,179.47</u>
Business-Type Activities:					
Compensated Absences	<u>\$ 116,329.91</u>	<u>\$ -</u>	<u>\$ (33,043.33)</u>	<u>\$ 83,286.58</u>	<u>\$ 83,286.58</u>

Note 8: LONG-TERM LIABILITIES (CONT'D)

Bonds Payable - Bonds and loans are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the School District are general obligation bonds.

The School District has four bonds that are outstanding as of June 30, 2013. There are three Refunding bonds, which were issued on March 6, 2003, January 8, 2004, and May 16, 2013. The 2003 Refunding Bonds were issued to fund the present value of the Pension Liabilities in the amount of \$2,210,000.00 at interest rates varying from 2.00% to 5.37%. The final maturity of these bonds is July 1, 2020. For the 2004 Refunding, the School District issued \$22,010,000.00 general obligation bonds at interest rates varying from 2.00% to 5.00% for the advance funding and redeeming on August 1, 2009 and the School District's outstanding callable School Bonds. The final maturity of these bonds is August 1, 2013. For the 2013 Refunding, the School District issued \$13,230,000.00 general obligation bonds at interest rates varying from 2.00% to 4.00% for the current refunding of the 2004 Refunding bonds. The final maturity of these bonds is August 1, 2019. The School Districts issued general obligation bonds dated July 1, 2008 in the amount of \$3,300,000.00 at interest rates varying from 3.75% to 4.00% for projects and improvements at the schools. The final maturity on these bonds is January 15, 2019.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 2,565,000.00	\$ 464,920.83	\$ 3,029,920.83
2015	2,615,000.00	493,106.26	3,108,106.26
2016	2,670,000.00	416,387.50	3,086,387.50
2017	2,600,000.00	334,212.50	2,934,212.50
2018	2,655,000.00	250,043.76	2,905,043.76
2019-2021	5,155,000.00	202,431.26	5,357,431.26
	<u>\$ 18,260,000.00</u>	<u>\$ 2,161,102.11</u>	<u>\$ 20,421,102.11</u>

Bonds Authorized but not Issued - As of June 30, 2013, the School District had no authorizations to issue additional bonded debt.

Obligations under Capital Lease - The School District is leasing a postal machine totaling \$20,850.50 under capital leases. All capital leases are for terms of *three to five years*. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2013.

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 3,919.55	\$ 108.47	\$ 4,028.02
	<u>\$ 3,919.55</u>	<u>\$ 108.47</u>	<u>\$ 4,028.02</u>

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid.

Note 9: OPERATING LEASES

At June 30, 2013, the School District had operating lease agreements in effect for copy machines and mail machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Amount</u>
2014	\$ 261,248.52
2015	261,248.52
2016	122,824.52
2017	55,052.52
2018	55,052.52
	<u>\$ 755,426.60</u>

Rental payments under operating leases for the fiscal year ended June 30, 2013 were \$206,196.00.

Note 10: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund ("TPAF") is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years, which began July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the district has been required over several preceding fiscal years.

Note 10: PENSION PLANS (CONT'D)

Public Employees' Retirement System - The Public Employees' Retirement System ("PERS") is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 6.5% plus an additional 1.0% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Regular Pension Contribution</u>	<u>Non-Contributory Group Life Insurance</u>	<u>Paid by School District</u>
2013	\$ 152,210.00	\$ 363,939.00	\$ 516,149.00	\$ 30,720.00	\$ 546,869.00
2012	382,710.00	765,420.00	1,148,130.00	73,150.00	1,221,280.00
2011	520,404.00	829,229.00	1,349,633.00	102,504.00	1,452,137.00

Defined Contribution Retirement Program - The Defined Contribution Retirement Program ("DCRP") is a cost-sharing multiple-employer defined contribution pension fund which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Division of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Total Liability</u>	<u>Paid by District</u>
2013	\$ 10,608.32	\$ 3,743.89
2012	10,352.16	3,478.82
2011	5,713.81	2,016.68

Note 11: STATE POST-RETIREMENT MEDICAL BENEFITS

P.L. 1987, c.384 of 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 postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were 97,661 retirees receiving postemployment 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 retire from a board of education or county college with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in fiscal year 2012.

Note 12: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2013, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement medical costs were \$2,521,413.00 and \$2,851,081.00, respectively.

Note 13: RISK MANAGEMENT

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

New Jersey Unemployment Compensation Insurance - On July 1, 2008, the School District changed its election to fund its New Jersey Unemployment Compensation Insurance to the "Direct Payment Method". As a result of the change, only employees that were employed by the School District up until that date are funded under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State. During the current school year, there were no distributions or amounts reimbursed under the "Benefit Reimbursement Method".

The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two fiscal years:

Fiscal Year Ended June 30,	School District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2013				\$ 296.78
2012	\$ 95,417.88	\$ -	\$ 95,417.88	296.78
2011	546,038.23	-	546,006.73	296.78

Note 13: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool - The School District is a member of the New Jersey School Boards Association Insurance Fund. The Fund provides its members with the following coverage:

Property (Including Crime and Auto Physical Damage)
 General Liability
 Automobile Liability
 Workers' Compensation
 School Board Legal Liability
 Boiler and Machinery
 Pollution/Environmental Legal Liability

The Fund publishes its own financial report which can be obtained from the following address:

New Jersey School Boards Association Insurance
 450 Veterans Drive
 Burlington, New Jersey 08016

Note 14: DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

American Express/IDS
H.C. Copeland
Lincoln Investment
Equitable
Franklin Templeton
Thomas Seely

Citi-Street/Metlife
Vanguard
Fidelity Investments
Primerica
Midland National

Note 15: COMPENSATED ABSENCES

The School 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.

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2013, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$2,347,812.40 and \$83,286.58, respectively.

Note 16: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2013 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 1,131,831.42	\$ 42,773.50
Special Revenue		403,226.20
Capital Projects		546,919.70
Proprietary	13,281.50	1,417,787.57
Fiduciary	45,636.75	2,863.25
	<u>1,190,749.67</u>	<u>2,413,570.22</u>
Allowance for Uncollectible Interfund Receivable	1,222,820.55	
	<u>\$ 2,413,570.22</u>	<u>\$ 2,413,570.22</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2014, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The District has recorded an allowance for uncollectible interfund receivable in the General Fund for the amount due from the Regional Day School (See Note 17).

Note 17: REGIONAL DAY SCHOOL OPERATIONS

In a letter dated March 2, 2010, the School District notified the Commissioner of the State of New Jersey Department of Education of its plans not to renew the contract to operate the State's Regional Day School (RDS) facility upon expiration of the contract on June 30, 2011. The School District accounts for the RDS as a discontinued operation.

During the year ended June 30, 2013, the RDS had no revenue, but had expenditures of \$2,913.00 as a result of depreciation, resulting in a loss of \$2,913.00. The School District expects to finalize the accounting for the Regional Day School during fiscal year ended June 30, 2014.

Assets of the RDS, consisting of primarily of cash from the collection of prior year tuition receivable and school facility equipment, have been recorded at their estimated net realizable value. Liabilities, consisting of primarily interfunds and compensated absences payable, are carried as a current liability in the accompanying statements of net position.

Note 18: CAPITAL DEBT REFUNDING

On May 16, 2013, the School District issued \$13,230,000.00 in general obligation bonds with interest rates ranging from 2.0% to 4.0% to refund \$13,920,000.00 of outstanding 2004 refunding bonds with interest rates ranging from 2.0% to 5.0%. The net proceeds of \$14,193,133.59 (after payment of issuance costs and the underwriter's discount) were used to purchase a State and Local Government Services (SLGS) Certificate. This certificate will mature on August 1, 2013 at which time the funds will be used to pay off the defeased portion of the 2004 refunding bonds. As a result of the current refunding, the School District will reduce its total debt service payments over the next six years by almost \$1,229,460.42, which results in an economic gain (difference between the present values of the debt service payments of the old and new debt) of \$1,182,708.20, or 8.5% of the principal amount being refunded. The current refunding meets the requirements of an in-substance defeasance and the liability for the refunded bonds was removed from the School District's financial statements.

Note 19: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$(23,255.40) in the special revenue fund as of June 30, 2013 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$(2,138,713.93) is less than the June state aid payments.

Note 20: DEFICIT UNRESTRICTED NET POSITION

The Regional Day School enterprise fund had a deficit in changes in net position during the year in the amount of \$891.20. This change increased the total deficit in unrestricted net position at June 30, 2013 to \$1,209,035.00.

Note 21: FUND BALANCES**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund -

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of 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 balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2013 is \$1,464,871.40. Additionally, \$2,343,587.00 of excess fund balance generated during 2011-2012 has been restricted and designated for utilization in the 2013-2014 budget.

For Capital Reserve Account - As of June 30, 2013, the balance in the capital reserve account is \$5,000,143.92. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2013, the balance in the maintenance reserve account is \$1,000,143.92. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

Note 21: FUND BALANCES (CONT'D)**RESTRICTED (CONT'D)**

Capital Projects Fund - On June 4, 2010, the School District entered into two grant agreements with the State of New Jersey Schools Development Authority for \$1,804,646 and \$1,985,111 of grant funds pursuant to the "Educational Facilities Construction and Financing Act" P.L. 2000, c.72 enacted on July 18, 2000 and amended on August 6, 2007 by P.L. 3008, c. 137. The grant agreements were approved to partially fund the roof replacement projects at the Winslow Township High School and Winslow Township Middle School. The School District did not issue bonds to fund any portion of these projects. As of June 30, 2013, the restricted fund balance amount was \$2,076,927.26.

Debt Service Fund - The debt service fund has a restricted fund balance in the amount of \$1.00 as of June 30, 2013. The funds are to be budgeted in future years to retire outstanding debt service obligations of the School District.

ASSIGNED

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund -

Other Purposes - As of June 30, 2013, the School District had \$6,484,118.33 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Debt Service Fund -

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2014 \$2.12 of debt service fund balance at June 30, 2013.

UNASSIGNED

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund - As of June 30, 2013, \$(2,138,713.93) of general fund balance was unassigned.

Special Revenue Fund - As of June 30, 2013, the fund balance of the special revenue fund was a deficit of \$(23,255.40), thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 19, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$23,255.40 is less than the last state aid payment.

Note 22: LITIGATION

The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 43,158,135.00		\$ 43,158,135.00	\$ 43,158,135.00	
Tuition	2,597,271.00		2,597,271.00	2,987,298.53	\$ 390,027.53
Miscellaneous	100,000.00		100,000.00	830,615.40	730,615.40
Total - Local Sources	45,855,406.00	-	45,855,406.00	46,976,048.93	1,120,642.93
State Sources:					
Categorical Transportation Aid	1,062,437.00		1,062,437.00	1,062,437.00	
Extraordinary Aid	100,000.00		100,000.00	366,680.00	266,680.00
Categorical Special Education Aid	3,006,690.00		3,006,690.00	3,006,690.00	
Equalization Aid	37,915,643.00		37,915,643.00	37,915,643.00	
Categorical Security Aid	1,353,929.00		1,353,929.00	1,353,929.00	
Adjustment Aid	202,554.00		202,554.00	202,554.00	
Other State Aid				117,289.30	117,289.30
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				2,521,413.00	2,521,413.00
Normal Cost				2,851,081.00	2,851,081.00
Post-Retirement Medical Contribution				2,953,856.09	2,953,856.09
Reimbursed T.P.A.F. Social Security Contributions					
Total - State Sources	43,641,253.00	-	43,641,253.00	52,351,572.39	8,710,319.39
Federal Sources:					
Medicaid	112,915.00	\$ 4,028.00	112,915.00	85,138.86	(27,776.14)
Education Job Funds			4,028.00	4,028.00	
Total - Federal Sources	112,915.00	4,028.00	116,943.00	89,166.86	(27,776.14)
Total Revenues	89,609,574.00	4,028.00	89,613,602.00	99,416,788.18	9,803,186.18

(Continued)

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund

For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:	\$ 719,965.73	\$ 9,496.00	\$ 729,461.73	\$ 729,453.30	\$ 8.43
Kindergarten	8,730,416.18	39,843.00	8,770,259.18	8,764,048.97	6,210.21
Grades 1-5	5,338,610.35	(45,044.20)	5,293,566.15	5,270,142.30	23,423.85
Grades 6-8	6,272,425.75	328,500.03	6,600,925.78	6,574,723.00	26,202.78
Grades 9-12					
Regular Programs - Home Instruction:					
Salaries of Teachers	28,370.00	(9,017.00)	19,353.00	19,352.26	0.74
Purchased Professional - Educational Services	60,295.00	(60,295.00)			
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	31,378.00		31,378.00	31,377.50	0.50
Purchased Professional - Educational Services	1,601,000.00	(492,534.02)	1,108,465.98	1,026,347.28	82,118.70
Purchased Technical Services	1,020.00	(1,020.00)			
Other Purchased Services (400-500 Series)	233,334.50	(25,656.82)	207,677.68	194,194.47	13,483.21
General Supplies	1,558,259.24	1,272,912.95	2,831,172.19	1,783,041.10	1,048,131.09
Textbooks	813,354.12	(505,613.11)	307,741.01	280,482.06	27,258.95
Other Objects	5,039.00	(796.00)	4,243.00	3,035.00	1,208.00
Total Regular Programs	25,362,089.87	542,153.83	25,904,243.70	24,676,197.24	1,228,046.46
Learning and / or Language Disabilities:					
Salaries of Teachers	560,246.63	(66,388.00)	493,858.63	485,673.09	8,185.54
Purchased Professional - Educational Services	121,221.00	80,810.00	202,031.00	196,221.70	5,809.30
General Supplies	12,629.00	(9,483.00)	3,146.00	434.99	2,711.01
Total Learning and / or Language Disabilities	694,096.63	4,939.00	699,035.63	682,329.78	16,705.85
Behavioral Disabilities:					
Salaries of Teachers	458,435.51	(31,458.00)	426,977.51	411,986.50	14,991.01
Purchased Professional - Educational Services	242,442.00	(104,783.80)	137,658.20	130,770.89	6,887.31
General Supplies	10,206.00	(9,652.00)	554.00	166.17	387.83
Total Behavioral Disabilities	711,083.51	(145,893.80)	565,189.71	542,923.56	22,266.15

(Continued)

TOWNSHIP OF WINSLOW SCHOOL DISTRICT

Required Supplementary Information
Budgetary Comparison Schedule
General Fund

For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Multiple Disabilities:					
Salaries of Teachers	\$ 639,570.90	\$ 53,478.00	\$ 693,048.90	\$ 676,838.70	\$ 16,210.20
Purchased Professional - Educational Services	231,025.00	(8,371.00)	222,654.00	215,824.38	6,829.62
General Supplies	34,145.39	3,997.75	38,143.14	33,035.40	5,107.74
Total Multiple Disabilities	904,741.29	49,104.75	953,846.04	925,698.48	28,147.56
Resource Room / Resource Center:					
Salaries of Teachers	4,822,812.68	242,991.00	5,065,803.68	5,024,206.86	41,596.82
Purchased Professional Educational Services	427,638.00	(83,562.00)	344,076.00	341,645.49	2,430.51
General Supplies	38,947.61	(2,340.38)	36,607.23	33,483.64	3,123.59
Total Resource Room / Resource Center	5,289,398.29	157,088.62	5,446,486.91	5,399,335.99	47,150.92
Preschool Disabilities - Part Time:					
Salaries of Teachers	365,311.58	20,161.00	385,472.58	372,877.61	12,594.97
Purchased Professional Services - PSD	175,205.00	(37,180.00)	138,025.00	134,483.22	3,541.78
General Supplies	10,428.00	(161.17)	10,266.83	3,379.76	6,887.07
Total Preschool Disabilities - Part Time	550,944.58	(17,180.17)	533,764.41	510,740.59	23,023.82
Home Instruction:					
Salaries of Teachers	15,344.00	(10,855.00)	4,489.00	150.92	4,338.08
Purchased Professional - Educational Services	50,000.00	(10,000.00)	40,000.00	36,291.60	3,708.40
Total Home Instruction	65,344.00	(20,855.00)	44,489.00	36,442.52	8,046.48
Total Special Education - Instruction	8,215,608.30	27,203.40	8,242,811.70	8,097,470.92	145,340.78
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	392,962.69	13,223.00	406,185.69	395,248.87	10,936.82
General Supplies	1,833.00	(1,833.00)			
Total Basic Skills / Remedial - Instruction	394,795.69	11,390.00	406,185.69	395,248.87	10,936.82

(Continued)

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund

For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 309,768.03	\$ (4,239.00)	\$ 305,529.03	\$ 292,595.87	\$ 12,933.16
General Supplies	296.00	(87.66)	208.34	162.34	46.00
Total Bilingual Education - Instruction	310,064.03	(4,326.66)	305,737.37	292,758.21	12,979.16
School Sponsored Cocurricular Activities - Instruction:					
Salaries	178,623.00	(13,397.00)	165,226.00	123,985.31	41,240.69
Purchased Services (300-500 series)	64,687.00	(18,807.00)	45,880.00	44,129.10	1,750.90
Supplies and Materials	10,315.00	1,630.00	11,945.00	11,152.24	792.76
Other Objects	1,420.00	475.00	1,895.00	1,568.03	326.97
Total School Sponsored Cocurricular Activities - Instructor	255,045.00	(30,099.00)	224,946.00	180,834.68	44,111.32
School Sponsored Athletics - Instruction:					
Salaries	470,687.87	(7,348.00)	463,339.87	450,430.38	12,909.49
Purchased Services (300-500 series)	118,009.82	(36,795.99)	81,213.83	74,418.98	6,794.85
Supplies and Materials	110,840.75	(15,572.66)	95,268.09	83,591.50	11,676.59
Other Objects	16,750.00	11,173.60	27,923.60	27,892.60	31.00
Total School Sponsored Athletics - Instruction	716,288.44	(48,543.05)	667,745.39	636,333.46	31,411.93
Total Instruction	35,253,891.33	497,778.52	35,751,669.85	34,278,843.38	1,472,826.47
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within State - Regular	1,675,180.99	20,000.00	1,695,180.99	275,689.09	1,419,491.90
Tuition to Other LEA's Within State - Special	385,936.79	(80,997.00)	304,939.79	201,844.33	103,095.46
Tuition to County Vocational School District - Regular	505,680.00	61,100.00	566,780.00	565,965.00	815.00
Tuition to CSSD and Regional Day Schools	998,156.95	(290,000.00)	708,156.95	663,474.92	44,682.03
Tuition to Private Schools for the Disabled - Within State	4,927,119.69	(2,757,848.85)	2,169,270.84	2,071,128.06	98,142.78
Tuition to Private Schools for the Disabled and Other LEA's Outside State	111,510.00		111,510.00		111,510.00
Tuition - State Facilities	400,925.00		400,925.00	400,925.00	
Tuition - Other	188,846.00		188,846.00	4,200.00	184,646.00
Total Undistributed Expenditures - Instruction	9,193,355.42	(3,047,745.85)	6,145,609.57	4,183,226.40	1,962,383.17

(Continued)

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund

For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Attendance and Social Work:					
Salaries	\$ 61,441.00	\$ 8,450.72	\$ 69,891.72	\$ 69,891.19	\$ 0.53
Purchased Professional and Technical Services (400-500 series)	33,248.00	(24,000.00)	9,248.00	8,460.00	788.00
Supplies and Materials	1,000.00		1,000.00		1,000.00
Total Undistributed Expenditures - Attendance and Social Work	95,689.00	(15,549.28)	80,139.72	78,351.19	1,788.53
Undistributed Expenditures - Health Services:					
Salaries	596,343.00	84,521.00	680,864.00	680,856.84	7.16
Purchased Professional and Technical Services	47,545.00	3,880.00	51,425.00	50,787.50	637.50
Supplies and Materials	23,327.51	(4,394.45)	18,933.06	15,502.73	3,430.33
Total Undistributed Expenditures - Health Services	667,215.51	84,006.55	751,222.06	747,147.07	4,074.99
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	1,071,649.00	146,159.00	1,217,808.00	1,217,799.00	9.00
Purchased Professional - Educational Services	150,845.00	(29,100.00)	121,745.00	121,269.80	475.20
Supplies and Materials	12,200.00	(200.00)	12,000.00	9,606.14	2,393.86
Total Undistributed Expenditures - Other Support Services - Students - Related Services	1,234,694.00	116,859.00	1,351,553.00	1,348,674.94	2,878.06
Undistributed Expenditures - Other Support Services - Students - Extra Services:					
Purchased Professional and Technical Services	1,711,602.00	333,227.80	2,044,829.80	1,978,435.09	66,394.71
Total Undistributed Expenditures - Other Support Services - Students - Extra Services	1,711,602.00	333,227.80	2,044,829.80	1,978,435.09	66,394.71

(Continued)

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	\$ 968,946.00	\$ (26,293.00)	\$ 932,653.00	\$ 932,497.93	\$ 155.07
Salaries of Secretarial and Clerical Assistants	138,610.00	2,372.21	140,982.21	140,980.40	1.81
Other Purchased Professional and Technical Services	2,500.00	901.00	3,401.00	2,996.00	405.00
Miscellaneous Purchased Services (400-500 Series other than Residential Costs)	9,750.00	(1,361.00)	8,389.00	5,485.56	2,903.44
Supplies and Materials	20,074.00	(5,793.12)	14,280.88	9,560.79	4,720.09
Other Objects	880.00		880.00	150.00	730.00
Total Undistributed Expenditures - Other Support Services - Students - Regular	1,130,760.00	(30,173.91)	1,100,586.09	1,091,670.68	8,915.41
Undistributed Expenditures - Other Support Services - Students - Special:					
Salaries of Other Professional Staff	1,864,489.00	90,189.00	1,954,678.00	1,953,417.97	1,260.03
Salaries of Secretarial and Clerical Assistants	223,233.00	29,643.20	252,876.20	252,873.29	2.91
Purchased Professional - Educational Services	3,000.00	(1,431.00)	1,569.00	900.00	669.00
Other Purchased Professional and Technical Services	5,000.00	(4,900.00)	100.00	100.00	100.00
Other Purchased Services (400-500 Series)		2,500.00	2,500.00	2,052.13	447.87
Miscellaneous Purchased Services (400-500 Series other than Residential Costs)	21,859.33	6,200.00	28,059.33	26,881.51	1,177.82
Supplies and Materials	39,057.21	(6,770.84)	32,286.37	17,412.39	14,873.98
Other Objects	2,700.00		2,700.00	1,300.00	1,400.00
Total Undistributed Expenditures - Other Support Services - Students - Special	2,159,338.54	115,430.36	2,274,768.90	2,254,837.29	19,931.61
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	337,375.00	61,526.63	398,901.63	391,440.46	7,461.17
Salaries of Other Professional Staff	8,171.00		8,171.00	3,584.32	4,586.68
Salaries of Secretarial and Clerical Assistants	50,407.00	1,200.00	51,607.00	51,601.28	5.72
Purchased Prof - Educational Services	62,010.00	(20,000.00)	42,010.00	19,228.52	22,781.48
Other Purchased Professional & Technical Services	75,000.00	(68,000.00)	7,000.00	7,000.00	7,000.00
Other Purchased Services (400-500 series)	1,500.00		1,500.00	764.00	736.00
Supplies and Materials	26,000.00	(1,900.00)	24,100.00	14,484.85	9,615.15
Other Objects	5,000.00	1,900.00	6,900.00	5,565.00	1,335.00
Total Undistributed Expenditures - Improvement of Instruction Services	565,463.00	(25,273.37)	540,189.63	486,668.43	53,521.20

(Continued)

TOWNSHIP OF WINSLOW SCHOOL DISTRICT

Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund

For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Educational Media Services / School Library:					
Salaries	\$ 488,883.00	\$ 10,920.00	\$ 499,803.00	\$ 499,423.31	\$ 379.69
Purchased Professional and Technical Services	28,000.00	(28,000.00)			
Other Purchased Services (400-500 series)	21,276.00	(3,255.36)	18,020.64	15,915.29	2,105.35
Supplies and Materials	26,593.00	(3,599.37)	22,993.63	21,464.27	1,529.36
Other Objects	800.00	(800.00)			
Total Undistributed Expenditures - Educational Media Services / School Library	565,552.00	(24,734.73)	540,817.27	536,802.87	4,014.40
Undistributed Expenditures - Instructional Staff Training Services:					
Other Salaries	55,000.00	(3,673.66)	51,326.34	36,740.59	14,585.75
Purchased Professional - Educational Services	103,351.00	(40,200.00)	63,151.00	55,468.06	7,682.94
Other Purchased Services (400-500 series)	4,950.00	(823.00)	4,127.00	1,783.00	2,344.00
Supplies and Materials	535.00		535.00	135.00	400.00
Other Objects	1,000.00		1,000.00		1,000.00
Total Undistributed Expenditures - Instructional Staff Training Services	164,836.00	(44,696.66)	120,139.34	94,126.65	26,012.69
Undistributed Expenditures - Support Services - General Administration:					
Salaries	242,696.00	18,789.29	261,485.29	261,481.98	3.31
Legal Services	200,000.00	24,000.00	224,000.00	223,909.56	90.44
Audit Fees	55,000.00	1,600.00	56,600.00	55,000.00	1,600.00
Architectural and Engineering Services	57,000.00	25,600.00	82,600.00	44,635.00	37,965.00
Other Purchased Professional Services	19,920.00	6,910.00	26,830.00	24,896.74	1,933.26
Communications / Telephone	289,452.00	(75,120.46)	214,331.54	177,507.23	36,824.31
BOE Other Purchased Services	10,000.00	(6,500.00)	3,500.00	418.18	3,081.82
Other Purchased Services (400-500 series)	141,060.00	(103,610.00)	37,450.00	35,338.71	2,111.29
General Supplies	8,500.00	17,400.00	25,900.00	23,002.53	2,897.47
Judgments Against the School District	90,930.00	136,400.00	227,330.00	222,948.95	4,381.05
Miscellaneous Expenditures	5,500.00	(500.00)	5,000.00	4,868.64	131.36
BOE Membership Dues and Fees	35,000.00		35,000.00	30,004.56	4,995.44
Total Undistributed Expenditures - Support Services - General Adminst.	1,155,058.00	44,968.83	1,200,026.83	1,104,012.08	96,014.75

(Continued)

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	\$ 1,639,676.00	\$ 148,978.82	\$ 1,788,654.82	\$ 1,788,554.42	\$ 100.40
Salaries of Other Professional Staff	293,500.00	(67,072.99)	226,427.01	226,426.45	0.56
Salaries of Secretarial and Clerical Assistants	1,118,779.00	(17,023.42)	1,101,755.58	1,098,939.46	2,816.12
Purchased Professional and Technical Services	4,000.00	(4,000.00)			
Other Purchased Services	46,747.00	(128.00)	46,619.00	34,671.60	11,947.40
Supplies and Materials	49,689.00	(3,205.32)	46,483.68	41,890.98	4,592.70
Other Objects	32,846.00	(15,740.00)	17,106.00	16,428.90	677.10
Total Undistributed Expenditures - Support Services - School Administrator	3,185,237.00	41,809.09	3,227,046.09	3,206,911.81	20,134.28
Undistributed Expenditures - Central Services:					
Salaries	980,832.00	(21,695.99)	959,136.01	951,559.08	7,576.93
Purchased Professional Services	182,173.00		182,173.00	65,394.71	116,778.29
Purchased Technical Services	44,830.00		44,830.00	23,351.85	21,478.15
Miscellaneous Purchased Services	84,545.00	(2,461.00)	82,084.00	43,882.74	38,201.26
Supplies and Materials	41,183.00	17,043.00	58,226.00	48,023.58	10,202.42
Miscellaneous Expenditures	12,000.00		12,000.00	3,688.30	8,311.70
Total Undistributed Expenditures - Central Services	1,345,563.00	(7,113.99)	1,338,449.01	1,135,900.26	202,548.75
Undistributed Expenditures - Administration Information Technology					
Salaries	50,886.00	35,379.00	86,265.00	86,263.45	1.55
Purchased Technical Services	437,000.00	(538.00)	436,462.00	377,812.00	58,650.00
Other Purchased Services	360,693.00	(247,405.00)	113,288.00	39,745.76	73,542.24
Supplies and Materials	8,914.00		8,914.00	8,545.00	369.00
Total Undistributed Expenditures - Administration Information Technology	857,493.00	(212,564.00)	644,929.00	512,366.21	132,562.79
Undistributed Expenditures - Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	606,953.94	2,786,042.18	3,392,996.12	651,621.98	2,741,374.14
Total Undistributed Expenditures - Required Maintenance for School Facilities	606,953.94	2,786,042.18	3,392,996.12	651,621.98	2,741,374.14

(Continued)

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund

For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Purchased Professional and Technical Services	\$ 72,973.50	\$ (17,125.00)	\$ 55,848.50	\$ 40,735.40	\$ 15,113.10
Cleaning, Repair and Maintenance Services	3,232,744.35	(113,942.18)	3,118,802.17	3,045,968.11	72,834.06
Other Purchased Property Services	246,557.00	75,540.00	322,097.00	315,579.50	6,517.50
Insurance	391,226.00	(30,700.00)	360,526.00	359,077.56	1,448.44
Miscellaneous Purchased Services	171.00		171.00		171.00
General Supplies	142,795.00	7,507.50	150,302.50	119,892.45	30,410.05
Energy (Heat, Electricity, Natural Gas, Oil)	1,705,612.00	(208,677.00)	1,496,935.00	1,383,283.16	113,651.84
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	5,792,078.85	(287,396.68)	5,504,682.17	5,264,536.18	240,145.99
Undistributed Expenditures - Care and Upkeep of Grounds	4,816.00	99,966.50	104,782.50	40,153.50	64,629.00
Cleaning, Repair and Maintenance Services	4,816.00	99,966.50	104,782.50	40,153.50	64,629.00
Total Undistributed Expenditures - Care and Upkeep of Grounds	4,816.00	99,966.50	104,782.50	40,153.50	64,629.00
Undistributed Expenditures - Security		1,800.00	1,800.00		1,800.00
Security Supplies and Materials		1,800.00	1,800.00		1,800.00
Total Undistributed Expenditures - Security Equipment		1,800.00	1,800.00		1,800.00
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School) - Regular	1,908,812.00	380,149.34	2,288,961.34	2,264,136.39	24,824.95
Salaries for Pupil Transportation (Between Home and School) - Special Ed	363,886.00	6,024.02	369,910.02	367,052.74	2,857.28
Management Fee - ESC & CTSA Transportation Programs	65,000.00	11,775.00	76,775.00	76,774.26	0.74
Other Purchased Professional and Technical Services	568,057.00	(246,644.00)	321,413.00	320,572.70	840.30
Cleaning, Repair, & Maintenance Services	269,116.46	(88,250.00)	180,866.46	179,928.50	937.96
Lease Purchase Payments	323,044.00	(323,044.00)			
Contracted Services (Between Home and School) - Vendors	132,231.00	(45,875.46)	86,355.54	86,355.54	
Contracted Services (Between Home and School) - Joint Agreement	25,000.00	10,000.00	35,000.00	35,000.00	
Contracted Services (Special Education Students) - Vendors	215,860.00	(4,514.80)	211,345.20	211,335.20	
Contracted Services (Special Education Students) - Joint Agreement	35,000.00	50,835.00	85,835.00	85,834.71	0.29
Aid-in-Lieu-of Payments	182,564.00	134,032.34	316,596.34	315,315.67	1,280.67
Contracted Services - Aid-in-Lieu of Payments - Choice Schools	53,040.00	(53,040.00)			
Contracted Services (Regular Students) - ESCs & CTSA	900,000.00	100,000.00	1,000,000.00	1,000,000.00	
Contracted Services (Special Education Students) - ESCs & CTSA	505,000.00	19,340.43	524,340.43	524,340.43	
Miscellaneous Purchased Services - Transportation	154,330.28	112,916.76	267,247.04	265,747.04	1,500.00
Supplies and Materials	915,369.70	317,018.22	1,232,387.92	1,229,154.54	3,233.38
Other Object	18,876.00	109,262.73	128,138.73	11,450.82	116,687.91
Total Undistributed Expenditures - Student Transportation Services	6,635,176.44	489,985.58	7,125,162.02	6,972,998.54	152,163.48

(Continued)

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund

For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Unallocated Benefits:					
Social Security Contributions	\$ 1,179,400.00	\$ (240,361.00)	\$ 939,039.00	\$ 693,357.61	\$ 245,681.39
Other Retirement Contributions - Regular	1,620,237.00	(1,073,368.00)	546,869.00	546,869.00	
Unemployment Compensation	660,641.00	(464,209.00)	196,432.00	169,246.97	27,185.03
Workmen's Compensation	864,227.00	(164,400.00)	699,827.00	593,943.84	105,883.16
Health Benefits	10,440,381.80	(797,050.00)	9,643,331.80	9,199,367.02	443,964.78
Tuition Reimbursement	168,762.00	(30,000.00)	138,762.00	47,130.79	91,631.21
Other Employee Benefits	915,000.00	(205,000.00)	710,000.00	369,136.86	340,863.14
Total Unallocated Benefits	15,848,648.80	(2,974,388.00)	12,874,260.80	11,619,052.09	1,255,208.71
On-behalf T.P.A.F. Pension Contributions (non-budgeted)					
Normal Cost				2,521,413.00	(2,521,413.00)
Post-Retirement Medical Contribution				2,851,081.00	(2,851,081.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,953,856.09	(2,953,856.09)
Total On-behalf Contributions	-	-	-	8,326,350.09	(8,326,350.09)
Total Undistributed Expenditures	52,919,530.50	(2,555,540.58)	50,363,989.92	51,633,843.35	(1,269,853.43)
Total Current Expense	88,173,421.83	(2,057,762.06)	86,115,659.77	85,912,686.73	202,973.04
Capital Outlay:					
Equipment:					
Undistributed Expenditures - Instruction		116,433.00	116,433.00	135,612.00	116,433.00
Undistributed Expenditures - Admin Info Tech	135,612.00	43,873.00	179,485.00	43,873.00	43,873.00
Undistributed Expenditures - Care and Upkeep of Grounds		22,599.19	22,599.19	22,445.99	153.20
Undistributed Expenditures - Security Equipment		346,596.00	346,596.00	22,470.00	324,126.00
Non Instructional Equipment - Student Transportation	101,669.00	38,291.00	139,960.00	101,669.00	38,291.00
School Buses - Regular	489,375.00	597,000.00	1,086,375.00	489,375.00	597,000.00
School Buses - Special	66,900.00	96,000.00	162,900.00	66,900.00	96,000.00
Grades 1-5		18,922.00	18,922.00	2,674.00	16,248.00
Grades 6-8	9,844.42	27,069.31	36,913.73	24,516.64	12,397.09
Grades 9-12	18,482.00	244,701.14	263,183.14	35,682.14	227,501.00
Special Education Instructional Equipment		5,199.90	5,199.90	5,199.90	
Instruction Equipment		31,663.72	31,663.72	18,694.97	12,968.75
Total Equipment	821,882.42	1,588,348.26	2,410,230.68	925,239.64	1,484,991.04

(Continued)

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONTD):					
Capital Outlay (Contd):					
Facilities Acquisition and Constructing Services:					
Architectural / Engineering Services	\$ 66,044.43	\$ 167,650.00	\$ 167,650.00	\$ 141,750.00	\$ 25,900.00
Construction Services	6,868.00	89,060.00	155,104.43	89,060.00	66,044.43
Assessment for Debt Service on SDA Funding			6,868.00	6,868.00	
Total Facilities Acquisition and Constructing Services	72,902.43	256,710.00	329,612.43	237,668.00	91,944.43
Total Capital Outlay	894,784.85	1,845,058.26	2,739,843.11	1,162,907.64	1,576,935.47
Transfer of Funds to Charter Schools	6,739,777.00	126,509.00	6,866,286.00	6,780,574.00	85,712.00
Total Expenditures	95,807,983.68	(86,194.80)	95,721,788.88	93,856,168.37	1,865,620.51
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,198,409.68)	90,222.80	(6,108,186.88)	5,560,619.81	11,668,806.69
Other Financing Sources (Uses):					
Transfer to Food Service Fund - Board Contribution		(90,222.80)	(90,222.80)	(90,222.80)	
Refund of Prior Year Payments for RDS Compensated Absences			5,680.39	5,680.39	5,680.39
Non-Operating Transfer in - Capital Projects Fund			1,204.59	1,204.59	1,204.59
Cancellation of Prior Year Accounts Payable				10,764.84	10,764.84
Total Other Financing Sources (Uses)	-	(90,222.80)	(90,222.80)	(72,572.98)	17,649.82
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(6,198,409.68)	(0.00)	(6,198,409.68)	5,488,046.83	11,686,456.51
Fund Balances, July 1	12,899,383.41	-	12,899,383.41	12,899,383.41	-
Fund Balances, June 30	\$ 6,700,973.73	\$ (0.00)	\$ 6,700,973.73	\$ 18,387,430.24	\$ 11,686,456.51
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 5,000,143.92	
Maintenance Reserve				1,000,143.92	
Excess Surplus - Designated for Subsequent Year's Expenditures				2,343,587.00	
Excess Surplus				1,464,871.40	
Assigned Fund Balance:					
Year-End Encumbrances				6,484,118.33	
Unassigned Fund Balance				2,094,565.67	
				18,387,430.24	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				4,233,279.60	
Fund Balance per Governmental Funds (GAAP)				\$ 14,154,150.64	

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule - Education Jobs Fund
 General Fund

For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Federal Sources:					
Education Jobs Fund	\$ 4,028.00	\$ 4,028.00	\$ 4,028.00	\$ 4,028.00	\$ -
Total - Federal Sources	-	4,028.00	4,028.00	4,028.00	-
Total Revenues	-	4,028.00	4,028.00	4,028.00	-
EXPENDITURES:					
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School) - Regular	\$ 4,028.00	\$ 4,028.00	\$ 4,028.00	\$ 4,028.00	-
Total Undistributed Expenditures - Student Transportation Services	-	4,028.00	4,028.00	4,028.00	-
Total Expenditures	-	4,028.00	4,028.00	4,028.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balances, July 1					
Fund Balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
REVENUES:					
Local Sources:					
Revenue from Local Sources		\$ 65,516.88	\$ 65,516.88	\$ 4,447.03	\$ (61,069.85)
Total - Local Sources	-	65,516.88	65,516.88	4,447.03	(61,069.85)
State Sources:					
Preschool Education Aid	\$ 538,803.00	274,878.00	538,803.00	531,923.00	(6,880.00)
School Based Youth Program		115,648.00	274,878.00	269,979.25	(4,898.75)
Nonpublic Aid			115,648.00	62,037.90	(53,610.10)
Total - State Sources	538,803.00	390,526.00	929,329.00	863,940.15	(65,388.85)
Federal Sources:					
Title I	812,359.00	405,619.25	1,217,978.25	958,088.72	(259,889.53)
Title I - SIA		76,860.06	76,860.06	58,204.03	(18,656.03)
Title II Part A	193,643.00	163,744.42	357,387.42	234,687.44	(122,699.98)
Title III	19,129.00	6,470.78	25,599.78	25,464.51	(135.27)
I.D.E.A., Part B	1,125,442.00	592,996.44	1,718,438.44	1,538,947.56	(179,490.88)
I.D.E.A., Part B, Preschool Incentive		73,429.36	73,429.36	70,247.46	(3,181.90)
Race to the Top		76,113.00	76,113.00	61,049.75	(15,063.25)
JROTC		78,783.33	78,783.33	78,783.33	
Carl D. Perkins Vocational and Technical Education Act		46,906.00	46,906.00	42,654.97	(4,251.03)
Total - Federal Sources	2,150,573.00	1,520,922.64	3,671,495.64	3,068,127.77	(603,367.87)
Total Revenues	2,689,376.00	1,976,965.52	4,666,341.52	3,936,514.95	(729,826.57)

(Continued)

TOWNSHIP OF WINSLOW SCHOOL DISTRICT

Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 1,139,156.00	\$ 98,256.33	\$ 1,237,412.33	\$ 985,774.12	\$ 251,638.21
Purchased Professional and Technical Services	193,643.00	(61,406.00)	132,237.00	83,443.32	48,793.68
Other Purchased Services (400-500 series)		1,119,496.89	1,119,496.89	1,102,986.34	16,510.55
Supplies and Materials	1,126,754.00	(739,650.14)	387,103.86	306,472.47	80,631.39
General Supplies		1,989.00	1,989.00	1,935.81	53.19
Textbooks		5,389.00	5,389.00	5,386.56	2.44
Other Objects		1,000.00	1,000.00		1,000.00
Total Instruction	2,459,553.00	425,075.08	2,884,628.08	2,485,998.62	398,629.46
Support Services:					
Personal Services - Salaries		209,092.57	209,092.57	175,982.68	33,109.89
Salaries of Principals and Assistant Principals		117,091.00	117,091.00	109,423.68	7,667.32
Salaries of Other Professional Staff	36,500.00	(36,500.00)			-
Salaries of Secretarial and Clerical Assistants		20,120.00	20,120.00	19,895.76	224.24
Other Salaries		94,961.00	94,961.00	91,087.73	3,873.27
Personal Services - Employee Benefits	75,890.00	172,256.30	248,146.30	238,854.11	9,292.19
Purchased Professional and Technical Services		297,324.72	297,324.72	254,883.85	42,440.87
Purchased Professional - Educational Services		7,480.00	7,480.00	7,405.20	74.80
Purchased Educational Services - Contracted Pre-K	108,433.00	9,999.06	118,432.06	118,432.06	-
Purchased Professional Services	5,000.00	(3,373.00)	1,627.00	1,627.00	-
Other Purchased Services (400-500 series)		129,989.34	129,989.34	91,517.49	38,471.85
Contracted Services - Transportation	2,500.00	1,480.00	3,980.00	3,980.00	-
Travel	1,500.00	(712.00)	788.00	788.00	-
Supplies and Materials		114,603.38	114,603.38	56,487.61	58,115.77
Other Objects		19,718.00	19,718.00	18,437.52	1,280.48
Total Support Services	229,823.00	1,153,530.37	1,383,353.37	1,188,802.69	194,550.68
Facilities Acquisition and Construction Services:					
Instructional Equipment		283,890.97	283,890.97	261,713.64	22,177.33
Noninstructional Equipment		114,469.10	114,469.10		114,469.10
Facilities Acquisition and Construction Services		398,360.07	398,360.07	261,713.64	136,646.43
Total Expenditures	2,689,376.00	1,976,965.52	4,666,341.52	3,936,514.95	729,826.57
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -				

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For the Fiscal Year Ended June 30, 2013

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 99,416,788.18	\$ 3,936,514.95
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		96,286.99
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2012.	4,325,104.60	36,332.40
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2013.	<u>(4,233,279.60)</u>	<u>(23,255.40)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 99,508,613.18</u>	<u>\$ 4,045,878.94</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 93,856,168.37	\$ 3,936,514.95
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		96,286.99
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 93,856,168.37</u>	<u>\$ 4,032,801.94</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Special Revenue Fund
 Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2013

NCLB

	<u>Title I - Part A</u> <u>2011-2012</u>	<u>Title I - SIA</u> <u>2011-2012</u>	<u>Title II - Part A, Improving Teacher</u> <u>Quality State Grants</u> <u>2011-2012</u>	<u>Title III</u> <u>2012-2013</u>	<u>Title III</u> <u>2011-2012</u>	<u>Title III - Immigrant</u> <u>2011-2012</u>	<u>Total</u> <u>Carried</u> <u>Forward</u>
REVENUES:							
Federal Sources	\$ 739,223.47	\$ 58,204.03	\$ 153,505.06	\$ 15,580.75	\$ 6,226.26	\$ 3,657.50	\$ 1,276,444.70
State Sources							
Local Sources							
Total Revenues	739,223.47	58,204.03	153,505.06	15,580.75	6,226.26	3,657.50	1,276,444.70
EXPENDITURES:							
Instruction:							
Salaries of Teachers	414,596.44	15,507.03	4,008.80	11,337.87	3,923.74	3,282.50	529,838.11
Purchased Professional and Technical Services	950.21		34,150.00				35,100.21
Purchased Professional - Educational Services							
Other Purchased Services (400-500 series)	22,133.03	19,585.67	16,985.66	3,200.52	1,771.02		158,633.14
Supplies and Materials							
General Supplies							
Textbooks							
Total Instruction	437,679.68	35,092.70	55,144.46	14,538.39	5,694.76	3,282.50	723,571.46
Support Services:							
Personal Services - Salaries	40,089.00						40,089.00
Salaries of Principals and Assistant Principals							
Salaries of Secretarial and Clerical Assistants							
Other Salaries							
Personal Services - Employee Benefits	87,886.34	1,186.00	306.67	867.36	333.00	251.00	94,564.37
Purchased Professional and Technical Services		325.00	70,735.60				90,710.60
Purchased Professional - Educational Services							
Purchased Educational Services - Contracted Pre-K							
Purchased Professional Services							
Contracted Services - Transportation							
Travel							
Other Purchased Services (400-500 series)	28,490.00	6,480.00	20,446.87	175.00	198.50	124.00	49,725.00
Supplies and Materials	10,793.96	1,878.33					36,115.11
Other Objects	7,275.52						7,275.52
Total Support Services	174,534.82	9,869.33	91,489.14	1,042.36	531.50	375.00	318,479.60
Facilities Acquisition and Construction Services:							
Instructional Equipment	127,008.97	13,242.00	6,871.46				234,393.64
Facilities Acquisition and Construction Services	127,008.97	13,242.00	6,871.46				234,393.64
Total Expenditures	739,223.47	58,204.03	153,505.06	15,580.75	6,226.26	3,657.50	1,276,444.70
Excess (Deficiency) of Revenues Over (Under) Expenditures							

(Continued)

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2013

	I.D.E.A. Part B, Preschool	I.D.E.A. Part B, Preschool	Race to the Top 2012-2013	JROTC 2012-2013	Carl Perkins Vocational and Technical Education Act 2012-2013	Total Carried Forward
	2012-2013	2011-2012	2012-2013	2012-2013	2012-2013	Forward
REVENUES:						
Federal Sources	\$ 1,094,550.22	\$ 444,397.34	\$ 59,007.71	\$ 78,783.33	\$ 42,654.97	\$ 3,068,127.77
State Sources						-
Local Sources						-
Total Revenues	1,094,550.22	444,397.34	59,007.71	78,783.33	42,654.97	3,068,127.77
EXPENDITURES:						
Instruction:						
Salaries of Teachers	2,384.22	76,207.00		78,783.33	3,150.46	690,363.12
Purchased Professional and Technical Services	928,189.70	108,680.64	58,500.00		5,111.00	40,211.21
Other Purchased Services (400-500 series)	48,906.59	55,871.57	507.71		30,936.01	1,102,986.34
Supplies and Materials						298,459.27
General Supplies						-
Textbooks						-
Total Instruction	979,480.51	240,759.21	59,007.71	78,783.33	39,197.47	2,132,019.94
Support Services:						
Personal Services - Salaries	69,905.00	65,554.77			433.91	175,982.68
Salaries of Principals and Assistant Principals						-
Salaries of Secretarial and Clerical Assistants						-
Other Salaries						-
Personal Services - Employee Benefits	16,839.26	99,574.72		49,936.75	160.19	111,563.82
Purchased Professional and Technical Services					597.00	240,819.07
Purchased Professional - Educational Services						-
Purchased Educational Services - Contracted Pre-K						-
Purchased Professional Services						-
Contracted Services - Transportation						-
Travel						-
Other Purchased Services (400-500 series)	4,420.45	35,093.64			788.00	788.00
Supplies and Materials					1,478.40	90,717.49
Other Objects						47,247.61
Total Support Services	91,164.71	200,223.13	-	-	3,457.50	674,394.19
Facilities Acquisition and Construction Services:						
Instructional Equipment	23,905.00	3,415.00				261,713.64
Facilities Acquisition and Construction Services	23,905.00	3,415.00				261,713.64
Total Expenditures	1,094,550.22	444,397.34	59,007.71	78,783.33	42,654.97	3,068,127.77
Excess (Deficiency) of Revenues Over (Under) Expenditures						-

(Continued)

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2013

	Total Brought Forward	Preschool Education Aid 2012-2013	NJ Nonpublic Textbook Aid, Ch. 194, L. 1979 2012-2013	NJ Nonpublic Technology Aid, 2012-2013	NJ Nonpublic Handicapped Services Ch. 193 2012-2013	NJ Nonpublic Auxiliary Services Ch. 192 2012-2013	NJ Nonpublic Nursing Services Aid, (Chapter 226) 2012-2013	School Based Youth Program 2012-2013	Total Carried Forward
REVENUES:									
Federal Sources	\$ 3,068,127.77	\$ 531,923.00	\$ 5,386.56	\$ 1,935.81	\$ 21,744.34	\$ 25,565.99	\$ 7,405.20	\$ 269,979.25	\$ 3,068,127.77
State Sources	-	-	-	-	-	-	-	-	-
Local Sources	-	-	-	-	-	-	-	-	-
Total Revenues	3,068,127.77	531,923.00	5,386.56	1,935.81	21,744.34	25,565.99	7,405.20	269,979.25	3,932,067.92
EXPENDITURES:									
Instruction:									
Salaries of Teachers	690,363.12	295,411.00							985,774.12
Purchased Professional and Technical Services	40,211.21				21,744.34	21,487.77			83,443.32
Other Purchased Services (400-500 series)	1,102,986.34	3,566.17		1,935.81					1,102,986.34
Supplies and Materials	298,459.27								302,025.44
General Supplies	-		5,386.56						1,935.81
Textbooks	-								5,386.56
Total Instruction	2,132,019.94	298,977.17	5,386.56	1,935.81	21,744.34	21,487.77	-	-	2,481,551.59
Support Services:									
Personal Services - Salaries	175,982.68	39,620.00							175,982.68
Salaries of Principals and Assistant Principals	-							69,803.68	109,423.68
Salaries of Secretarial and Clerical Assistants	-							19,895.76	19,895.76
Other Salaries	-							91,087.73	91,087.73
Personal Services - Employee Benefits	111,563.82	69,286.77						58,003.52	238,854.11
Purchased Professional and Technical Services	240,819.07					4,078.22	7,405.20	9,886.56	254,883.85
Purchased Educational Services - Contracted Pre-K	-	118,432.06							118,432.06
Purchased Professional Services	-	1,627.00							1,627.00
Contracted Services - Transportation	-	3,980.00							3,980.00
Travel	788.00								788.00
Other Purchased Services (400-500 series)	90,717.49							800.00	91,517.49
Supplies and Materials	47,247.61							9,240.00	56,487.61
Other Objects	7,275.52							11,162.00	18,437.52
Total Support Services	674,394.19	232,945.83	-	-	-	4,078.22	7,405.20	269,979.25	1,188,802.69
Facilities Acquisition and Construction Services:									
Instructional Equipment	261,713.64								261,713.64
Facilities Acquisition and Construction Services	261,713.64								261,713.64
Total Expenditures	3,068,127.77	531,923.00	5,386.56	1,935.81	21,744.34	25,565.99	7,405.20	269,979.25	3,932,067.92
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-

(Continued)

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2013

	<u>Total Brought Forward</u>	<u>Wal-Mart Grant 2012-2013</u>	<u>Lowe's Grant 2012-2013</u>	<u>Final</u>
REVENUES:				
Federal Sources	\$ 3,068,127.77			\$ 3,068,127.77
Slate Sources	863,940.15			863,940.15
Local Sources	-	\$ 470.70	\$ 3,976.33	4,447.03
Total Revenues	<u>3,932,067.92</u>	<u>470.70</u>	<u>3,976.33</u>	<u>3,936,514.95</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers	985,774.12			985,774.12
Purchased Professional and Technical Services	83,443.32			83,443.32
Other Purchased Services (400-500 series)	1,102,986.34			1,102,986.34
Supplies and Materials	302,025.44	470.70	3,976.33	306,472.47
General Supplies	1,935.81			1,935.81
Textbooks	5,386.56			5,386.56
Total Instruction	<u>2,481,551.59</u>	<u>470.70</u>	<u>3,976.33</u>	<u>2,485,998.62</u>
Support Services:				
Personal Services - Salaries	175,982.68			175,982.68
Salaries of Principals and Assistant Principals	109,423.68			109,423.68
Salaries of Secretarial and Clerical Assistants	19,895.76			19,895.76
Other Salaries	91,087.73			91,087.73
Personal Services - Employee Benefits	238,854.11			238,854.11
Purchased Professional and Technical Services	254,883.85			254,883.85
Purchased Professional - Educational Services	7,405.20			7,405.20
Purchased Educational Services - Contracted Pre-K	118,432.06			118,432.06
Purchased Professional Services	1,627.00			1,627.00
Contracted Services - Transportation	3,980.00			3,980.00
Travel	788.00			788.00
Other Purchased Services (400-500 series)	91,517.49			91,517.49
Supplies and Materials	56,487.61			56,487.61
Other Objects	18,437.52			18,437.52
Total Support Services	<u>1,188,802.69</u>	<u>-</u>	<u>-</u>	<u>1,188,802.69</u>
Facilities Acquisition and Construction Services:				
Instructional Equipment	261,713.64			261,713.64
Facilities Acquisition and Construction Services	261,713.64	-	-	261,713.64
Total Expenditures	<u>3,932,067.92</u>	<u>470.70</u>	<u>3,976.33</u>	<u>3,936,514.95</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - All Programs
Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	Budget	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 295,411.00	\$ 295,411.00	\$ -
Supplies and Materials	3,566.17	3,566.17	-
Total instruction	298,977.17	298,977.17	-
Support Services:			
Salaries of Principals and Assistant Principals	46,500.00	39,620.00	6,880.00
Personal Services - Employee Benefits	69,286.77	69,286.77	-
Purchased Educational Services - Contracted Pre-K	118,432.06	118,432.06	-
Purchased Professional Services	1,627.00	1,627.00	-
Contracted Services - Transportation	3,980.00	3,980.00	-
Total Support Services	239,825.83	232,945.83	6,880.00
Total Expenditures	\$ 538,803.00	\$ 531,923.00	\$ 6,880.00

CALCULATION OF BUDGET & CARRYOVER

Total revised 2012-13 Preschool Education Aid Allocation	\$ 232,554.00
Add: Actual Carryover (June 30, 2012)	512,173.49
Add: Budgeted Transfer From General Fund 2012-13	-
Total Preschool Education Aid Funds Available for the 2012-13 Budget	744,727.49
Less: 2012-13 Budgeted Preschool Education Aid (Including prior year budget carryover)	(538,803.00)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2013	205,924.49
Add: June 30, 2013 Unexpended Preschool Education Aid	6,880.00
2012-13 Carryover - Preschool Education Aid Programs	\$ 212,804.49
2012-13 Preschool Education Aid Carryover Budgeted for Preschool Programs 2013-2014	\$ 205,924.00

CAPITAL PROJECTS FUND

TOWNSHIP OF WINSLOW SCHOOL DISTRICT

Capital Projects Fund

Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2013

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2013
			Prior Years	Current Year	
Middle School Roofing Project	June 4, 2010	\$ 3,437,500.00	\$ 1,948,912.40		\$ 1,488,587.60
High School Roofing Project	June 4, 2010	3,125,000.00	2,531,956.34	\$ 4,704.00	588,339.66
Totals		\$ 6,562,500.00	\$ 4,480,868.74	\$ 4,704.00	\$ 2,076,927.26

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance -- Budgetary Basis
 For the Fiscal Year Ended June 30, 2013

Revenues and Other Financing Sources	
Miscellaneous	\$ 1,204.59
	<u>1,204.59</u>
Total Revenues	<u>1,204.59</u>
Expenditures and Other Financing Uses	
Other Professional Services	\$ 4,704.00
	<u>4,704.00</u>
Total Expenditures	<u>4,704.00</u>
Excess (deficiency) or revenues over (under) expenditures	(3,499.41)
Fund Balance -- Beginning	<u>2,081,631.26</u>
Fund Balance -- Before Operating Transfers Out	2,078,131.85
Operating Transfer Out -- General Fund	<u>(1,204.59)</u>
Fund Balance -- Ending	<u><u>\$ 2,076,927.26</u></u>

TOWNSHIP OF WINSLOW SCHOOL DISTRICT

Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance, and Project Status -- Budgetary Basis
 Middle School Roofing Project

From Inception and for the Fiscal Year Ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Grant Proceeds	\$ 1,985,111.00		\$ 1,985,111.00	\$ 1,985,111.00
Local Share	1,452,389.00		1,452,389.00	1,452,389.00
Total Revenues	3,437,500.00	-	3,437,500.00	3,437,500.00
Expenditures and Other Financing Uses				
Other Professional Services	260,483.25		260,483.25	687,500.00
Construction Services	1,688,429.15		1,688,429.15	2,750,000.00
Total Expenditures	1,948,912.40	-	1,948,912.40	3,437,500.00
Excess (deficiency) or revenues over (under) expenditures	1,488,587.60	\$ -	\$ 1,488,587.60	\$ -

Additional project information:

Project Number	5820-030-09-0ZZP
Grant Date	June 4, 2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	3,437,500.00
Additional Authorized Cost	---
Revised Authorized Cost	3,437,500.00

Percentage Increase over Original Authorized Cost

Percentage Completion

Original Target Completion Date

Revised Target Completion Date

---	100.00%
August 31, 2011	
June 30, 2013	

TOWNSHIP OF WINSLOW SCHOOL DISTRICT

Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance, and Project Status -- Budgetary Basis
 High School Roofing Project

From Inception and for the Fiscal Year Ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Grant Proceeds	\$ 1,804,646.00		\$ 1,804,646.00	\$ 1,804,646.00
Local Share	1,320,354.00		1,320,354.00	1,320,354.00
Total Revenues	3,125,000.00	-	3,125,000.00	3,125,000.00
Expenditures and Other Financing Uses				
Architect/Engineer Services	4,704.00		4,704.00	4,704.00
Other Professional Services	227,815.50	\$ 4,704.00	232,519.50	620,296.00
Construction Services	2,299,436.84		2,299,436.84	2,500,000.00
Total Expenditures	2,531,956.34	4,704.00	2,536,660.34	3,125,000.00
Excess (deficiency) or revenues over (under) expenditures	593,043.66	\$ (4,704.00)	\$ 588,339.66	\$ -

Additional project information:

Project Number	5820-030-09-0ZZO
Grant Date	June 4, 2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	3,125,000.00
Additional Authorized Cost	---
Revised Authorized Cost	3,125,000.00

Percentage Increase over Original Authorized Cost

Percentage Completion

Original Target Completion Date

Revised Target Completion Date

---	100.00%
August 31, 2011	August 31, 2011
March 31, 2013	March 31, 2013

PROPRIETARY FUNDS

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Net Position
June 30, 2013

	<u>Food Service</u>	<u>Regional Day School</u>	<u>Before-After School Program</u>	<u>Total</u>
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 383,695.67	\$ 118,376.66	\$ 298,180.71	\$ 800,253.04
Accounts Receivable:				
State	5,475.76			5,475.76
Federal	225,019.57			225,019.57
Other	6,454.86		68,609.10	75,063.96
Interfund Accounts Receivable:				
Due Before and After School	13,281.50			13,281.50
Due Students, Net	3,245.31			3,245.31
Prepaid Expenses			5,851.98	5,851.98
Inventories	46,802.53			46,802.53
Total Current Assets	<u>683,975.20</u>	<u>118,376.66</u>	<u>372,641.79</u>	<u>1,174,993.65</u>
Noncurrent Assets:				
Furniture, Machinery and Equipment	995,518.00	126,673.00		1,122,191.00
Less Accumulated Depreciation	<u>(896,714.00)</u>	<u>(116,956.00)</u>		<u>(1,013,670.00)</u>
Total Noncurrent Assets	<u>98,804.00</u>	<u>9,717.00</u>	<u>-</u>	<u>108,521.00</u>
Total Assets	<u>782,779.20</u>	<u>128,093.66</u>	<u>372,641.79</u>	<u>1,283,514.65</u>
LIABILITIES:				
Current Liabilities:				
Interfund Accounts Payable:				
Due General Fund	60,829.51	1,253,842.08	89,834.48	1,404,506.07
Due Food Service			13,281.50	13,281.50
Accounts Payable	497,824.09			497,824.09
Unearned Revenue	46.55		46,439.35	46,485.90
Total Current Liabilities	<u>558,700.15</u>	<u>1,253,842.08</u>	<u>149,555.33</u>	<u>1,962,097.56</u>
Noncurrent Liabilities:				
Compensated Absences Payable		83,286.58		83,286.58
Total Liabilities	<u>558,700.15</u>	<u>1,337,128.66</u>	<u>149,555.33</u>	<u>2,045,384.14</u>
NET POSITION:				
Net Investment in Capital Assets	98,804.00	9,717.00		108,521.00
Restricted for:				
Encumbrances		156.90		156.90
Unrestricted	125,275.05	<u>(1,218,908.90)</u>	<u>223,086.46</u>	<u>(870,547.39)</u>
Total Net Position	<u>\$ 224,079.05</u>	<u>\$ (1,209,035.00)</u>	<u>\$ 223,086.46</u>	<u>\$ (761,869.49)</u>

TOWNSHIP OF WINSLOW SCHOOL DISTRICT

Enterprise Fund

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2013

	<u>Food Service</u>	<u>Regional Day School</u>	<u>Before-After School Program</u>	<u>Total</u>
OPERATING REVENUES:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 317,912.86			\$ 317,912.86
Daily Sales - Non-Reimbursable Programs	354,211.52			354,211.52
Other Sales	112,577.37			112,577.37
Tuition			\$ 755,920.50	755,920.50
Miscellaneous			9,009.40	9,009.40
Total Operating Revenues	<u>784,701.75</u>		<u>764,929.90</u>	<u>1,549,631.65</u>
OPERATING EXPENSES:				
Management Fees	184,909.49			184,909.49
Salaries	713,052.74		513,395.16	1,226,447.90
Employee Benefits	195,008.84			195,008.84
Other Purchased Services	35,163.71		85,314.02	120,477.73
General Supplies	59,797.19		9,716.40	69,513.59
Depreciation	34,654.00	\$ 2,913.00		37,567.00
Cleaning, Repairs and Maintenance	26,244.07			26,244.07
Insurance	27,245.06			27,245.06
Cost of Sales	844,731.65			844,731.65
Total Operating Expenses	<u>2,120,806.75</u>	<u>2,913.00</u>	<u>608,425.58</u>	<u>2,732,145.33</u>
Operating Income / (Loss)	<u>(1,336,105.00)</u>	<u>(2,913.00)</u>	<u>156,504.32</u>	<u>(1,182,513.68)</u>
NONOPERATING REVENUES (EXPENSES):				
State Sources:				
State School Lunch Program	22,752.95			22,752.95
Federal Sources:				
National School Lunch Program	932,635.89			932,635.89
National School Breakfast Program	226,965.00			226,965.00
Food Distribution Program	141,301.96			141,301.96
Compensated Absences		2,021.80		2,021.80
Interest and Investment Revenue	8.07			8.07
Total Nonoperating Revenues (Expenses)	<u>1,323,663.87</u>	<u>2,021.80</u>		<u>1,325,685.67</u>
Income (loss) before Transfers	(12,441.13)	(891.20)	156,504.32	143,171.99
Operating Transfer - Board Contribution	<u>90,222.80</u>			<u>90,222.80</u>
Change in Net Position	77,781.67	(891.20)	156,504.32	233,394.79
Net Position -- July 1	<u>146,297.38</u>	<u>(1,208,143.80)</u>	<u>66,582.14</u>	<u>(995,264.28)</u>
Net Position -- June 30	<u>\$ 224,079.05</u>	<u>\$ (1,209,035.00)</u>	<u>\$ 223,086.46</u>	<u>\$ (761,869.49)</u>

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013

	<u>Food Service</u>	<u>Regional Day School</u>	<u>Before-After School Program</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers	\$ 772,095.29		\$ 745,889.74	\$ 1,517,985.03
Payments to Employees	(713,052.74)		(423,560.68)	(1,136,613.42)
Payments for Employee Benefits	(195,008.84)			(195,008.84)
Payments to Suppliers	(976,549.28)		(122,208.83)	(1,098,758.11)
Budget Appropriations	90,222.80	\$ (115,054.23)		(24,831.43)
Net Cash Provided by (used for) Operating Activities	<u>(1,022,292.77)</u>	<u>(115,054.23)</u>	<u>200,120.23</u>	<u>(937,226.77)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
State Sources	22,642.30			22,642.30
Federal Sources	1,138,063.46			1,138,063.46
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,160,705.76</u>	<u>-</u>	<u>-</u>	<u>1,160,705.76</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchases of Capital Assets				
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and Dividends	8.07			8.07
Net Cash Provided by (used for) Investing Activities	<u>8.07</u>	<u>-</u>	<u>-</u>	<u>8.07</u>
Net Increase (Decrease) in Cash and Cash Equivalents	138,421.06	(115,054.23)	200,120.23	223,487.06
Cash and Cash Equivalents -- July 1	245,274.61	233,430.89	98,060.48	576,765.98
Cash and Equivalents -- June 30	<u>\$ 383,695.67</u>	<u>\$ 118,376.66</u>	<u>\$ 298,180.71</u>	<u>\$ 800,253.04</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating Income (Loss)	\$ (1,336,105.00)	\$ (2,913.00)	\$ 156,504.32	\$ (1,182,513.68)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Depreciation and Net Amortization	34,654.00	2,913.00		37,567.00
Bad Debt Expense				
Compensated Absences		2,021.80		2,021.80
Board Contribution for Purchase of Fixed Assets	90,222.80			90,222.80
(Increase) Decrease in Accounts Receivable Other	(4,157.86)		(1,527.71)	(5,685.57)
(Increase) Decrease in Interfunds Receivable	(4,272.10)		47,249.96	42,977.86
(Increase) Decrease in Due Students, Net	(4,223.05)			(4,223.05)
(Increase) Decrease in Inventories	2,850.13			2,850.13
(Increase) Decrease in Prepaid Expenses			10,179.29	10,179.29
Increase (Decrease) in Accounts Payable	162,670.63	(15,218.54)		147,452.09
Increase (Decrease) in Interfund Payable	36,021.13	(65,744.77)	5,226.82	(24,496.82)
Increase (Decrease) in Other Current Liabilities	46.55	(3,069.39)	(17,512.45)	(20,535.29)
Increase (Decrease) in Accrued Salaries Benefits		(33,043.33)		(33,043.33)
Total Adjustments	<u>313,812.23</u>	<u>(112,141.23)</u>	<u>43,615.91</u>	<u>245,286.91</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,022,292.77)</u>	<u>\$ (115,054.23)</u>	<u>\$ 200,120.23</u>	<u>\$ (937,226.77)</u>

FIDUCIARY FUNDS

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2013

	<u>Trust Funds</u>	<u>Agency Funds</u>		
	Unemployment Compensation <u>Trust</u>	Student <u>Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS:				
Cash and Cash Equivalents	\$ 296.78	\$ 158,601.18	\$ 626,730.07	\$ 785,628.03
Interfund Accounts Receivable: Due General Fund			45,636.75	45,636.75
Total Assets	296.78	<u>\$ 158,601.18</u>	<u>\$ 672,366.82</u>	831,264.78
LIABILITIES:				
Payable to Student Groups		\$ 158,601.18		158,601.18
Payroll Deductions and Withholdings			\$ 669,503.57	669,503.57
Interfund Accounts Payable: Due General Fund			2,863.25	2,863.25
Total Liabilities	-	<u>\$ 158,601.18</u>	<u>\$ 672,366.82</u>	830,968.00
NET POSITION:				
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 296.78</u>			<u>\$ 296.78</u>

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2013

	Unemployment Compensation <u>Trust</u>
ADDITIONS:	
Contributions:	
Board Contribution	-
Total Additions	-
DEDUCTIONS:	
Quarterly Contribution Reports	-
Total Deductions	-
Change in Net Position	-
Net Position -- July 1	\$ 296.78
Net Position -- June 30	\$ 296.78

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2013

	Balance <u>June 30, 2012</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance <u>June 30, 2013</u>
ELEMENTARY SCHOOLS:				
School No. 1	\$ 5,614.42	\$ 5,004.93	\$ 7,176.79	\$ 3,442.56
School No. 2	5,028.78	5,448.29	4,027.11	6,449.96
School No. 3	1,647.04	2,382.68	2,544.42	1,485.30
School No. 4	6,507.21	4,902.72	4,135.19	7,274.74
School No. 5	6,231.22	5,351.83	4,941.16	6,641.89
School No. 6	<u>5,360.83</u>	<u>4,937.80</u>	<u>4,180.99</u>	<u>6,117.64</u>
Total Elementary Schools	<u>30,389.50</u>	<u>28,028.25</u>	<u>27,005.66</u>	<u>31,412.09</u>
JUNIOR HIGH SCHOOL:				
Winslow Township Middle	<u>33,126.67</u>	<u>107,249.01</u>	<u>105,486.42</u>	<u>34,889.26</u>
SENIOR HIGH SCHOOLS:				
Winslow Township High	95,337.80	222,621.89	225,659.86	92,299.83
Athletic Account	<u>-</u>	<u>50,186.00</u>	<u>50,186.00</u>	<u>-</u>
Total Senior High Schools	<u>95,337.80</u>	<u>272,807.89</u>	<u>275,845.86</u>	<u>92,299.83</u>
Total All Schools	<u>\$ 158,853.97</u>	<u>\$ 408,085.15</u>	<u>\$ 408,337.94</u>	<u>\$ 158,601.18</u>

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2013

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
ASSETS:				
Cash and Cash Equivalents	\$ 391,530.61	\$ 83,132,593.59	\$ 82,897,394.13	\$ 626,730.07
Interfund Accounts Receivable:				
Due General Fund	<u>48,721.31</u>	<u>335,215.81</u>	<u>338,300.37</u>	<u>45,636.75</u>
Total Assets	<u>\$ 440,251.92</u>	<u>\$ 83,467,809.40</u>	<u>\$ 83,235,694.50</u>	<u>\$ 672,366.82</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 433,273.41	\$ 52,581,344.25	\$ 52,393,122.66	\$ 621,495.00
Net Payroll	(1,252.91)	30,507,150.85	30,457,889.37	48,008.57
Interfund Accounts Payable:				
Due General Fund	<u>8,231.42</u>	<u>379,314.30</u>	<u>384,682.47</u>	<u>2,863.25</u>
Total Liabilities	<u>\$ 440,251.92</u>	<u>\$ 83,467,809.40</u>	<u>\$ 83,235,694.50</u>	<u>\$ 672,366.82</u>

LONG-TERM DEBT

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Schedule of Obligations Under Capital Leases
 For the Fiscal Year Ended June 30, 2013

Series	Term of Lease	Amount of Original Issue	Interest Rate Payable	Amount Outstanding June 30, 2012	Adjustment	Retired Current Year	Amount Outstanding June 30, 2013 (a)
Pitney Bowes	5 years	20,850.50	5.99%	\$ 12,085.95	\$ (3,711.16)	\$ 4,455.24	\$ 3,919.55
				\$ 12,085.95	\$ (3,711.16)	\$ 4,455.24	\$ 3,919.55

(a) Future Interest Payments Removed from Carrying Value of Leases.

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:				
Local Sources:				
Local Tax Levy	\$ 1,734,795.00	\$ 1,734,795.00	\$ 1,734,795.00	
Debt Service Aid Type II	<u>1,494,003.00</u>	<u>1,494,003.00</u>	<u>1,494,003.00</u>	
Total Revenues	<u>3,228,798.00</u>	<u>3,228,798.00</u>	<u>3,228,798.00</u>	-
EXPENDITURES:				
Regular Debt Service:				
Interest on Early Retirement of Bonds	49,323.00	49,323.00	49,322.50	\$ 0.50
Interest on Bonds	794,476.00	794,476.00	794,475.00	1.00
Redemption of Principal	<u>2,385,000.00</u>	<u>2,385,000.00</u>	<u>2,385,000.00</u>	
Total Expenditures	<u>3,228,799.00</u>	<u>3,228,799.00</u>	<u>3,228,797.50</u>	1.50
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1.00)	(1.00)	0.50	1.50
Fund Balance, July 1	<u>2.62</u>	<u>2.62</u>	<u>2.62</u>	-
Fund Balance, June 30	<u>\$ 1.62</u>	<u>\$ 1.62</u>	<u>\$ 3.12</u>	<u>\$ 1.50</u>
Recapitulation:				
Assigned Fund Balance:			\$ 1.00	
Designated for Subsequent Year's Expenditures			<u>2.12</u>	
Unassigned Fund Balance			<u>\$ 3.12</u>	

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities										
Net Investment in Capital Assets	\$ 57,873,689.26	\$ 56,362,789.45	\$ 55,977,775.46	\$ 54,282,107.63	\$ 45,922,105.62	\$ 46,532,051.89	\$ 45,706,508.61	\$ 46,097,628.74	\$ 45,384,259.32	\$ 49,572,727.14
Restricted	18,369,794.95	12,749,776.42	9,903,343.80	3,741,760.92	3,416,752.94	974,366.14	2,803,971.93	563,597.54	405,053.52	1,002,232.37
Unrestricted	(4,933,662.77)	(4,539,947.74)	(4,909,365.99)	(1,451,188.71)	(5,863,429.62)	(4,814,192.09)	(5,217,258.60)	(5,081,168.27)	(5,141,677.06)	(4,471,192.35)
Total Governmental Activities Net Position	\$ 71,309,821.44	\$ 66,572,618.13	\$ 60,971,753.27	\$ 56,872,679.84	\$ 43,475,428.94	\$ 42,692,225.94	\$ 43,293,221.94	\$ 41,580,058.01	\$ 40,647,635.78	\$ 46,103,767.16
Business-type Activities										
Net Investment in Capital Assets	\$ 108,521.00	\$ 146,088.00	\$ 185,420.00	\$ 224,767.00	\$ 229,121.54	\$ 279,210.50	\$ 336,717.41	\$ 437,073.21	\$ 498,925.59	\$ 571,622.45
Restricted	156.90	156.90	23,775.29	33,089.95						
Unrestricted	(870,547.39)	(1,141,509.18)	(1,167,604.56)	(629,862.48)	(278,269.61)	(108,454.46)	(16,660.24)	543,678.88	817,570.27	1,204,122.19
Total Business-type Activities Net Position	\$ (761,869.49)	\$ (995,264.28)	\$ (958,409.27)	\$ (372,005.53)	\$ (49,148.07)	\$ 170,756.04	\$ 320,057.17	\$ 980,752.07	\$ 1,316,495.86	\$ 1,775,744.64
District-wide										
Net Investment in Capital Assets	\$ 57,982,210.26	\$ 56,508,877.45	\$ 56,163,195.46	\$ 54,506,874.63	\$ 46,151,227.16	\$ 46,811,262.39	\$ 46,043,226.02	\$ 46,534,701.95	\$ 45,883,184.91	\$ 50,144,349.59
Restricted	18,369,951.85	12,749,933.32	9,927,119.09	3,774,850.87	3,416,752.94	974,366.14	2,803,971.93	563,597.54	405,053.52	1,002,232.37
Unrestricted	(5,804,210.16)	(5,681,456.92)	(6,076,970.55)	(2,081,051.19)	(6,141,699.23)	(4,922,646.55)	(5,233,918.84)	(4,537,489.41)	(4,324,106.79)	(3,267,070.16)
Total District-wide Net Position	\$ 70,547,951.95	\$ 66,577,353.85	\$ 60,013,344.00	\$ 56,200,674.31	\$ 43,426,280.87	\$ 42,862,981.98	\$ 43,818,279.11	\$ 42,560,810.08	\$ 41,964,131.64	\$ 47,879,511.80

Source: District Records

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Program Revenues										
Governmental Activities:										
Operating Grants and Contributions	\$ 5,372,494.00	\$ 3,890,027.00	\$ 2,827,868.00	\$ 2,805,738.00	\$ 2,541,035.00	\$ 4,881,046.00	\$ 4,597,111.00	\$ 1,886,594.00	\$ 1,328,808.00	\$ 994,767.00
On-behalf T.P.A.F Pension Contributions	2,953,856.09	2,655,208.14	2,841,781.89	3,081,906.00	3,061,902.47	3,222,160.86	2,777,870.86	2,867,460.04	2,729,723.71	2,710,013.58
Reimbursed T.P.A.F Social Security Contributions										
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	8,326,350.09	6,545,235.14	5,669,639.89	5,887,644.00	5,602,937.47	7,903,206.86	7,374,981.86	4,754,054.04	4,058,531.71	3,644,780.58
Business-type activities:										
Charges for services:										
Food service	784,701.75	816,153.82	874,774.82	1,041,515.51	1,204,650.70	1,154,488.55	1,256,627.95	1,221,863.07	1,190,412.88	1,148,597.13
Regional Day School			746,531.23	1,906,676.49	2,208,032.16	2,159,056.89	1,926,442.06	1,699,582.87	1,657,368.19	1,439,009.45
Before-After School Program	764,929.90	730,244.97	643,987.47	505,266.22	518,957.39	567,476.89	541,651.34	491,407.47	475,563.15	424,430.53
Operating Grants and Contributions										
Food service	1,323,655.80	1,343,058.94	1,238,168.78	1,452,259.64	1,488,084.17	1,304,925.25	1,241,328.54	1,285,536.01	1,166,595.65	1,130,059.69
Capital Grants and Contributions										
Total Business-type Activities Program Revenues	2,873,287.45	2,889,457.73	3,504,462.30	4,905,717.86	5,419,724.42	5,185,927.59	4,966,049.89	4,898,379.42	4,489,939.87	4,142,096.80
Total District Program Revenues	\$ 11,199,637.54	\$ 9,434,692.87	\$ 9,174,102.19	\$ 10,793,361.86	\$ 11,022,661.89	\$ 13,089,134.44	\$ 12,341,031.75	\$ 9,652,433.46	\$ 8,548,471.58	\$ 7,786,877.38
Net (Expense)/Revenue										
Governmental Activities	\$ 92,481,995.91	\$ 95,371,799.23	\$ 92,926,035.12	\$ 93,972,400.36	\$ 93,124,781.38	\$ 92,293,687.56	\$ 82,659,554.11	\$ 84,842,062.52	\$ 80,194,632.40	\$ 74,606,184.00
Business-type Activities	(141,142.12)	30,131.81	590,482.13	361,739.48	163,117.12	152,218.99	627,869.55	359,879.84	465,665.46	616,212.54
Total District-wide Net (Expense) Revenue	\$ 92,340,853.79	\$ 95,401,931.04	\$ 93,516,517.25	\$ 94,334,139.84	\$ 93,287,898.50	\$ 92,445,906.55	\$ 83,287,423.66	\$ 85,192,942.36	\$ 80,660,297.86	\$ 75,222,396.54

(Continued)

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes, Levied for General Purposes	\$ 43,168,135.00	\$ 42,311,897.00	\$ 42,311,897.02	\$ 40,876,097.04	\$ 39,803,697.00	\$ 39,942,508.00	\$ 35,994,372.00	\$ 35,994,372.01	\$ 28,733,118.00	\$ 25,587,903.00
Taxes Levied for Debt Service	1,734,795.00	1,746,825.00	1,715,278.00	1,518,682.00	1,409,596.00	1,072,406.00	1,543,889.00	1,388,465.00	1,187,897.00	1,293,440.00
Federal and State Aid not Restricted	44,206,214.16	46,624,667.07	43,775,075.81	50,809,470.25	44,655,531.51	38,695,199.98	36,705,412.56	36,822,581.60	36,718,567.91	35,612,193.97
Federal and State Aid Restricted	5,535,842.08	5,831,727.51	7,604,589.51	6,844,299.33	6,262,318.91	10,186,344.57	8,874,221.40	9,801,056.03	9,824,687.28	9,309,735.59
Tuition Received	2,987,298.53	3,120,399.54	2,635,998.78	2,772,743.00	1,538,316.73	1,764,243.86	1,608,845.86	1,436,371.04	1,316,977.07	1,479,720.67
Transportation Fees from Other LEA's				3,251,398.91	25,000.00	30,000.00	30,000.00	47,373.55	31,036.20	43,948.80
Miscellaneous Income	835,859.85	266,662.17	308,759.13	1,058,464.87	259,337.57	364,983.11	472,519.77	284,265.52	134,553.18	315,023.82
Transfer to Food Service Fund - Board Contribution	(80,222.80)			(61,504.14)						
Adjustment for Fixed Assets	(22,678.00)		249,280.85	76.95	(11,775.29)	(434,814.56)	(251,542.55)		(3,184.12)	(47,829.35)
Gain/Loss on Disposal of Capital Assets			(9,431.00)			(134,179.40)				
Cancellation of Prior Year Accounts Receivable										
Cancellation of Prior Year Accounts Payable										
Refund of Prior Year Tuition	10,764.84				(34,115.00)					
Refund of Prior Year Payment for RDS Compensated Absences	5,680.39									
Adjustment for Fixed Assets	(1,142,489.83)						(600,000.00)			
Lawsuit Settlement										
Allowance for Uncollectible Interfund from Regional Day School			(1,222,820.55)							
Cancellation of Prior Year Receivable	(53,950.00)									
Total Governmental Activities	97,219,199.22	100,972,864.09	97,325,108.55	107,069,651.26	93,907,984.38	91,687,691.56	84,377,718.04	85,774,484.75	77,943,652.62	73,584,136.50
Business-type Activities										
Cancellation of Prior Year Accounts Receivable				(39,497.47)	(97,054.66)	(3,842.84)				
Miscellaneous Income	8.07		373.88	1,656.56	1,597.37	6,760.70	14,186.67	15,136.05	6,416.68	2,245.02
Transfer In	90,222.80									
Transfer from General Fund to Cover Deficit				39,497.47	38,670.31					
Adjustment for Fixed Assets		(6,723.20)								
Adjustment for Compensated Absences	2,021.80			37,225.46						
Bad Debt Expense										
Refund of a Prior Year Expenditure			(6,699.00)							
Gain/Loss on Disposal of Capital Assets			10,403.51							
Total Business-type Activities	92,252.67	(6,723.20)	4,078.39	38,882.02	(56,786.98)	2,917.86	(47,012.02)	15,136.05	6,416.68	2,245.02
Total District-wide	\$ 97,311,451.89	\$ 100,965,940.89	\$ 97,329,186.94	\$ 107,108,533.28	\$ 93,851,197.40	\$ 91,690,609.42	\$ 84,344,892.69	\$ 85,789,620.80	\$ 77,950,069.20	\$ 73,586,381.52
Change in Net Position	\$ 4,737,203.31	\$ 5,600,864.86	\$ 4,395,073.43	\$ 13,097,250.90	\$ 783,203.00	\$ (605,996.00)	\$ 1,718,163.93	\$ 932,422.23	\$ (2,250,979.88)	\$ (1,012,047.50)
Governmental Activities	233,394.79	(36,855.01)	(586,403.74)	(322,857.46)	(219,904.10)	(149,301.13)	(660,694.90)	(335,743.79)	(459,248.78)	(613,967.52)
Business-type Activities	4,970,598.10	5,564,009.85	3,812,669.69	12,774,393.44	563,298.90	(755,297.13)	1,057,469.03	596,678.44	(2,710,228.66)	(1,626,015.02)

Source: District Records

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund	\$ 9,808,746.24	\$4,814,315.75	\$ 704,162.15							
Restricted	6,484,118.33	5,727,680.93	6,723,708.24							
Assigned	(2,138,713.93)	(1,967,717.87)	(1,907,093.67)							
Unassigned				\$3,564,431.16	\$3,104,292.91	\$ 679,602.77	\$ 2,531,527.01	\$ 203,376.11	\$ 8,435.44	\$ 372,981.25
Reserved				(2,044,648.10)	(1,887,926.88)	(403,270.42)	(979,573.30)	(922,642.98)	(1,647,748.86)	(1,167,070.57)
Unreserved										
Total General Fund	\$ 14,154,150.64	\$8,574,278.81	\$5,520,776.72	\$1,519,783.06	\$1,216,366.03	\$ 276,332.35	\$ 1,551,953.71	\$ (719,266.87)	\$ (1,639,313.42)	\$ (794,089.32)
All Other Governmental Funds										
Restricted, Reported in:										
Capital Projects Fund	\$ 2,076,927.26	\$2,081,631.26	\$2,325,703.66							
Debt Service Fund	1.00	1.62	1.62							
Assigned, Reported in:										
Debt Service Fund	2.12	1.00								
Unassigned, Reported in:										
Special Revenue Fund	(23,255.40)	(36,332.40)	(164,427.40)							
Reserved										
Unreserved, Reported in:										
Special Revenue Fund				\$ (164,427.40)	\$ (160,455.00)	\$ (284,859.54)	\$ (235,366.55)	\$ (235,366.55)	\$ (235,366.55)	(235,366.55)
Capital Projects Fund				3,901,803.13	114,822.38	66,000.00	21,580.83	71,833.99	71,833.99	75,970.09
Debt Service Fund				450.62	450.14	365.01	790.82	5,659.49	5,231.82	199,873.98
Total All Other Governmental Funds	\$ 2,053,674.98	\$2,045,301.48	\$2,161,277.88	\$3,737,826.35	\$ (45,182.48)	\$ (218,494.53)	\$ (212,994.90)	\$ (157,873.07)	\$ (158,300.74)	\$ 232,577.80

Source: District Records

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	For the Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues										
Tax Levy	\$ 44,892,930.00	\$ 44,056,822.00	\$ 44,027,175.02	\$ 42,994,779.04	\$ 41,213,293.00	\$ 41,014,914.00	\$ 37,538,261.00	\$ 37,382,837.01	\$ 29,921,015.00	\$ 26,881,343.00
Tuition Charges	2,097,298.53	3,120,399.54	2,635,998.78	3,251,399.91	1,538,316.73	1,764,243.86	1,608,845.86	1,436,371.04	1,316,977.07	1,479,720.67
Miscellaneous	835,859.85	266,662.17	309,759.13	1,058,464.87	3,584,337.57	394,983.11	502,519.77	331,659.97	165,589.38	358,972.62
State Sources	54,811,201.59	54,237,640.15	52,331,888.15	55,383,711.42	54,014,942.95	53,819,667.88	50,323,194.78	48,156,733.93	47,187,803.43	45,475,191.10
Federal Sources	3,257,204.74	4,763,989.57	4,717,417.06	10,930,445.16	2,505,844.94	3,166,083.53	2,631,421.04	3,218,957.74	3,413,983.47	3,091,519.04
Total Revenue	106,794,494.71	106,447,513.43	104,022,238.14	113,018,799.40	102,856,735.19	100,159,892.38	92,604,242.45	90,528,538.79	82,005,363.35	77,286,746.43
Expenditures										
Instruction										
Regular Instruction	27,179,251.77	27,339,416.31	27,525,944.47	28,225,521.32	27,535,033.16	31,438,619.78	26,476,693.08	28,076,468.84	25,486,173.24	25,435,414.21
Special Education Instruction	8,398,810.52	8,398,810.52	7,880,606.26	7,941,070.56	7,803,957.38	7,420,898.74	6,793,151.27	6,941,631.34	6,804,574.61	6,140,628.45
Other Special Instruction	1,505,175.22	1,461,357.72	1,482,708.53	1,578,151.32	3,795,358.69	2,490,034.07	2,975,299.29	2,454,844.10	2,632,736.50	2,485,382.91
Other Instruction								106,650.18	67,308.72	50,284.29
Support Services:										
Instruction	5,450,112.82	7,835,984.90	7,405,572.45	6,904,502.87	5,982,316.31	6,284,524.65	6,020,297.11	5,220,113.55	4,804,936.54	4,096,085.04
Attendance and Social Work	78,351.19	82,845.05	72,240.96	64,140.96	244,292.98	271,309.30	208,616.70	138,106.43	108,304.72	107,800.08
Health Services	747,147.07	740,422.30	700,238.42	768,784.39	637,136.94	653,608.38	530,516.75	576,329.82	619,327.12	669,969.45
Support Services - Students	6,673,618.00	6,355,204.94	5,856,212.06	6,650,246.74	6,028,489.77	6,009,518.32	5,771,715.86	5,893,874.02	5,759,431.51	5,286,792.83
Support Services - Instructional Staff	486,668.43	421,323.39	411,789.39	590,847.27	393,122.28	517,993.77	320,799.02	435,584.87	559,759.22	683,565.50
Educational Media/Library	536,802.87	561,059.60	576,110.75	599,208.43	672,186.23	379,955.49	426,446.59	551,253.87	629,622.00	627,319.94
Instructional Staff Training Services	94,126.65	128,298.06	40,981.69	21,286.01	65,840.35	54,940.49	35,844.62	23,337.89	43,113.79	44,947.03
General Administrative Services	1,104,012.08	1,088,620.74	905,435.78	976,742.39	1,796,698.47	2,153,078.03	1,821,093.95	1,809,153.83	1,419,394.18	1,161,342.16
School Administrative Services	3,206,911.81	3,351,516.39	2,980,461.08	3,254,699.43	3,186,698.97	3,264,294.09	2,945,884.04	3,107,083.34	3,016,028.51	2,844,692.39
Plant Operations and Maintenance	5,916,158.16	6,809,037.09	5,981,094.90	6,566,385.73	6,949,584.25	6,797,980.81	6,422,041.78	6,060,588.89	5,701,947.85	5,609,450.36
Central Services	1,135,900.26	1,228,002.03	1,421,471.08	1,047,032.32	1,232,768.52	1,053,615.04	1,033,011.57	928,443.16	907,649.92	750,830.52
Administration Information Technology	512,366.21	550,284.86	1,289,677.10	862,319.26	399,658.65	384,062.28	371,678.05	331,553.67	279,648.29	323,519.70
Care and Upkeep of Grounds	40,153.50	11,920.00								
Security Equipment	6,972,998.54	6,957,149.28	7,078,312.73	6,385,817.15	6,561,727.17	6,785,610.04	5,924,609.56	5,531,935.57	5,076,904.44	4,305,436.37
Allocated Benefits	11,619,052.09	13,224,371.25	14,330,493.54	17,653,537.15	16,306,097.13	13,431,312.92	11,270,229.84	13,250,844.99	11,236,222.77	9,185,072.91
Unallocated Employee Benefits				39,497.47						
Other Undistributed Costs										
On-Behalf T.P.A.F. Social Security Contributions	2,521,413.00	1,292,256.00	127,152.00	141,837.00	126,561.00	2,942,998.00	2,969,552.00	414,200.00	1,328,808.00	934,767.00
Normal Cost	2,851,081.00	2,597,771.00	2,700,706.00	2,663,901.00	2,414,474.00	1,738,048.00	1,627,559.00	1,472,394.00	1,328,808.00	934,767.00
Post-Retirement Medical Contribution	2,953,856.09	2,655,208.14	2,841,781.89	3,081,906.00	3,061,902.47	3,222,160.86	2,777,870.86	2,867,460.04	2,729,723.71	2,710,013.58
Reimbursed T.P.A.F. Social Security Contributions										
Undistributed Expenditures										
Special Schools										
Charter Schools	6,780,574.00	5,214,298.00	3,595,940.00	2,480,868.00	125,572.00	105,444.00	1,210.59	236,283.62	323,720.97	294,008.08
Capital Outlay	1,430,472.63	1,949,929.67	1,852,896.32	7,185,494.25	5,172,944.82	2,681,225.03	22,412.00	51,100.00	71,458.20	64,098.00
Debt Service:										
Principal	2,365,000.00	2,295,000.00	2,200,000.00	2,015,000.00	1,889,401.03	1,025,130.56	1,735,860.10	1,676,589.64	1,597,318.85	1,301,138.85
Interest and Other Charges	843,797.50	955,910.00	1,063,195.00	1,233,576.52	1,127,050.84	1,198,869.25	1,273,550.57	1,344,600.69	1,432,397.15	1,056,291.47
Total Expenditures	101,122,471.81	103,500,556.74	100,321,022.40	108,932,373.54	103,508,624.41	102,303,231.87	90,885,321.49	89,608,064.57	83,882,223.90	78,624,871.77
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,662,022.90	2,946,956.69	3,701,215.74	4,086,425.86	(651,889.22)	(2,143,339.49)	1,718,920.96	920,474.22	(1,876,855.55)	(1,338,125.34)

(Continued)

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	For the Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Other Financing Sources (Uses)										
Payments in Lieu of Assets to Non-Building Districts										
Operating Transfers In										
Operating Transfers Out										
Transfers to Other Funds										
Capital Leases (Non-budgeted)	\$ (90,222.80)				\$ 1,811,125.24	\$ 996,397.90	\$ 1,097,177.79		\$ (364,265.00)	\$ (60,710.80)
Capital Leases (Non-budgeted)							(600,000.00)		8,331.84	
Law Suit Settlement									(8,331.34)	
Adjustment for Prior Year Encumbrances									1,182,427.38	1,187,803.00
Proceeds of Refunding Bonds										(12,820.57)
Premium on Refunding Bonds										22,010,000.00
Payment of Refunded Bond Escrow Account										928,898.15
Cost of Issuance - Refunding Bonds										(23,143,350.71)
Payment of Arbitrage Rebate										(245,547.44)
Cancellation of Prior Year Accounts Receivable		\$ (9,431.00)			(11,775.29)	(127,147.63)				
Cancellation of Prior Year Accounts Payable	10,764.84				(34,115.00)	(7,031.77)				
Cancellation of Prior Year Interfund from Payroll										
Refund of Prior Year Tuition	5,680.39									
Refund of Prior Year Payments for RDS Compensated Absences			\$ (1,222,820.55)							
Allowance for Uncollectible Interfund from Regional Day School			(65,950.00)							
Cancellation of Prior Year Receivable									(177,409.97)	
Total Other Financing Sources (Uses)	(73,777.57)	(9,431.00)	(1,276,770.55)	-	1,765,234.95	862,218.50	497,177.79	-	640,752.91	664,271.63
Net Change in Fund Balances	\$ 5,588,245.33	\$ 2,937,525.69	\$ 2,424,445.19	\$ 4,086,425.86	\$ 1,113,345.73	\$ (1,281,120.99)	\$ 2,216,098.75	\$ 920,474.22	\$ (1,236,102.64)	\$ (673,853.71)
Debt Service as a Percentage of Noncapital Expenditures	3.42%	3.20%	3.31%	3.19%	3.07%	2.23%	3.35%	3.37%	3.67%	3.10%

Source: District Records

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	For the Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Interest on Investments	\$ 910.60		\$ 11,517.63	\$ 59,117.42	\$ 36,340.56	\$ 145,141.76	\$ 252,291.96	\$ 167,010.35	\$ 53,854.61	\$ 25,881.81
Use of Facilities Fees	3,391.25	45,009.00	14,375.12	49,890.60	26,849.37	16,600.00	17,468.75		11,137.50	4,597.50
Transportation Fees								47,373.55	31,036.20	43,948.50
Refund of Prior Yr. Expenses	225,896.47	6,486.18	51,872.24	11,965.16	21,566.39	70,275.64	158,201.99			76,587.36
Refund of Workers' Compensation Premium	259,053.06									
Insurance Refund - NJSBAIG	78,479.84									
Settlement - Chesilhurst Tuition	183,061.03									
Sale of Assets	12,307.63									
Lost Book Fine	5,673.51									
Other Refunds	34,315.14							4,101.41	10,573.30	90,887.67
Miscellaneous Other	27,526.87	215,166.99	176,452.33	876,058.18	201,830.52	51,732.24	30,107.61	103,762.96	52,127.39	106,874.31
Tuition	2,987,296.53	3,120,399.54	2,635,998.78	3,251,398.91	1,739,018.53	1,764,243.86	1,608,845.86	1,436,371.04	1,316,977.07	1,479,720.67
	<u>\$ 3,817,913.93</u>	<u>\$ 3,387,061.71</u>	<u>\$ 2,890,216.10</u>	<u>\$ 4,248,430.27</u>	<u>\$ 2,025,605.37</u>	<u>\$ 2,047,993.50</u>	<u>\$ 2,066,916.17</u>	<u>\$ 1,758,619.31</u>	<u>\$ 1,475,706.07</u>	<u>\$ 1,828,497.82</u>

Source: District Records.

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities (L)	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (L2)
2013	\$ 62,386,500.00	\$ 2,257,378,900.00	\$ 31,798,200.00	\$ 4,466,800.00	\$ 193,315,400.00	\$ 31,104,200.00	\$ 45,827,300.00	\$ 2,626,277,300.00	\$ 406,841,400.00	\$ 6,474,022.00	\$ 2,632,751,322.00	\$ 2,663,222,784.00	1.721
2012	66,789,800.00	2,266,055,900.00	32,080,100.00	4,416,200.00	187,359,700.00	32,988,900.00	45,236,900.00	2,634,927,500.00	411,891,700.00	6,567,342.00	2,641,494,842.00	2,841,963,839.00	1.684
2011	30,777,100.00	1,363,496,000.00	17,892,120.00	3,896,200.00	99,135,750.00	17,273,900.00	27,860,700.00	1,560,131,770.00	267,374,200.00	3,502,155.00	1,563,633,925.00	3,056,332,545.00	2.816
2010	32,403,400.00	1,358,745,300.00	19,806,820.00	3,854,800.00	97,660,650.00	17,273,900.00	27,860,700.00	1,557,605,570.00	270,370,800.00	4,159,428.00	1,561,764,998.00	3,105,743,340.00	2.767
2009	33,910,400.00	1,351,170,300.00	21,962,820.00	4,092,900.00	94,694,450.00	18,273,900.00	27,860,700.00	1,551,865,470.00	269,017,600.00	4,015,880.00	1,555,981,350.00	3,172,336,969.00	2.686
2008	36,846,200.00	1,328,369,500.00	21,549,220.00	4,238,600.00	92,319,950.00	19,973,900.00	31,575,100.00	1,534,872,470.00	364,910,600.00	3,569,124.00	1,538,441,594.00	3,020,641,372.00	2.673
2007	41,017,800.00	1,284,205,000.00	21,452,820.00	4,226,000.00	89,298,650.00	20,132,900.00	31,575,100.00	1,491,867,670.00	263,598,500.00	3,766,762.00	1,495,634,432.00	2,671,452,865.00	2.626
2006	51,997,300.00	1,207,748,700.00	21,022,820.00	4,317,700.00	89,596,550.00	20,392,500.00	31,575,100.00	1,426,643,670.00	251,008,400.00	4,083,703.00	1,430,727,373.00	2,199,750,272.00	2.618
2005	50,204,400.00	1,113,457,400.00	21,114,120.00	4,360,000.00	88,094,250.00	20,908,000.00	31,709,300.00	1,329,837,470.00	248,782,600.00	4,858,382.00	1,334,696,902.00	1,816,720,459.00	2.514
2004	45,685,100.00	1,056,089,200.00	20,774,020.00	4,420,700.00	87,109,150.00	21,931,200.00	31,713,500.00	1,267,722,870.00	224,458,800.00	5,856,897.00	1,273,579,769.00	1,573,894,566.00	2.228

(1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(2) Tax Rates are per \$100.00 of Assessed Valuation

Source: Camden County Board of Taxation

TOWNSHIP OF WINSLOW SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$100 of assessed value)
 Unaudited

Fiscal Year Ended June 30,	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Winslow Township School District Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Winslow Township	Camden County	Fire Districts	
2013	\$ 1.682	\$ 0.039	\$ 1.721	\$ 0.567	\$ 0.840	0.133	\$ 3.261
2012	1.617	0.067	1.684	0.512	0.828	0.128	3.152
2011	2.712	0.104	2.816	0.847	1.392	0.205	5.260
2010	2.663	0.104	2.767	0.847	1.297	0.207	5.118
2009	2.622	0.064	2.686	0.782	1.263	0.203	4.934
2008	2.603	0.070	2.673	0.767	1.248	0.193	4.881
2007	2.522	0.104	2.626	0.669	1.254	0.191	4.740
2006	2.521	0.097	2.618	0.581	1.246	0.165	4.610
2005	2.418	0.096	2.514	0.581	1.129	0.145	4.369
2004	2.122	0.106	2.228	0.581	1.092	0.135	4.036

(1) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

(2) Rates for debt service are based on each year's requirements.

Source: Municipal Tax Collector

TOWNSHIP OF WINSLOW SCHOOL DISTRICT

Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
A.C. Moore Urban Renewal, LLC	\$ 24,171,000.00	(1)	0.92%			
Sunrise Cedar Parke SL, LLC	15,000,000.00	2	0.57%			
Manville Insulation	13,900,000.00	3	0.53%	\$ 10,068,600.00	2	0.79%
Tamerlane/Colleen Manor	10,880,100.00	4	0.41%	4,268,000.00	9	0.34%
Inland American Sicklerville, LLC	8,258,600.00	5	0.31%			
Edgewood Acres/Gardens	8,098,400.00	6	0.31%	5,595,000.00	5	0.44%
Banko Beverage	7,050,000.00	7	0.27%	5,140,500.00	7	0.40%
Bell Atlantic	6,474,022.00	8	0.25%	5,856,897.00	4	0.46%
Winslow Center Partners	6,100,000.00	9	0.23%			
Regency House Apartments, LLC	5,766,500.00	10	0.22%			
Gateway Communities Inc.				13,500,000.00	1	1.06%
GFS Realty Co.				5,570,000.00	6	0.44%
Heritage Group-Wilton's Corner				7,098,500.00	3	0.56%
White Cedars Associates				5,125,200.00	8	0.40%
Certain Teed				3,595,400.00	10	0.28%
Total	\$ 81,527,622.00		3.10%	\$ 65,818,097.00		4.48%

(1) Currently under Tax Abatement Agreements

Source: Municipal Tax Assessor and Abstract of Ratables

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30.	General Purpose Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (1)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 44,892,930.00	\$ 41,296,418.75	92%	\$ 3,596,511.25
2012	44,058,822.00	40,517,007.08	92%	3,541,814.92
2011	44,027,175.02	44,027,175.02	100%	-
2010	40,876,097.00	40,876,097.00	100%	-
2009	39,803,697.00	39,803,697.00	100%	-
2008	39,942,508.00	39,942,508.00	100%	-
2007	35,994,372.00	35,994,372.00	100%	-
2006	35,994,372.00	35,994,372.00	100%	-
2005	28,733,118.00	28,733,118.00	100%	-
2004	25,587,903.00	25,587,903.00	100%	-

(1) 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.

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

Debt Capacity Information

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

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District			
2013	\$ 18,260,000.00	-	\$ 3,919.55	-	-	\$ 18,263,919.55	N/A	N/A	
2012	21,335,000.00	-	12,085.95	-	-	21,347,085.95	N/A	N/A	
2011	23,630,000.00	-	49,988.23	-	-	23,679,988.23	0.18%	43,099	
2010	25,830,000.00	-	421,249.23	-	-	26,251,249.23	0.16%	42,720	
2009	27,845,000.00	-	2,687,700.91	-	-	30,532,700.91	0.14%	41,406	
2008	26,215,000.00	-	1,657,001.32	-	-	27,872,001.32	0.15%	41,992	
2007	27,030,000.00	-	1,688,432.27	-	-	28,718,432.27	0.14%	40,260	
2006	28,565,000.00	-	1,383,975.32	-	-	29,948,975.32	0.13%	38,671	
2005	30,050,000.00	-	2,485,467.72	-	-	32,535,467.72	0.11%	36,299	
2004	31,465,000.00	-	2,095,219.27	-	-	33,560,219.27	0.10%	34,955	

(1) District Records
 (2) Personal income has been estimated based upon the municipal population and per capita
 (3) Per Capita personal income by municipality-estimated based upon the 2000 Census published

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

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

<u>General Bonded Debt Outstanding</u>					
<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Deductions</u>	<u>Net General</u> <u>Bonded Debt</u> <u>Outstanding (1)</u>	<u>Percentage of</u> <u>Actual Taxable</u> <u>Value of Property (2)</u>	<u>Per Capita (3)</u>
2013	\$ 18,260,000.00	\$ -	\$ 18,260,000.00	N/A	N/A
2012	21,335,000.00	-	21,335,000.00	0.78%	N/A
2011	23,630,000.00	-	23,630,000.00	1.51%	43,099
2010	25,830,000.00	-	25,830,000.00	1.65%	42,720
2009	27,845,000.00	-	27,845,000.00	1.79%	41,406
2008	26,215,000.00	-	26,215,000.00	1.70%	41,992
2007	27,030,000.00	-	27,030,000.00	1.81%	40,260
2006	28,565,000.00	-	28,565,000.00	2.00%	38,671
2005	30,050,000.00	-	30,050,000.00	2.25%	36,299
2004	31,465,000.00	-	31,465,000.00	2.47%	34,955

Sources:

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita calculation based upon population information provided by the NJ Dept. of Labor and Workforce Development

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2013
 Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Winslow Township</u>
Municipal Debt: (1)				
Winslow Township School District	\$ 18,260,000.00	\$ 18,260,000.00		
Winslow Township	37,656,361.71	26,705,636.46	\$ 10,950,725.25	\$ 10,950,725.25
Winslow Township Fire District #1 (2)	<u>240,000.00</u>	<u>240,000.00</u>	<u>-</u>	<u>-</u>
	<u>56,156,361.71</u>	<u>45,205,636.46</u>	<u>10,950,725.25</u>	<u>10,950,725.25</u>
Overlapping Debt Apportioned to the Municipality: County of Camden: (3)				
General:				
Bonds	44,081,645.00	10,684,251.00 (4)	33,397,394.00	2,336,261.96 (6)
Loan Agreement	147,285,000.00		147,285,000.00	10,303,089.59 (6)
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>681,777,740.00</u>	<u>681,777,740.00 (5)</u>	<u>-</u>	<u>-</u>
	<u>873,144,385.00</u>	<u>692,461,991.00</u>	<u>180,682,394.00</u>	<u>12,639,351.54</u>
	<u>\$ 929,300,746.71</u>	<u>\$ 737,667,627.46</u>	<u>\$ 191,633,119.25</u>	<u>\$ 23,590,076.79</u>

Sources:

- (1) Winslow Township Annual Debt Statement - December 31, 2012
- (2) Winslow Township Fire District #1 Report of Audit - December 31, 2012
- (3) Camden County Report of Audit - December 31, 2012
- (4) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (5) Deductible in accordance with N.J.S. 40:37A-80.
- (6) Such debt is allocated as a proportion of the Township's share of the total 2012 Equalized Value, which is 7.00%.
 The source for this computation was the 2012 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2013

Equalized Valuation Basis (1)	
2012	\$ 2,656,176,915.00
2011	2,812,568,542.00
2010	3,019,785,905.00
[A]	\$ 8,488,531,362.00
[A/3]	\$ 2,829,510,454.00
[B]	113,180,418.16
[C]	18,260,000.00
[B-C]	\$ 94,920,418.16

Average equalized valuation of taxable property

Debt limit (4% of average equalization value) (2)

Total Net Debt Applicable to Limit

Legal Debt Margin

Fiscal Year

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt limit	\$ 113,180,418.16	\$ 118,587,122.75	\$ 123,726,858.07	\$ 121,216,618.29	\$ 114,253,019.89	\$ 100,008,360.63	\$ 83,991,870.41	\$ 70,290,482.36	\$ 61,597,227.37	\$ 55,971,833.77
Total net debt applicable to limit (3)	18,260,000.00	21,335,000.00	23,630,000.00	25,830,000.00	27,970,000.00	26,215,000.00	27,030,000.00	28,565,000.00	30,050,000.00	31,465,000.00
Legal debt margin	\$ 94,920,418.16	\$ 96,957,122.75	\$ 100,096,858.07	\$ 95,386,618.29	\$ 86,283,019.89	\$ 56,961,870.41	\$ 56,961,870.41	\$ 41,725,482.36	\$ 31,547,227.37	\$ 24,506,833.77
Total net debt applicable to the limit as a percentage of debt limit	16.13%	17.99%	19.10%	21.31%	24.48%	26.21%	32.18%	40.64%	48.78%	56.22%

Sources:

- (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 12 district.
- (3) District Records

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Demographic and Economic Statistics
 Last Ten Fiscal Years
 Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2013	N/A	N/A	N/A	N/A
2012	39,238	N/A	N/A	10.90%
2011	39,466	\$ 1,700,945,134.00	43,099	10.80%
2010	39,493	1,687,140,960.00	42,720	11.00%
2009	39,600	1,639,677,600.00	41,406	10.50%
2008	39,365	1,653,015,080.00	41,992	7.10%
2007	39,169	1,576,943,940.00	40,260	5.80%
2006	38,394	1,484,734,374.00	38,671	6.30%
2005	37,213	1,350,794,687.00	36,299	5.00%
2004	35,787	1,250,934,585.00	34,955	5.60%

Sources:

- (1) Population information provided by the NJ Dept. of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita personal income by municipality-estimated based upon the 2010/2000 Census published by the US Bureau of Economic Analysis.
- (4) Unemployment data provided by the NJ Dept. of Labor and Workforce Development

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
 Unaudited

<u>Function/Program</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Instruction										
Regular	326	335	357	382	405	383	360	358	348	364
Special education	105	108.5	114	111	114	179	175	146	147	205
Other special education	54.5	58.5	59	77	50	53	33	39	59	31
Other instruction	9	9	10	13	9	2	2	2	2	16
Adult/continuing education programs							1	1	3	3
Support Services:										
Attendance and Social Work	4	4.5	7	15	15	5	6	4	4	3
Health Services	10	10	12	13	14	13	8	9	11	13
Student & instruction related services				141	169	79	104	142	151	108
General administrative services	41.5	39.5	41	48	62	50	19	21	23	26
School administrative services	30	30	29.5	29	27	49	46	46	48	51
Business administrative services	9	9	12.5	14	17	21	22	18	14	14
Plant operations and maintenance				49	112	135	135	102	110	98
Pupil transportation	73	75.5	77	80	81	86	75	74	67	69
Food Service	4	5	8	14	11	12	13	16	16	17
Child Care	4	9	9	24	27	28	26	31	31	26
Total	670	694	736	1,010	1,113	1,095	1,025	1,009	1,032	1,030

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

Source: District Personnel Records

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

Year	Enrollment	Teaching Staff (1)	Pupil/Teacher Ratio		High School	Average Daily Enrollment (ADE) (2)	Average Daily Attendance (ADA) (2)	% Change in Average Daily Enrollment	Student Attendance Percentage
			Elementary	Middle School					
2013	5,137	519	10.33/1	9.26/1	10.68/1	4,628	4,388	-5.61%	94.81%
2012	5,343	510	11.89/1	10.05/1	10.51/1	4,903	4,649	-6.77%	94.82%
2011	5,652	570	10.68/1	9.54/1	10.65/1	5,259	4,967	-3.11%	94.45%
2010	5,941	507	10.66/1	12.37/1	12.27/1	5,428	5,098	-4.39%	93.92%
2009	6,006	526	10.57/1	11.58/1	11.84/1	5,677	5,236	-7.24%	92.23%
2008	6,027	568	9.93/1	10.80/1	12.62/1	6,120	5,795	-3.22%	94.69%
2007	6,281	593	10.45/1	11.22/1	12.10/1	6,324	5,966	-3.67%	94.34%
2006	6,470	614	9.88/1	10.12/1	11.07/1	6,565	6,184	2.85%	94.20%
2005	6,358	653	12.0/1	12.0/1	12.0/1	6,383	6,002	1.01%	94.03%
2004	6,181	634	11.75:1	12.86:1	15.48/1	6,320	5,924	3.62%	93.74%

Sources: District records

(1) Teaching staff includes only full-time equivalents of certificated staff.

(2) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
 Unaudited

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
District Building										
Elementary										
School 1 (First Year 1967)	43,700	43,700	43,700	43,700	43,700	43,700	43,700	43,700	43,700	43,700
Square Feet	305	305	305	305	305	305	305	305	305	305
Capacity (students)	358	320	333	333	376	376	376	404	N/A	N/A
Enrollment										
School 2 (First Year 1967)	43,700	43,700	43,700	43,700	43,700	43,700	43,700	43,700	43,700	43,700
Square Feet	309	309	309	309	309	309	309	309	309	309
Capacity (students)	280	340	289	368	368	368	368	403	N/A	N/A
Enrollment										
School 3 (First Year 1973)	53,650	53,650	53,650	53,650	53,650	53,650	53,650	53,650	53,650	53,650
Square Feet	401	401	401	401	401	401	401	401	401	401
Capacity (students)	404	384	344	483	483	483	483	516	N/A	N/A
Enrollment										
School 4 (First Year 1976)	69,075	69,075	69,075	69,075	69,075	69,075	69,075	69,075	69,075	69,075
Square Feet	449	449	449	449	449	449	449	449	449	449
Capacity (students)	491	436	420	438	438	438	438	496	N/A	N/A
Enrollment										
School 5 (First Year 1989)	111,680	111,680	111,680	111,680	111,680	111,680	111,680	111,680	111,680	111,680
Square Feet	515	515	515	515	515	515	515	515	515	515
Capacity (students)	605	673	744	744	645	645	645	645	N/A	N/A
Enrollment										
School 6 (First Year 1993)	111,680	111,680	111,680	111,680	111,680	111,680	111,680	111,680	111,680	111,680
Square Feet	594	594	594	594	594	594	594	594	594	594
Capacity (students)	533	533	640	701	701	701	701	701	N/A	N/A
Enrollment										
Middle School										
Winslow Township Middle School (First Year 1970)	193,567	193,567	193,567	193,567	193,567	193,567	193,567	193,567	193,567	193,567
Square Feet	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,127
Capacity (students)	788	858	1,296	1,296	1,421	1,421	1,421	1,416	N/A	N/A
Enrollment										
High School										
Winslow Township High School (First Year 1958)	204,762	204,762	204,762	204,762	204,762	204,762	204,762	204,762	204,762	204,762
Square Feet	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Capacity (students)	1,277	1,360	1,540	1,540	1,353	1,353	1,353	1,682	N/A	N/A
Enrollment										
Other										
Central Administration (1970) - Square Feet	3,220	3,220	3,220	3,220	3,220	3,220	3,220	3,220	3,220	3,220
NJ Regional Day School - Square Feet	27,180	27,180	27,180	27,180	27,180	27,180	27,180	27,180	27,180	27,180
Board Office (Coopers Folly Road) - Square Feet	5,642	5,642	5,642	5,642	5,642	5,642	5,642	5,642	5,642	5,642
Special Services/Maintenance - Square Feet	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Bus Garage - Square Feet	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Custodial Warehouse - Square Feet	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
M&O Garage Warehouse - Square Feet	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
School #1 Garage - Square Feet	500	500	500	500	500	500	500	500	500	500
School #2 Garage - Square Feet	500	500	500	500	500	500	500	500	500	500
Middle School Garage - Square Feet	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500

Number of Schools at June 30, 2013
 Elementary = 6
 Middle School = 1
 Senior High School = 1

Source: District records

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
 Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES

11-000-261-XXX

* School/Facilities	Project # (s)	For the Fiscal Year Ended June 30,									
		2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
School 1	5.70%	\$ 37,142.45	\$ 90,508.88	\$ 21,920.64	\$ 82,755.14	\$ 71,726.70	\$ 48,274.83	\$ 54,238.45	\$ 48,781.90	\$ 51,064.46	\$ 51,555.14
School 2	5.70%	37,142.45	90,508.88	21,920.64	82,755.14	71,726.70	48,274.83	54,238.45	48,781.90	51,064.46	51,555.14
School 3	7.40%	48,220.03	117,502.76	28,458.38	107,436.49	93,118.87	62,672.59	70,414.83	63,330.89	66,294.21	66,931.24
School 4	7.40%	48,220.03	117,502.76	28,458.38	107,436.49	93,118.87	62,672.59	70,414.83	63,330.89	66,294.21	66,931.24
School 5	7.90%	51,478.14	125,442.13	30,381.24	114,695.72	99,410.69	66,907.22	75,172.59	67,610.01	70,773.55	71,453.62
School 6	7.90%	51,478.14	125,442.13	30,381.24	114,695.72	99,410.69	66,907.22	75,172.59	67,610.01	70,773.55	71,453.62
Middle School	29.00%	188,970.37	460,483.78	111,526.07	421,034.91	364,925.30	245,608.79	275,950.03	248,188.63	259,801.63	262,298.09
High School	27.20%	177,241.18	431,902.02	104,603.76	394,901.70	342,274.77	230,364.11	258,822.10	232,783.82	243,676.01	246,017.52
Administration	1.80%	11,729.20	28,581.75	6,922.31	26,133.20	22,650.54	15,244.68	17,127.93	15,404.81	16,125.62	16,280.57
Total School Facilities		651,621.98	1,587,875.09	384,572.64	1,451,844.50	1,258,363.11	846,926.86	951,551.82	855,822.87	895,867.70	904,476.18
Other Facilities		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Total		\$ 651,621.98	\$ 1,587,875.09	\$ 384,572.64	\$ 1,451,844.50	\$ 1,258,363.11	\$ 846,926.86	\$ 951,551.82	\$ 855,822.87	\$ 895,867.70	\$ 904,477.18

* School Facilities as defined under EECFA (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District Records

TOWNSHIP OF WINSLOW SCHOOL DISTRICT

Insurance Schedule
 June 30, 2013
 Unaudited

	<u>Coverage</u>	<u>Deductible</u>
New Jersey School Boards Association Insurance Group		
Commercial Property Coverage:		
Blanket Building & Business Personal Property	\$ 162,443,705.00	\$ 5,000.00
General Liability:		
Products and Completed Operations	11,000,000.00	
Personal and Advertising Injury	11,000,000.00	
Combined Single Limit for Bodily Injury & Property Damage	11,000,000.00	
Child Molestation/Sexual Abuse Limit - Occurrence	11,000,000.00	
Child Molestation/Sexual Abuse Limit - Annual Pool Aggregate	11,000,000.00	
Employee Benefits Limit	11,000,000.00	1,000.00
Commercial Inland Marine		
Blanket Hardware and Software	1,200,000.00	1,000.00
Boiler and Machinery		
Combined Single Limit per Accident for Property Damage and Business Income	100,000,000.00	5,000.00
Commercial Crime Section		
Employee Dishonesty Coverage	100,000.00	1,000.00
Business Auto Coverage:		
Combined Single Limit	11,000,000.00	1,000.00
School District Legal Liability		
Legal Liability Limit	11,000,000.00	15,000.00
Pollution Liability Policy		
EIL - Incident Limit	1,000,000.00	
EIL - Aggregate Limit	2,000,000.00	
Workers Compensation Policy		
Bodily Injury by Accident	2,000,000.00	
Bodily Injury by Disease - Aggregate Limit	2,000,000.00	
Bodily Injury by Disease - Each Employee	2,000,000.00	
Ohio Casualty Group		
Public Official Bond - Board Secretary/Business Administrator	400,000.00	
National Union Fire Ins. Co of Pittsburg, PA/ The Maksin Group		
Student Accident Policies		
Catastrophic Student Accident Coverage		
Accident Medical Expense Benefit - Maximum Benefit per Participant	5,000,000.00	
Catastrophic Cash Benefit - Maximum Benefit Amount	1,000,000.00	
Markel Insurance Company		
Student Accident Policies		
Maximum Benefit Amount	1,000,000.00	

SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND
STATE OF NEW JERSEY CIRCULAR 04-04-OMB**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Winslow School District
County of Camden, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Township of Winslow School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2013. The School District'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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township of Winslow School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Township of Winslow School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Township of Winslow School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and State of New Jersey Circular 04-04-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Public School Accountant No. CS 238400

Voorhees, New Jersey
November 27, 2013

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2013

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2012	
				From	To	Unearned Revenue/ (Accounts Receivable)	Due to Grantor
U.S. Department of Education							
Passed-Through State Department of Education:							
General Fund:							
Medical Assistance Program (SEMI)	93.778	N/A	\$ 112,915.00	9/1/12	8/31/13		
Medical Assistance Program (SEMI)	93.778	N/A	115,366.00	9/1/11	8/31/12	\$ (25,534.12)	
Total Medical Assistance Program (SEMI)						(25,534.12)	-
Education Jobs Fund	84.410	N/A	4,028.00	7/1/12	9/30/12		
Education Jobs Fund	84.410	N/A	1,613,589.00	7/1/11	6/30/12	(361,856.43)	
Total Education Jobs Fund						(361,856.43)	
Total General Fund						(387,390.55)	-
U.S. Department of Education							
Passed-Through State Department of Education:							
Special Revenue Fund:							
Title I - Cluster							
Title I - Part A	84.010	NCLB582013	999,113.00	9/1/12	8/31/13		
Title I - Part A	84.010	NCLB582012	984,443.79	9/1/11	8/31/12	(144,312.54)	
Title I - SIA	84.010	NCLB582012	76,860.06	9/1/11	8/31/12		
Title I - Part A	84.010	NCLB582011	999,871.00	9/1/10	8/31/11		
ARRA - Title I - Part A	84.389	ARRA582010	622,300.00	7/1/09	8/31/11	(30,728.00)	
Total Title I Cluster						(175,040.54)	-
I.D.E.A. Part B Cluster							
I.D.E.A. Part B Basic Regular	84.027	FT582013	1,271,945.10	9/1/12	8/31/13		
I.D.E.A. Part B Basic Regular	84.027	FT582012	1,261,312.00	9/1/11	8/31/12	(467,292.36)	
I.D.E.A. Part B Preschool	84.173	PSH582013	64,285.61	9/1/12	8/31/13		
I.D.E.A. Part B Preschool	84.173	PSH582012	62,737.00	9/1/11	8/31/12	(31,189.77)	
Total I.D.E.A. Part B Cluster						(498,482.13)	-
Title II A	84.367	NCLB582013	276,199.03	9/1/12	8/31/13		
Title II A	84.367	NCLB582012	238,166.00	9/1/11	8/31/12	(15,133.52)	
Title II D	84.367	NCLB582010	10,117.00	9/1/09	8/31/10		
Title III	84.365	NCLB582013	15,589.52	9/1/12	8/31/13		
Title III - Immigrant	84.365	NCLB582013	127.00	9/1/12	8/31/13		
Title III	84.365	NCLB582012	15,150.00	9/1/11	8/31/12	(667.95)	
Title III - Immigrant	84.365	NCLB582012	7,355.00	9/1/11	8/31/12		
Carl D. Perkins Grant	84.708	NCLB582013	46,906.00	7/1/12	6/30/13		
Carl D. Perkins Grant	84.708	PERK582011	41,481.00	7/1/11	6/30/12	(8,211.91)	
JROTC	99.472	N/A	78,783.33	7/1/12	6/30/13		
JROTC	99.472	N/A	79,101.60	7/1/11	6/30/12	(6,513.57)	
Race to the Top	84.416	N/A	76,113.00	7/1/12	6/30/13		
Total Special Revenue Fund						(704,049.62)	-
U.S. Department of Agriculture							
Passed-Through State Department of Education							
Enterprise Fund:							
Child Nutrition Cluster:							
Non-Cash Assistance (Food Distribution)							
National School Lunch Program	10.555	N/A	141,301.96	7/1/12	6/30/13		
National School Lunch Program	10.555	N/A	167,118.33	7/1/11	6/30/12	14,823.19	
Non-Cash Assistance Subtotal						14,823.19	-
Cash Assistance:							
National School Lunch Program	10.555	N/A	932,635.89	7/1/12	6/30/13		
National School Lunch Program	10.555	N/A	927,541.51	7/1/11	6/30/12	(49,949.45)	
School Breakfast Program	10.553	N/A	226,965.00	7/1/12	6/30/13		
School Breakfast Program	10.553	N/A	220,307.76	7/1/11	6/30/12	(12,230.73)	
Cash Assistance Subtotal						(62,180.18)	-
Total Child Nutrition Cluster						(47,356.99)	-
Total Federal Financial Assistance						\$ (1,138,797.16)	\$ -

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

Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2013		
				(Accounts Receivable)	Unearned Revenue	Due to Grantor
	\$ 85,138.86	\$ 85,138.86				
	25,534.12					
-	110,672.98	85,138.86	-		-	-
	361,856.43	4,028.00		\$ (4,028.00)		
	361,856.43	4,028.00		(4,028.00)		
-	472,529.41	89,166.86	-	(4,028.00)	-	-
\$ 57,977.00	285,313.00	739,223.47		(395,933.47)		
28,727.79	334,450.00	218,865.25				
(86,704.79)	58,204.00	58,204.03	\$ 0.03			
	86,705.00		(0.21)			
	30,728.00					
-	795,400.00	1,016,292.75	(0.18)	(395,933.47)	-	-
90,607.10	547,421.00	1,094,550.22		(456,522.12)		
(90,607.10)	980,250.00	444,397.34	22,046.80			
2,685.61	24,821.00	59,007.71		(31,501.10)		
(2,685.61)	44,973.00	11,239.75	142.13			
-	1,597,465.00	1,609,195.02	22,188.93	(488,023.22)	-	-
70,381.03	1,436.00	153,505.06		(81,688.03)		
(70,381.03)	166,697.00	81,182.38	(0.07)			
1,237.52	6,743.00	15,580.75		(7,600.23)		
(1,237.52)	7,719.00	6,226.26	412.73			
	3,657.00	3,657.50	0.50			
	24,729.00	42,654.97		(17,925.97)		
	8,212.00		(0.09)			
	72,157.19	78,783.33		(6,626.14)		
	6,513.57					
		61,049.75		(61,049.75)		
-	2,690,728.76	3,068,127.77	22,601.82	(1,058,846.81)	-	-
	141,301.96	123,739.61			\$ 17,562.35	
		14,823.19				
-	141,301.96	138,562.80	-	-	17,562.35	-
	753,235.66	932,635.89		(179,400.23)		
	49,949.45					
	181,345.66	226,965.00		(45,619.34)		
	12,230.73					
-	996,761.50	1,159,600.89	-	(225,019.57)	-	-
-	1,138,063.46	1,298,163.69	-	(225,019.57)	17,562.35	-
\$ -	\$ 4,301,321.63	\$ 4,455,458.32	\$ 22,601.82	\$ (1,287,894.38)	\$ 17,562.35	\$ -

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2013

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2012		Carryover/ (Walkover) Amount
			From	To	Unearned Revenue/ (Accounts Receivable)	Due to Grantor	
State Department of Education (State Aid):							
General Fund:							
State Aid Public:							
Equalization Aid	13-495-034-5120-078	\$ 37,915,643.00	7/1/12	6/30/13			
Special Education Categorical Aid	13-495-034-5120-089	3,006,690.00	7/1/12	6/30/13			
Security Aid	13-495-034-5120-084	1,353,929.00	7/1/12	6/30/13			
Adjustment Aid	13-495-034-5120-085	202,554.00	7/1/12	6/30/13			
Equalization Aid	12-495-034-5120-078	39,543,867.00	7/1/11	6/30/12	\$ (3,848,746.81)		
Special Education Categorical Aid	12-495-034-5120-089	2,930,738.00	7/1/11	6/30/12	(285,244.45)		
Security Aid	12-495-034-5120-084	1,410,229.22	7/1/11	6/30/12	(137,255.53)		
Total State Aid Public					(4,271,246.79)	-	-
Extraordinary Aid	13-100-034-5120-473	366,680.00	7/1/12	6/30/13			
Extraordinary Aid	12-100-034-5120-473	541,853.00	7/1/11	6/30/12	(541,853.00)		
Transportation Aid	13-495-034-5120-014	1,062,437.00	7/1/12	6/30/13			
Transportation Aid	12-495-034-5120-014	553,361.00	7/1/11	6/30/12	(53,857.82)		
Nonpublic Transportation Aid	13-495-034-0510-319	117,289.30	7/1/12	6/30/13			
Nonpublic Transportation Aid	12-495-034-0510-319	130,833.85	7/1/11	6/30/12	(130,833.85)		
TPAF Social Security Contributions	13-495-034-5095-002	2,953,856.09	7/1/12	6/30/13			
TPAF Social Security Contributions	12-495-034-5095-002	2,655,208.14	7/1/11	6/30/12	(132,271.54)		
Total General Fund					(5,130,063.00)	-	-
State Grants:							
Special Revenue Fund:							
Preschool Education Aid	13-495-034-5120-086	232,544.00	7/1/12	6/30/13			\$ 306,249.40
Preschool Education Aid	12-495-034-5120-086	363,324.00	7/1/11	6/30/12	169,591.69		
Preschool Education Aid	11-495-034-5120-086	1,644,274.00	7/1/10	6/30/11	164,293.70		(164,293.70)
Preschool Education Aid	10-495-034-5120-086	1,644,274.00	7/1/09	6/30/10	141,955.70		(141,955.70)
N.J. Nonpublic Aid:							
Textbook Aid	13-100-034-5120-064	5,389.00	7/1/12	6/30/13			
Textbook Aid	12-100-034-5120-064	4,399.00	7/1/11	6/30/12		\$ 90.89	
Technology Initiative Aid	13-100-034-5120-373	1,989.00	7/1/12	6/30/13			
Auxiliary Services:							
Comp Ed	13-100-034-5120-067	44,312.00	7/1/12	6/30/13			
Transportation	13-100-034-5120-067	14,784.00	7/1/12	6/30/13			
Handicapped Services:							
Corrective Speech	13-100-034-5120-066	23,436.00	7/1/12	6/30/13			
Supplementary Instruction	13-100-034-5120-066	9,020.00	7/1/12	6/30/13			
Initial Exam & Class	13-100-034-5120-066	6,684.00	7/1/12	6/30/13			
Annual Exam & Class	13-100-034-5120-066	2,554.00	7/1/12	6/30/13			
Auxiliary Services:							
Compensatory Education	12-100-034-5120-067	28,319.00	7/1/11	6/30/12		8,200.86	
Transportation (CST)	12-100-034-5120-067	13,589.00	7/1/11	6/30/12		9,778.39	
Home Instruction	12-100-034-5120-067	2,442.96	7/1/11	6/30/12	(2,442.96)		
Handicapped Services:							
Corrective Speech	12-100-034-5120-066	11,611.00	7/1/11	6/30/12		2,369.17	
Supplementary Instruction	12-100-034-5120-066	5,051.00	7/1/11	6/30/12		2,034.55	
Initial Exam & Classification	12-100-034-5120-066	5,632.00	7/1/11	6/30/12		0.40	
Annual Exam & Classification	12-100-034-5120-066	968.00	7/1/11	6/30/12		645.27	
Nursing Services	13-100-034-5120-070	7,480.00	7/1/12	6/30/13			
Nursing Services	12-100-034-5120-070	6,284.00	7/1/11	6/30/12		62.84	
School Based Youth Program	13-100-054-7500-068	274,878.00	7/1/12	6/30/13			
School Based Youth Program	12-100-054-7500-068	270,078.00	7/1/11	6/30/12		35,547.66	
School Based Youth Program	11-100-054-7500-068	270,078.00	7/1/10	6/30/11		84.10	
Total Special Revenue Fund					473,398.13	58,814.13	-
Capital Projects Fund							
New Jersey School Development Authority (SDA):							
School Roofing Projects:							
High School	5820-010-09-0ZZO	1,804,646.00	06/04/10	Project End	(1,462,204.79)		
Middle School	5820-010-09-0ZZP	1,985,111.00	06/04/10	Project End	(1,125,496.91)		
Total Capital Projects Fund					(2,587,701.70)	-	-
Debt Service Fund:							
Debt Service Aid Type II	13-495-034-5120-075	1,494,003.00	7/1/12	6/30/13	-	-	-
Enterprise Fund:							
State School Lunch Program	13-100-010-3350-021	22,752.95	7/1/12	6/30/13			
State School Lunch Program	12-100-010-3350-021	28,091.34	7/1/11	6/30/12	(5,365.11)		
Total Enterprise Fund					(5,365.11)	-	-
Total State Financial Assistance					\$ (7,249,731.68)	\$ 58,814.13	\$ -

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

Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2013			Memo	
				(Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable June 30, 2013	Cumulative Total Expenditures
\$ 34,229,311.00	\$ 37,915,643.00			\$ (3,686,332.00)			\$ 3,686,332.00	\$ 37,915,643.00
2,714,366.00	3,006,690.00			(292,324.00)			292,324.00	3,006,690.00
1,222,294.00	1,353,929.00			(131,635.00)			131,635.00	1,353,929.00
182,860.00	202,554.00			(19,694.00)			19,694.00	202,554.00
3,848,746.81								39,543,867.00
285,244.45								2,930,738.00
137,255.53								1,410,229.22
<u>42,620,077.79</u>	<u>42,478,816.00</u>	<u>-</u>	<u>-</u>	<u>(4,129,985.00)</u>	<u>-</u>	<u>-</u>	<u>4,129,985.00</u>	<u>86,363,650.22</u>
	366,680.00			(366,680.00)				366,680.00
541,853.00								541,853.00
959,142.00	1,062,437.00			(103,295.00)			103,295.00	1,062,437.00
53,857.82								553,361.00
	117,289.30			(117,289.30)				117,289.30
130,833.85								130,833.85
2,631,236.72	2,953,856.09			(322,619.37)				2,953,856.09
132,271.54								2,655,208.14
<u>47,069,272.72</u>	<u>46,979,078.39</u>	<u>-</u>	<u>-</u>	<u>(5,039,868.67)</u>	<u>-</u>	<u>-</u>	<u>4,233,280.00</u>	<u>94,745,168.60</u>
209,298.60	531,923.00			(23,255.40)	\$ 6,880.40		23,255.40	225,663.60
36,332.40					205,924.09			157,399.91
								1,644,274.00
								1,644,274.00
5,389.00	5,386.56					\$ 2.44		5,386.56
1,989.00	1,935.81		\$ 90.89			53.19		4,308.11
								1,935.81
44,312.00	21,487.77					22,824.23		21,487.77
14,784.00	4,078.22					10,705.78		4,078.22
23,436.00	9,999.36					13,436.64		9,999.36
9,020.00	4,579.08					4,440.92		4,579.08
6,684.00	5,569.90					1,114.10		5,569.90
2,554.00	1,596.00					958.00		1,596.00
			8,200.86					20,118.14
			9,778.39					3,810.61
2,443.00		\$ (0.04)						2,442.96
			2,369.17					9,241.83
			2,034.55					3,016.45
			0.40					5,631.60
			645.27					322.73
7,480.00	7,405.20					74.80		7,480.00
			62.84					6,221.16
274,878.00	269,979.25					4,898.75		274,878.00
			35,547.66					234,530.34
			84.10					269,993.90
<u>638,600.00</u>	<u>863,940.15</u>	<u>(0.04)</u>	<u>58,814.13</u>	<u>(23,255.40)</u>	<u>212,804.49</u>	<u>58,508.85</u>	<u>23,255.40</u>	<u>4,568,240.04</u>
	2,716.56			(1,464,921.35)			1,464,921.35	1,464,921.35
	-			(1,125,496.91)			1,125,496.91	1,125,496.91
-	2,716.56	-	-	(2,590,418.26)	-	-	2,590,418.26	2,590,418.26
<u>1,494,003.00</u>	<u>1,494,003.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,494,003.00</u>
17,277.17	22,752.95			(5,475.78)				22,752.95
5,365.11								28,091.34
<u>22,642.28</u>	<u>22,752.95</u>	<u>-</u>	<u>-</u>	<u>(5,475.78)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,844.29</u>
<u>\$ 49,224,518.00</u>	<u>\$ 49,362,491.05</u>	<u>\$ (0.04)</u>	<u>\$ 58,814.13</u>	<u>\$ (7,659,018.11)</u>	<u>\$ 212,804.49</u>	<u>\$ 58,508.85</u>	<u>\$ 6,846,953.66</u>	<u>\$ 103,448,674.19</u>

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2013

Note 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Township of Winslow School District (hereafter referred to as the "School District"). The School District is defined in note 1 to the School District'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, are included on the schedules of expenditures of federal awards and state financial assistance.

Note 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using 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 School District'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 preparation 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, payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is \$91,825.00 for the general fund and \$109,363.99 for the special revenue fund. See Exhibit C-3, 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.

Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS (CONT'D)

Awards and financial assistance expenditures are reported in the School District's basic financial statements on a GAAP basis as presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 89,166.86	\$ 46,979,078.39	\$ 47,068,245.25
Special Revenue	3,168,037.88	860,724.20	4,028,762.08
Capital Projects		2,716.56	2,716.56
Debt Service		1,494,003.00	1,494,003.00
Food Service	1,298,163.69	22,752.95	1,320,916.64
Total Awards and Financial Assistance	<u>\$ 4,555,368.43</u>	<u>\$ 49,359,275.10</u>	<u>\$ 53,914,643.53</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: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent favorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2011-2012.

Note 6: OTHER

Revenues and expenditures reported under the food distribution program represent current year value received and current year distribution, respectively. 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 fiscal year ended June 30, 2013.

Note 7: MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

Section 2- Schedule of 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 Government Auditing Standards and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None.

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

None.

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

None

TOWNSHIP OF WINSLOW SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

FINANCIAL STATEMENT FINDINGS

Finding No. 2012-1

Condition

The District did not complete a timely review of open purchase orders at year-end and determine the proper disposition.

Current Status

This finding has been resolved.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

Finding No. 2012-2

Program

State of New Jersey, Department of Education:

State Aid – Public: Equalization Aid (12-495-034-5120-078), Special Education Categorical Aid (12-495-034-5120-089), Security Aid (12-495-034-5120-084)

Condition

During our test of bids and contracts, we noted the following items:

- The use of State Contract vendors was not approved by board resolution
- One change order tested did not have a certificate of availability of funds filed with the resolution.
- The District did not provide notice to the Office of the State Comptroller within 20 business days after award of a contract over \$2 million.

Current Status

This finding has been resolved.

