

***WINFIELD TOWNSHIP SCHOOL DISTRICT***

***COMPREHENSIVE ANNUAL  
FINANCIAL REPORT***

***FISCAL YEAR ENDED JUNE 30, 2017***

***WINFIELD TOWNSHIP SCHOOL DISTRICT***

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

***Comprehensive Annual Financial Report  
For The Fiscal Year Ended June 30, 2017***

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF THE  
WINFIELD TOWNSHIP SCHOOL DISTRICT  
WINFIELD, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

***Prepared by***

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

***And***

***Barre & Company LLC, CPAs***

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**Kimberley Harrington, Commissioner of Education  
Secretary, State Board of Education**

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***INTRODUCTORY SECTION***

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

November 30, 2017

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

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Winfield Township School District (the "District") for the fiscal year ended June 30, 2017, 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 (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain understanding of the District's financial activities have been included.

This report will provide the taxpayers of Winfield Township with comprehensive financial data in a format enabling them to gain an understanding of the District's financial affairs.

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

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

- The Single Audit Section — The District is required to undergo an annual single audit in conformity with the provisions of *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; the New Jersey State Office of Management and Budget (OMB) Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

### **School District Organization**

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

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

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, as well as special education programs for handicapped youngsters. The current enrollment in the school is 141.

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

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-2017	141	-11.17%
2015-2016	156	1.30%
2014-2015	154	-1.38%
2013-2014	156	0.00%
2012-2013	156	3.79%

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

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

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

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

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

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

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

**5) BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2017.

**6) CASH MANAGEMENT:** The investment policy of the District is guided by state statute as detailed in "Notes to Basic Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

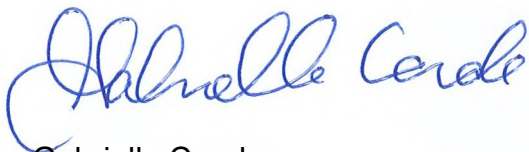
**8) OTHER INFORMATION:**

**Independent Audit** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Barre & Company LLC, Certified Public Accountants, was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the New Jersey State Office of Management and Budget (OMB) Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor's reports, related specifically to the single audit, are included in the single audit section of this report.

**9) ACKNOWLEDGMENTS:**

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

Respectfully submitted,

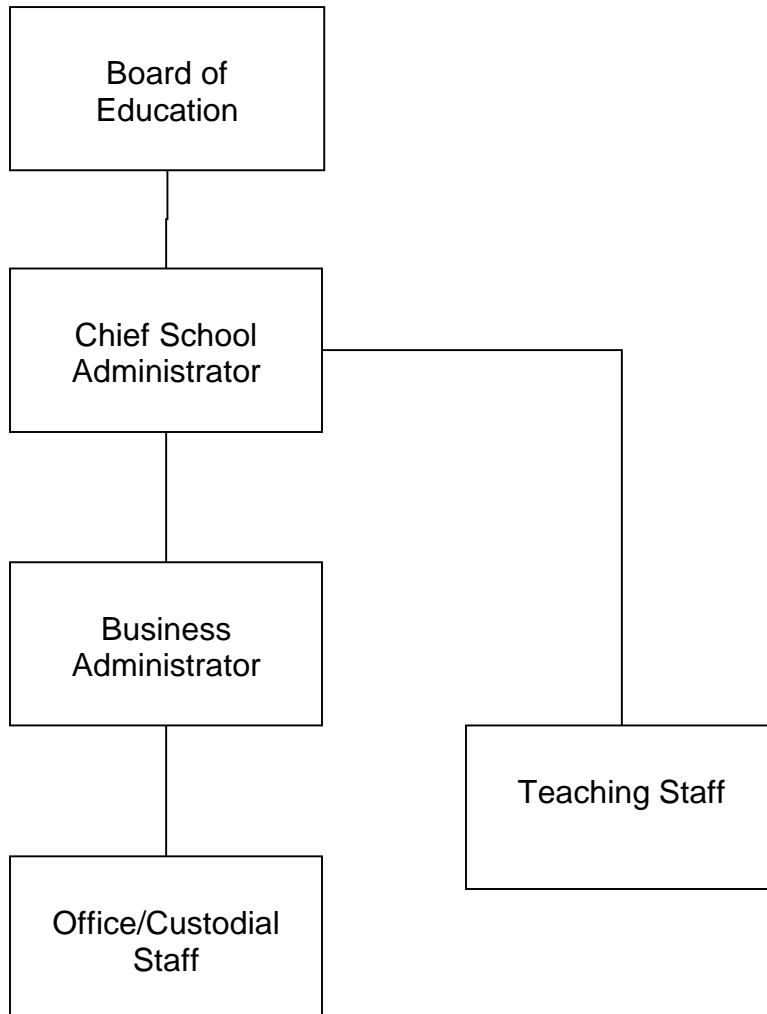


Gabrielle Conde  
Business Administrator/Board Secretary

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

**WINFIELD TOWNSHIP SCHOOL DISTRICT**

**Organizational Chart**



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

**ROSTER OF OFFICIALS  
JUNE 30, 2017**

<b><u>MEMBERS OF THE BOARD OF EDUCATION</u></b>	<b><u>TERM EXPIRES</u></b>
Ms. Virginia Blackwell	2017
Ms. Shana LaRocca	2018
Ms. Lisa Listo	2018
Mr. Timothy Heuser	2018
Mrs. Maureen Byrne	2019
Mr. Adam Koomer	2017
Mrs. Lorraine Schwarze	2019
Mr. Frederick Viteka	2019
Mrs. Ann Marie Weiss	2017

**OTHER OFFICIALS**

Mr. Ross LeBrun, Chief School Administrator

Ms. Gabrielle Conde, School Business Administrator/Board Secretary

Mrs. Donna Hughes, Treasurer

Mr. Mark Tabakin, Solicitor



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

**CONSULTANTS AND ADVISORS**

***Audit Firm***

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

***Attorney***

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

***Official Depository***

TD Bank  
1701 Route 70 East

Bank of America  
601 North Wood Avenue

***FINANCIAL SECTION***

**BARRE & COMPANY LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**  
*2204 Morris Avenue, Suite 206*  
*Union, New Jersey 07083*  
*908-686-3484*  
*FAX – 908-686-6055*  
*www.cpa-bc.com ♦ info@cpa-bc.com*

**Independent Auditor's Report**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Winfield Township School District (School District), in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Winfield Township School District, in the County of Union, State of New Jersey, as of June 30, 2017, and the respective changes in the financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, and District's Proportionate Share of the Net Pension Liability for TPAF and PERS and District's PERS Contributions and the related notes starting on pages 16, 86, and 95, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying supplementary information such as the combining and individual nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively; and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.


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

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

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

In accordance with *Government Auditing Standards* and the Division of Finance, Department of Education, State of New Jersey, we have also issued our report dated November 30, 2017 on our consideration of the Winfield Township School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the Division of Finance, Department of Education, State of New Jersey in considering the School District's internal control over financial reporting and compliance.

  
BARRE & COMPANY LLC  
Certified Public Accountants  
Public School Accountants

  
Richard M. Barre, CPA  
Public School Accountant  
PSA Number CS-01181

Union, New Jersey  
November 30, 2017

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED**

The Management's Discussion and Analysis (MD&A) of Winfield Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance. Certain comparative information between the current year (2016-2017) and the prior year (2015-2016) is required to be presented in the MD&A.

**Financial Highlights**

Key financial highlights for 2017 are as follows:

- ❖ General revenues accounted for \$3,466,314 in revenue or 94% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$225,524 or 6% of total revenues of \$3,691,838.
- ❖ The School District had \$3,554,315 in expenses; with \$225,524 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$3,466,314 were not adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$3,575,262 in revenues and \$3,428,269 in expenditures and other financing sources. The General Fund's fund balance increased \$146,993 over 2016. This increase was anticipated by the Board of Education.

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

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



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED  
(CONTINUED)**

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

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

**Reporting the School District as a Whole**

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

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and ask the question, "How did we do financially during 2017?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED  
(CONTINUED)**

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

**Fund Financial Statements**

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

**Governmental Funds**

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

**Enterprise Fund**

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

**Notes to the Financial Statements**

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

**The School District as a Whole**

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED  
(CONTINUED)**

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

Table 1 provides a summary of the School District's net position for 2017 and 2016.

**Table 1  
Net Position**

	2017	2016
<b>Assets</b>		
Current and Other Assets	\$ 192,180	\$ 52,882
Capital Assets	<u>31,600</u>	<u>31,600</u>
Total Assets	<u>223,780</u>	<u>84,482</u>
<b>Deferred Outflows of Resources</b>		
Pensions	<u>316,543</u>	<u>201,577</u>
<b>Liabilities</b>		
Account and Other Payables	47,109	58,255
Other Current Liabilities	-	2,867
Long-Term Liabilities	<u>864,484</u>	<u>858,626</u>
Total Liabilities	<u>911,593</u>	<u>919,748</u>
<b>Deferred Inflows of Resources</b>		
Pensions	<u>138,224</u>	<u>13,328</u>
<b>Net Position</b>		
Net Investment in Capital Assets	31,600	31,600
Restricted	114,129	65,244
Unrestricted	<u>(655,223)</u>	<u>(743,861)</u>
<b>Total Net Position</b>	<u>\$ (509,494)</u>	<u>\$ (647,017)</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED  
(CONTINUED)**

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

The District's combined net position (deficit) were (\$509,494) on June 30, 2017, and (\$647,017) for 2016.

Table 2 shows changes in net position for fiscal years ended 2017 and 2016.

**Table 2  
Changes in Net Position**

	2017	2016
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 41,144	\$ 35,005
Operating Grants and Contributions	184,380	174,185
General Revenues:		
Property Taxes	1,588,599	1,557,450
Grants and Entitlements	1,877,715	1,865,852
Other	-	3,828
<b>Total Revenues</b>	<u>3,691,838</u>	<u>3,636,320</u>
<b>Program Expenses</b>		
Instruction	1,674,770	1,719,077
Support Services:		
Tuition	703,347	638,145
Student and Instruction Related	423,582	429,246
General and Business Administrative	218,258	212,312
School Administrative	57,441	56,187
Plant Operations and Maintenance	271,217	368,625
Pupil Transportation	141,411	161,420
Capital Outlay	-	10,000
Food Service	64,289	61,280
<b>Total Program Expenses</b>	<u>3,554,315</u>	<u>3,656,292</u>
<b>Changes in Net Position</b>	<u>\$ 137,523</u>	<u>\$ (19,972)</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED  
(CONTINUED)**

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 44% for 2017 and 43% for 2016 of revenues for governmental activities for the Winfield Township School District. The District's total revenues were \$3,640,281 for the year ended June 30, 2017, and \$3,589,454 for 2016. Federal, state, and local grants accounted for another 56% for 2017 and 57% for 2016 of revenues which includes \$295,179 for 2017 and \$298,392 for 2016 of state reimbursed TPAF social security contributions and on-behalf TPAF pension, post-retirement medical, and long-term disability insurance contributions.

The total cost of all program and services was \$3,490,026 for 2017 and \$3,595,012 for 2016. Instruction comprises 48% for 2017 and 48% for 2016 of District's expenses.

**Business-Type Activities**

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

- ❖ Food service revenues exceeded expenses by \$6,318 for 2017 and expenses exceeded revenues by \$714 for 2016.
- ❖ Charges for services represent \$26,144 for 2017 and \$30,315 for 2016 of revenues. This represents amounts paid by patrons for daily food.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and breakfast, and food distribution program were \$25,413 for 2017 and \$16,551 for 2016.

**Governmental Activities**

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED  
(CONTINUED)**

**Governmental Activities (Continued)**

**Table 3**

	<b>Total Cost of Services</b>	
	<b>2017</b>	<b>2016</b>
Instruction	\$ 1,674,770	\$ 1,719,077
Support Services:		
Tuition	703,347	638,145
Student and Instruction Related	423,582	429,246
General and Business Administrative	218,258	212,312
School Administrative	57,441	56,187
Plant Operations and Maintenance	271,217	368,625
Pupil Transportation	141,411	161,420
Capital Outlay	-	10,000
<b>Total Expenses</b>	<b>\$ 3,490,026</b>	<b>\$ 3,595,012</b>

	<b>Net Cost of Services</b>	
	<b>2017</b>	<b>2016</b>
Instruction	\$ 1,561,118	\$ 1,617,228
Support Services:		
Tuition	703,347	638,145
Student and Instruction Related	423,582	429,246
General and Business Administrative	218,258	212,312
School Administrative	57,441	56,187
Plant Operations and Maintenance	271,217	368,625
Pupil Transportation	81,096	100,945
Capital Outlay	-	10,000
<b>Total Expenses</b>	<b>\$ 3,316,059</b>	<b>\$ 3,432,688</b>

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED  
(CONTINUED)**

**Governmental Activities (Continued)**

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

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

**The School District's Funds**

All governmental funds (i.e., general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$3,640,281 for 2017 and \$3,589,454 for 2016 and expenditures were \$3,493,288 for 2017 and \$3,588,082 for 2016. The net change in fund balance for the year was an increase of \$146,993 for 2017 and \$1,372 for 2016. The positive change is most significant in the general fund for 2017 and for 2016.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2017, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2016	Percent of Increase/ (Decrease)
Local Sources	\$ 1,603,599	44.05%	\$ 37,631	2.40%
State Sources	1,971,663	54.16%	10,156	0.52%
Federal Sources	65,019	1.79%	3,040	4.90%
 Total	 \$ 3,640,281	 100.00%	 \$ 50,827	

Local revenues increased by \$37,631. The increase in local revenue was due to a tax increase needed to fund the additional expenditures associated with an increase in enrollment and higher operating costs.

Federal revenues increased due to additional funding in IDEA and NCLB funds.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED  
(CONTINUED)**

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

The following schedule represents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2017, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2016	Percent of Increase/ (Decrease)
Current Expense:				
Instruction	\$ 1,478,265	42.31%	\$ (43,410)	-2.85%
Undistributed	1,995,973	57.14%	(46,734)	-2.29%
Capital Outlay	-	0.00%	(10,000)	-100.00%
Food Transfers	19,050	0.55%	5,350	39.05%
 Total	 <u>\$ 3,493,288</u>	 <u>100.00%</u>	 <u>\$ (94,794)</u>	

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

**General Fund Budgeting Highlights**

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

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

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



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED  
(CONTINUED)**

**General Fund Budgeting Highlights (Continued)**

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

**Capital Assets**

The School District had \$31,600 at June 30, 2017 and 2016 invested in land, building, furniture and equipment, and vehicles. Table 4 shows the balances of capital assets (net of depreciation) for fiscal years 2017 and 2016.

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

	2017	2016
Land and Land Improvements	\$ 31,600	\$ 31,600
Machinery and Equipment	-	-
Total	\$ 31,600	\$ 31,600

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

**Debt Administration**

At June 30, 2017, the School District had \$864,484 of outstanding debt. Of this amount, \$15,000 is for compensated absences; \$7,029 is for capital lease, and \$842,455 is for net pension liability.

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

**For the Future**

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED  
(CONTINUED)**

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

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

***BASIC FINANCIAL STATEMENTS***

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

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2017

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents:			
Unrestricted	\$ 90,091	\$ 3,661	\$ 93,752
Restricted	976		976
Interfund Receivables	85,873		85,873
Receivables	7,570	923	8,493
Inventories		3,086	3,086
Capital Assets, Net	31,600		31,600
	<u>216,110</u>	<u>7,670</u>	<u>223,780</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Pensions	316,543		316,543
	<u>316,543</u>	<u>-</u>	<u>316,543</u>
<b>LIABILITIES:</b>			
Interfund Payable	43,910		43,910
Accounts Payable	3,199		3,199
Noncurrent Liabilities:			
Due Within One Year	22,029		22,029
Due Beyond One Year:			
Net Pension Liability	842,455		842,455
	<u>911,593</u>	<u>-</u>	<u>911,593</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Pensions	138,224		138,224
	<u>138,224</u>	<u>-</u>	<u>138,224</u>
<b>NET POSITION (DEFICIT):</b>			
Net Investment in Capital Assets	31,600		31,600
Restricted for:			
Other Purposes	49,861	64,268	114,129
Unrestricted (Deficit)	(598,625)	(56,598)	(655,223)
	<u>\$ (517,164)</u>	<u>\$ 7,670</u>	<u>\$ (509,494)</u>

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes In Net Position			
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES:</b>								
Instruction:								
Regular	\$ 1,150,770	\$ 149,646	\$ 15,000	\$ -	\$ -	\$ (1,285,416)	\$ -	\$ (1,285,416)
Special Education	273,281	38,703		98,652		(213,332)		(213,332)
Other Special Education	20,580	3,706				(24,286)		(24,286)
Other Instruction	33,634	4,450				(38,084)		(38,084)
Support Services:								
Tuition	703,347					(703,347)		(703,347)
Student and Instruction Related Services	371,566	52,016				(423,582)		(423,582)
General and Business Administrative Services	196,164	22,094				(218,258)		(218,258)
School Administrative Services	48,936	8,505				(57,441)		(57,441)
Plant Operations and Maintenance	255,158	16,059				(271,217)		(271,217)
Pupil Transportation	141,411			60,315		(81,096)		(81,096)
Total Governmental Activities	3,194,847	295,179	15,000	158,967	-	(3,316,059)	-	(3,316,059)
<b>BUSINESS-TYPE ACTIVITIES:</b>								
Food Service	64,289		26,144	25,413			(12,732)	(12,732)
Total Business-Type Activities	64,289		26,144	25,413			(12,732)	(12,732)
Total Primary Government	\$ 3,259,136		\$ 41,144	\$ 184,380	\$ -	\$ (3,316,059)	\$ (12,732)	\$ (3,328,791)
<b>GENERAL REVENUES:</b>								
Property Taxes Levied For:								
General Purposes						\$ 1,588,599	\$ -	\$ 1,588,599
Federal and State Aid Not Restricted Transfers						1,877,715		1,877,715
Total General Revenues						3,447,264	19,050	3,466,314
Change in Net Position						131,205	6,318	137,523
Net Position (Deficit) - Beginning of Year						(648,369)	1,352	(647,017)
Net Position (Deficit) - Ending						(517,164)	7,670	(509,494)

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

**SECTION B - FUND FINANCIAL STATEMENTS**

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

***GOVERNMENTAL FUNDS***



WINFIELD TOWNSHIP SCHOOL DISTRICT  
GOVERNMENT FUNDS  
BALANCE SHEET  
JUNE 30, 2017

	General Fund	Special Revenue Fund	Total
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 45,730	\$ 44,361	\$ 90,091
Capital Reserve Account	976		976
Interfund Accounts Receivable	85,873		85,873
Receivables From Other Governments	4,822	2,748	7,570
<b>Total Assets</b>	<b>\$ 137,401</b>	<b>\$ 47,109</b>	<b>\$ 184,510</b>
<b>LIABILITIES AND FUND BALANCES:</b>			
Liabilities:			
Interfund Accounts Payable	\$ -	\$ 43,910	\$ 43,910
Accounts Payable		3,199	3,199
<b>Total Liabilities</b>	<b>-</b>	<b>47,109</b>	<b>47,109</b>
Fund Balances:			
Reserved For:			
Excess Surplus	48,885		48,885
Capital Reserve Account	976		976
Unassigned:			
General Fund	87,540		87,540
<b>Total Fund Balances</b>	<b>137,401</b>	<b>-</b>	<b>137,401</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 137,401</b>	<b>\$ 47,109</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$703,872 and the accumulated depreciation is \$672,272.	31,600
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(22,029)
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.	(842,455)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows related to pensions	316,543
Deferred inflows related to pensions	(138,224)
<b>Net Position (Deficit) of Governmental Activities</b>	<b>\$ (517,164)</b>

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General Fund	Special Revenue Fund	Total
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 1,588,599	\$ -	\$ 1,588,599
Tuition	15,000		15,000
Total Local Sources	<u>1,603,599</u>	<u>-</u>	<u>1,603,599</u>
State Sources	1,971,663		1,971,663
Federal Sources		65,019	65,019
Total Revenues	<u>3,575,262</u>	<u>65,019</u>	<u>3,640,281</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	1,112,165	38,605	1,150,770
Special Education	273,281		273,281
Other Special Education	20,580		20,580
Other	33,634		33,634
Support Services and Undistributed Costs:			
Tuition	703,347		703,347
Student and Instruction Related Services	345,152	26,414	371,566
General and Business Administrative Services	180,376		180,376
School Administrative Services	48,936		48,936
Plant Operations and Maintenance	255,158		255,158
Pupil Transportation	141,411		141,411
Employee Benefits	295,179		295,179
Total Expenditures	<u>3,409,219</u>	<u>65,019</u>	<u>3,474,238</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>166,043</u>	<u>-</u>	<u>166,043</u>
OTHER FINANCING SOURCES (USES):			
Food Service:			
Transfers to Cover Deficit	(19,050)		(19,050)
Total Other Financing Sources (Uses)	<u>(19,050)</u>	<u>-</u>	<u>(19,050)</u>
NET CHANGE IN FUND BALANCES	146,993	-	146,993
FUND BALANCES (DEFICIT), JULY 1	<u>(9,592)</u>	<u>-</u>	<u>(9,592)</u>
FUND BALANCES, JUNE 30	<u>\$ 137,401</u>	<u>\$ -</u>	<u>\$ 137,401</u>

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Total net change in fund balances - governmental funds (B-2)	\$ 146,993
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in government funds. The increase in capital leases is a reduction to the reconciliation. The decrease in capital leases is an addition to the reconciliation.	7,668
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Pension costs associated with the PERS pension plan are reported in the governmental funds as expenditures in the year the school pension contribution is paid. However, on the statement of activities, the net difference between the current and prior year net pension liability is recognized.	<u>(23,456)</u>
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Change in net position of governmental activities	<u><u>\$ 131,205</u></u>
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The accompanying Notes to Basic Financial Statements are an integral part of this statement.

***PROPRIETARY FUNDS***

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2017

**Business-Type Activities - Enterprise Funds**

	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 3,661
Receivables from Other Governments	923
Inventories	<u>3,086</u>
Total Current Assets	<u>7,670</u>
Noncurrent Assets:	
Machinery and Equipment	33,630
Less: Accumulated Depreciation	<u>(33,630)</u>
Total Noncurrent Assets	<u>-</u>
Total Assets	<u><u>\$ 7,670</u></u>
<b>LIABILITIES AND NET POSITION:</b>	
Liabilities:	
Accounts Payable	<u>\$ -</u>
Total Liabilities	<u>-</u>
Net Position:	
Net Investment in Capital Assets	-
Contributed Capital	64,268
Unrestricted	<u>(56,598)</u>
Total Net Position	<u>7,670</u>
Total Liabilities and Net Position	<u><u>\$ 7,670</u></u>

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<b>Business-Type Activities - Enterprise Funds</b>	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 17,715
Daily Sales - Non-Reimbursable Programs	8,429
	<hr/>
Total Operating Revenues	26,144
	<hr/>
<b>OPERATING EXPENSES:</b>	
Salaries	21,144
Management Fees	9,250
Cost of Sales - Reimbursable Programs	25,380
Cost of Sales - Non-Reimbursable Programs	5,420
Miscellaneous Expenditures	3,095
	<hr/>
Total Operating Expenses	64,289
	<hr/>
<b>OPERATING LOSS</b>	<b>(38,145)</b>
	<hr/>
<b>NONOPERATING REVENUES:</b>	
State Sources:	
State Lunch Program	539
Federal Sources:	
Federal Lunch Program	18,325
Federal Breakfast Program	281
Special Milk Program	231
U.S.D.A. Commodities	6,037
	<hr/>
Total Nonoperating Revenues	25,413
	<hr/>
Change in Net Position Before Other Financing Uses	(12,732)
	<hr/>
<b>OTHER FINANCING SOURCES:</b>	
Transfers In	19,050
	<hr/>
Total Other Financing Sources	19,050
	<hr/>
<b>CHANGE IN NET POSITION</b>	<b>6,318</b>
	<hr/>
<b>TOTAL NET POSITION - JULY 1</b>	<b>1,352</b>
	<hr/>
<b>TOTAL NET POSITION - JUNE 30</b>	<b>\$ 7,670</b>
	<hr/> <hr/>

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**Business-Type Activities - Enterprise Funds**

	Food Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash Received from Customers	\$ 25,961
Cash Payments to Suppliers and Employees	(69,116)
Net Cash Used In Operating Activities	(43,155)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Cash Received From State And Federal Reimbursements	25,413
Operating Transfers In - General Fund	19,050
Net Cash Provided By Noncapital Financing Activities	44,463
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,308
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	2,353
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	\$ 3,661
 <b>Reconciliation of Operating Loss to Net Cash Used In Operating Activities:</b>	
Operating Loss	\$ (38,145)
Change In Assets And Liabilities:	
Increase In Receivables From Other Governments	(183)
Increase In Inventories	(1,570)
Decrease In Accounts Payable	(3,257)
Net Cash Used In Operating Activities	\$ (43,155)

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

***FIDUCIARY FUNDS***



WINFIELD TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2017

	<u>Bernstein/ Sweeney Scholarships</u>	<u>Agency Fund</u>
<b>ASSETS:</b>		
Cash and Cash Equivalents	\$ 2,733	\$ 51,789
Interfund Accounts Receivable		<u>250</u>
Total Assets	<u>2,733</u>	<u>\$ 52,039</u>
<b>LIABILITIES:</b>		
Interfund Accounts Payable	250	\$ 41,963
Payable to Student Groups		3,304
Payroll Deductions and Withholdings		<u>6,772</u>
Total Liabilities	<u>250</u>	<u>\$ 52,039</u>
<b>NET POSITION:</b>		
Restricted For:		
Principal Portion - Nonexpendable	<u>2,483</u>	
Total Net Position	<u>\$ 2,483</u>	

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FISCAL YEAR ENDED JUNE 30, 2017

	Bernstein/ Sweeney Scholarships
ADDITIONS:	
Donations	\$ 100
Interest Income	3
	103
Total Additions	103
DEDUCTIONS:	
Scholarship Payments	450
Total Deductions	450
Change in Net Position	(347)
Net Position, July 1	2,830
Net Position, June 30	\$ 2,483

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

***NOTES TO THE FINANCIAL STATEMENTS***

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

The financial statements of the Board of Education (the "Board") of Winfield Township School District (the "District") have been prepared in conformity 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 more significant of the Board's accounting policies are described below.

**A. Reporting Entity**

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

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

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

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

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

**Basis of Presentation**

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

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

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

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

The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

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

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

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

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

The District reports the following governmental funds:

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Special Revenue Fund: The special revenue fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

The District reports the following proprietary funds:

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

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

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

Additionally, the District reports the following fund type:

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

Basis of Accounting

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

*District-Wide, Proprietary, and Fiduciary Fund Financial Statements*: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

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

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

**C. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the legally mandated revenue recognition of the last two state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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



**WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2017**

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

**Budgets/Budgetary Control (Continued)**

The following presents a reconciliation of the special revenue funds from the budgetary basis of accounting:

Total Revenues & Expenditures (Budgetary Basis)	\$ 65,019
Adjustments:	
Less Encumbrances at June 30, 2017	(2,867)
Plus Encumbrances at June 30, 2016	<u>2,867</u>
Total Revenues and Expenditures (GAAP Basis)	<u><u>\$ 65,019</u></u>

**D. Encumbrances Accounting**

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

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

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

**Interfund Transactions:**

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

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

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

**Inventories:**

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

**Allowance for Uncollectible Accounts:**

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

**Capital Assets:**

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

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2017**

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

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

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

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

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

**Compensated Absences:**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon retirement and/or termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

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

liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary-related payments for the employer's share of social security and Medicare taxes, as well as pension contributions, are included.

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

**Deferred Revenue:**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2017, but which were levied to finance fiscal year 2018 operations, have been recorded as deferred revenue. Grants and entitlement received before the eligibility requirements are met are also recorded as deferred revenue.

**Accrued Liabilities and Long-Term Obligations:**

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

**Net Position:**

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

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

enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Fund Balance Reserves:**

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

**Revenues — Exchange and Non-exchange Transactions:**

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

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

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

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

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

Operating Revenues and Expenses:

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

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

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

Management Estimates:

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

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

**F. Pensions**

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

**G. Impact of Recently Issued Accounting Principles**

**Recently Issued and Adopted Accounting Pronouncements**

The School District implemented the following GASB statements for the fiscal year ended June 30, 2017:

Statement No. 77, *Tax Abatement Disclosures*. This Statement provides financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs in order to better assesses (a) whether current-year revenues were sufficient to pay for current-year services, (b) compliance with finance-related legal or contractual requirements, (c) where a government's financial resources come from and how it uses them, and (d) financial position and economic condition and how they have changed over time. The adoption of this Statement had no impact on the basic financial statements of the School District.

Statement No. 80, *Blending Requirements for Certain Component Units as amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The adoption of this Statement had no impact on the basic financial statements of the School District.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

**Impact of Recently Issued Accounting Principles (Continued)**

Statement No. 82, Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The adoption of this Statement did not have a significant impact on the basic financial statements of the School District.

**Recently Issued Accounting Pronouncements**

Other GASB Statements that the School District is currently reviewing for applicability and potential impact on the financial statements include:

Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, will be effective beginning with fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

Statement No. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.

Statements No. 85, *Omnibus 2017*, will be effective with the fiscal year ending June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other postemployment benefits (OPEB)).

Statement No. 86, *Certain Debt Extinguishment Issues*, will be effective with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for



**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

**Impact of Recently Issued Accounting Principles (Continued)**

transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

Statement No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

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

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

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

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

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

**Deposits**

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

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

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

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

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

**Investments**

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

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

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2017**

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

**Investments (Continued)**

As of June 30, 2017, cash and cash equivalents and investments of the District consisted of the following:

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Proprietary Fund</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Operating Account	<u>\$ 46,706</u>	<u>\$ 44,361</u>	<u>\$ 3,661</u>	<u>\$ 54,522</u>	<u>\$ 149,250</u>

The investments recorded in the District-wide statements have been recorded at amortized cost. In accordance with GASB 31, participating interest earning investment contracts that have a remaining maturity at the time of purchase of one year or less may be reported at amortized cost. For those securities purchased more than one year from the maturity date, the difference between the carrying amount and market value is not material to the District-wide statements. The carrying amount of the Board's cash and cash equivalents at June 30, 2017 was \$149,250 and the bank balance was \$228,302. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes.

**Risk Category**

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

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

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

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

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

**Risk Category (Continued)**

As of June 30, 2017, the Board has no funds invested and on deposit in checking accounts and New Jersey ARM. These funds constitute “deposits with financial institutions” as defined by GASB Statement No. 3 and are classified as Category 1, both at year-end and throughout the year.

**New Jersey Cash Management Fund**

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

As of June 30, 2017, the District had no funds on deposit with the New Jersey Cash Management Fund.

**NOTE 3: RECEIVABLES**

Receivables at June 30, 2017, consisted of accounts (tuition), intergovernmental, grants, and miscellaneous.

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

	Governmental Fund Financial Statements	Governmental Wide Financial Statements
State Aid	\$ 4,822	\$ 4,847
Federal Aid	2,748	3,646
Other	-	-
Gross Receivables	<u>7,570</u>	<u>8,493</u>
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net	<u><u>\$ 7,570</u></u>	<u><u>\$ 8,493</u></u>

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2017**

**NOTE 4: INTERFUND TRANSFERS AND BALANCES**

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

The following interfund balances remained on the fund financial statements at June 30, 2017:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 85,873	\$ -
Special Revenue Fund		43,910
Fiduciary Fund	250	42,213
Total	<u>\$ 86,123</u>	<u>\$ 86,123</u>

**NOTE 5: OPERATING LEASES**

The District had a commitment to lease copying equipment under operating leases which will expire on May 2018. Total operating lease payments made during the year ended June 30, 2017 were \$7,668. Future minimum lease payments are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2018	<u>\$ 7,029</u>
Total minimum lease payments	7,029
Less: Amount representing interest	<u>837</u>
Present value of net minimum lease payments	<u>\$ 6,192</u>

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2017, was as follows:

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

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the District-wide statement of net position. One item of that reconciliation explains that capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. An addition to the fund balance-total governmental funds is made to reflect the carrying value of the School District's capital assets at year-end in the District-wide financial statements.

At the end of the fiscal year 2017, the School District did not have a capital assets inventory completed and therefore the capital assets schedule is not updated.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7: LONG-TERM OBLIGATIONS**

Changes in long-term obligations for the year ended June 30, 2017, are as follows:

	Balance			Balance	Amounts
	<u>July 1, 2016</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2017</u>	<u>Due Within</u>
					<u>One Year</u>
Obligations Under					
Capital Lease	\$ 14,697	\$ -	\$ 7,668	\$ 7,029	\$ 7,029
Compensated Absences					
Payable	15,000	-	-	15,000	15,000
Net Pension					
Liability	<u>828,929</u>	<u>45,273</u>	<u>31,747</u>	<u>842,455</u>	<u>-</u>
 Total	 <u>\$ 858,626</u>	 <u>\$ 45,273</u>	 <u>\$ 39,415</u>	 <u>\$ 864,484</u>	 <u>\$ 22,029</u>

Compensated absences, capital leases, and net pension liability have been liquidated in the General Fund.

**NOTE 8: 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 ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. 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. The 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  
<http://www.nj.gov/treasury/pensions>.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2017**

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

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

**Plan Description**

The State of New Jersey, Public Employees; Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

**Vesting and Benefit Provisions**

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

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age of which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.



**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

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

**Contributions**

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. School District contributions to PERS amounted to \$25,518 for fiscal year 2017.

The employee contribution rate was 7.34% effective July 1, 2017. Subsequent increases after October 1, 2011 are being phased on over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2017, the School District reported a liability of \$842,455 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2015 which was rolled forward to June 30, 2016. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

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

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

members, actuarially determined. For the June 30, 2016 measurement date, the School District's proportion was 0.0028444852%, which was a decrease of 0.0008481780% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the School District recognized pension expense of \$68,803, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2016 measurement date.

At June 30, 2017, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 15,667	\$ -
Changes in Assumptions	174,512	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	32,124	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	68,722	138,224
School District Contributions Subsequent to the Measurement Date	<u>25,518</u>	<u>-</u>
	<u>\$ 316,543</u>	<u>\$ 138,224</u>

\$25,518, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2018.

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2017

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

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

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

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2017	\$ 50,049
2018	50,049
2019	57,984
2020	48,715
2021	15,506
	<u>\$ 222,303</u>

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.57, 5.72 and 6.44 years for the 2016, 2015, and 2014 amounts, respectively.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

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

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

The amortization of the other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72 years	-
June 30, 2016	5.57 years	-
Changes in Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44 years	-
June 30, 2015	5.72 years	-
June 30, 2016	5.57 years	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00 years
June 30, 2015	-	5.00 years
June 30, 2016	5.00 years	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44 years	6.44 years
June 30, 2015	5.72 years	5.72 years
June 30, 2016	5.57 years	5.57 years

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2017**

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

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

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. This actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	3.08%
Salary Increases:	
2012-2021	1.65-4.15% based on age
Thereafter	2.65-5.15% based on age
Investment Rate of Return	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

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

**Actuarial Assumptions (Continued)**

deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

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

**Discount Rate**

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the School District's proportionate share of the collective net pension liability of the participating employers as of June 30, 2016, calculated using the discount rate as disclosed above as well as what the School District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2016		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
School District's Proportionate Share of the Net Pension Liability	\$ 1,032,330	\$ 842,455	\$ 685,696

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

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

**Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions).

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

**Plan Description**

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

**Vesting and Benefit Provisions**

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



**WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2017**

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

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

**Vesting and Benefit Provisions (Continued)**

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 with 25 or more years of service credit before age 62, and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Contributions**

The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For Fiscal year 2016, the State's pension contribution was less than the actuarially determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

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

**Contributions (Continued)**

special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the School District. However, the notes to the financial statements of the School District must disclose the portion of the School District’s total proportionate share of the net pension liability that is associated with the School District. During the fiscal year ended June 30, 2017, the State of New Jersey contributed \$11,546 to the TPAF for normal pension benefits on behalf of the School District, which is less than the contractually required contribution of \$98,028.

The employee contribution rate was 7.34% effective July 1, 2017. Subsequent increases after October 1, 2011 are being phased on over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2017, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

The State’s proportionate share of the net pension liability, attributable to the School District is as follows:

School District's Proportionate Share of the Net Pension Liability	\$ -
State of New Jersey 's Proportionate Share of the Net Pension Liability Associated with the School District	<u>9,683,001</u>
Total	<u><u>\$ 9,683,001</u></u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

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

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

the actuarial valuation date to the measurement date of June 30, 2016. For the June 30, 2016 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2016, School District's proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2016 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.0123089465%, which was a decrease of 0.0003779489% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the School District recognized \$727,543 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2016 measurement date.

The State reported the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2016:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 15,702,750,875	\$ -
Difference Between Expected and Actual Experience	277,221,464	134,532,594
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	<u>1,434,728,663</u>	<u>-</u>
	<u>\$ 17,414,701,002</u>	<u>\$ 134,532,594</u>

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

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

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

The amortization of the deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	8.5 years
June 30, 2015	8.3 years	-
June 30, 2016	-	8.3 years
Changes in Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	8.5 years	-
June 30, 2015	8.3 years	-
June 30, 2016	8.3 years	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00 years	-
June 30, 2015	5.00 years	-
June 30, 2016	5.00 years	-

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2017**

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

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

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

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

Fiscal Year Ending June 30,	Total
2016	\$ 2,538,535,636
2017	2,538,535,636
2018	2,973,844,781
2019	2,781,202,718
2020	2,349,347,527
Thereafter	<u>4,098,702,110</u>
	<u>\$ 17,280,168,408</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. This actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.65%

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

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

**Actuarial Assumptions (Continued)**

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 01, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Market Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

**Discount Rate**

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029.

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2017

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

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

**Discount Rate (Continued)**

Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2016, the pension plans measurement date, attributable to the School District is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 3.22%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	Fiscal Year Ended June 30, 2016		
	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of the Net Pension Liability Associated with the School District	11,616,959	9,727,626	8,184,741
	<u>\$ 11,616,959</u>	<u>\$ 9,727,626</u>	<u>\$ 8,184,741</u>



**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

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

**Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions).

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

**Plan Description**

The Defined Contribution Retirement Program (DCRP) is a multiple-employer defined contribution pension fund 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.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for Tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for Tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

**Defined Contribution Retirement Program (DCRP) (Continued)**

**Vesting and Benefit Provisions**

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Contributions**

The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. 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 contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2017, employee contributions totaled to \$2,091, and the School District recognized pension expense, which equaled the required contributions, of \$3,833.

**NOTE 9: POST-RETIREMENT BENEFITS**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2016 there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at:

<http://www.nj.gov/treasury/pensions/annrpts.shtml>

**NOTE 10: FUND BALANCE APPROPRIATED**

**General Fund** – Of the \$137,401 General Fund fund balance at June 30, 2017, \$48,885 has been reserved for Excess Surplus, \$976 has been reserved in the Capital Reserve Account; and \$87,540 is unreserved and undesignated.

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

**Calculation Of Excess Surplus** – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. At June 30, 2017, there is \$48,885 of excess fund balance.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 12: RISK MANAGEMENT**

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

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

**NOTE 13: SUBSEQUENT EVENTS**

The District's management has informed us that there are no significant events that need to be disclosed after the balance sheet date through the date of the audit.

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

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 1,588,599	\$ -	\$ 1,588,599	\$ 1,588,599	\$ -
Tuition				15,000	15,000
Other Revenues from Local Sources	22,340		22,340		(22,340)
<b>Total Local Sources</b>	<b>1,610,939</b>	<b>-</b>	<b>1,610,939</b>	<b>1,603,599</b>	<b>(7,340)</b>
State Sources:					
School Choice Aid	140,535		140,535	140,535	-
Transportation Aid	60,297		60,297	60,297	-
Special Education Categorical Aid	98,817		98,817	98,817	-
Extraordinary Aid				4,474	4,474
Equalization Aid	1,315,177		1,315,177	1,315,177	-
Security Aid	20,252		20,252	20,252	-
Adjustment Aid	32,874		32,874	32,874	-
Other Unrestricted State Aid				348	348
PARCC Readiness Aid	1,640		1,640	1,640	-
Per Pupil Growth Aid	1,640		1,640	1,640	-
Prof. Learning Community Aid	1,660		1,660	1,660	-
On-Behalf TPAF Pension Aid				114,843	114,843
Reimbursed TPAF Social Security Aid				84,039	84,039
On-Behalf TPAF Post-Retirement Medical Aid				95,690	95,690
On-Behalf TPAF Long-Term Disability Insurance Aid				607	607
<b>Total State Sources</b>	<b>1,672,892</b>	<b>-</b>	<b>1,672,892</b>	<b>1,972,893</b>	<b>300,001</b>
<b>Total Revenues</b>	<b>3,283,831</b>	<b>-</b>	<b>3,283,831</b>	<b>3,576,492</b>	<b>292,661</b>
<b>EXPENDITURES:</b>					
Current Expenses:					
Instruction:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	66,016		66,016	66,016	-
Kindergarten	81,917	(3,862)	78,055	77,843	212
Grades 1-5	371,177	341	371,518	371,219	299
Grades 6-8	260,344	(1,138)	259,206	257,826	1,380
Home Instruction	1,000	386	1,386	1,386	-
<b>Total Regular Programs - Instruction</b>	<b>780,454</b>	<b>(4,273)</b>	<b>776,181</b>	<b>774,290</b>	<b>1,891</b>
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	35,081	10,000	45,081	44,644	437
Purchased Prof/Ed Services		1,900	1,900	1,900	-
General Supplies	48,000	(15,474)	32,526	32,526	-
Textbooks	18,558	(6,185)	12,373	9,244	3,129
Miscellaneous Expenditures	15,000	20,149	35,149	31,208	3,941
<b>Total Regular Programs - Undistributed Instruction</b>	<b>116,639</b>	<b>10,390</b>	<b>127,029</b>	<b>119,522</b>	<b>7,507</b>
<b>Total Regular Programs</b>	<b>897,093</b>	<b>6,117</b>	<b>903,210</b>	<b>893,812</b>	<b>9,398</b>
Special Education:					
Resource Room/Resource Center:					
Salaries of Teachers	192,722	(3,718)	189,004	189,004	-
Other Salaries for Instruction	22,797		22,797	22,797	-
General Supplies	1,200	100	1,300	1,285	15
Textbooks	150	(100)	50		50
Other Objects	250		250	195	55
<b>Total Resource Room/Resource Center</b>	<b>217,119</b>	<b>(3,718)</b>	<b>213,401</b>	<b>213,281</b>	<b>120</b>
Basic Skills/Remedial:					
Salaries of Teachers	28,767	(8,000)	20,767	20,280	487
General Supplies	300		300	300	-
Other Objects	200		200		200
<b>Total Basic Skills/Remedial</b>	<b>29,267</b>	<b>(8,000)</b>	<b>21,267</b>	<b>20,580</b>	<b>687</b>
<b>Total Special Education</b>	<b>246,386</b>	<b>(11,718)</b>	<b>234,668</b>	<b>233,861</b>	<b>807</b>

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Other Instructional Programs:					
School-Sponsored Co-Curricular and Extra-Curricular Activities:					
Salaries	\$ 4,365	\$ 1,706	\$ 6,071	\$ 6,071	\$ -
Supplies and Materials	900		900	278	622
Total School-Sponsored Co-Curricular and Extra-Curricular Activities	5,265	1,706	6,971	6,349	622
School-Sponsored Athletics:					
Salaries	18,558		18,558	18,279	279
Purchased Services	5,000	4,115	9,115	9,006	109
Total School-Sponsored Athletics	23,558	4,115	27,673	27,285	388
Total Other Instructional Programs	28,823	5,821	34,644	33,634	1,010
Total Instruction	1,172,302	220	1,172,522	1,161,307	11,215
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular	381,440	1,107	382,547	382,547	-
Tuition to Other LEAs Within the State - Special Education	152,674	69,064	221,738	206,800	14,938
Tuition to County Vocational School Districts - Regular	120,000	(6,000)	114,000	114,000	-
Total Instruction	654,114	64,171	718,285	703,347	14,938
Attendance and Social Work Services:					
Salaries	29,527		29,527	29,527	-
Total Attendance and Social Work Services	29,527	-	29,527	29,527	-
Health Services:					
Salaries	59,360	1,802	61,162	59,560	1,602
Supplies and Materials	600		600	500	100
Other Objects	400		400		400
Total Health Services	60,360	1,802	62,162	60,060	2,102
Other Support Services Students - Related Services:					
Purchased Prof/Ed Services	60,000		60,000	43,882	16,118
Supplies and Materials	200		200		200
Total Other Support Services Students - Related Services	60,200	-	60,200	43,882	16,318
Other Support Services Students - Regular Services:					
Salaries of Secretarial and Clerical Assistants	28,856		28,856	28,856	-
Supplies and Materials	200		200		200
Other Objects	200		200		200
Total Other Support Services Students - Regular Services	29,256	-	29,256	28,856	400
Other Support Services Students - Special Services:					
Salaries of Other Professional Staff	80,098	(20,000)	60,098	60,098	-
Salaries of Secretarial and Clerical Assistants	23,416		23,416	23,416	-
Purchased Prof/Ed Services	60,000	(60,000)	-		-
Supplies and Materials	500	50	550	550	-
Total Other Support Services Students - Special Services	164,014	(79,950)	84,064	84,064	-
Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	51,231	3,588	54,819	53,672	1,147
Other Purchased Services	16,000	819	16,819	15,360	1,459
Total Improvement of Instruction Services	67,231	4,407	71,638	69,032	2,606
Educational Media/Library:					
Salaries	29,528		29,528	29,528	-
Supplies and Materials	1,783		1,783	149	1,634
Total Educational Media/Library	31,311	-	31,311	29,677	1,634

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



WINFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Instructional Staff Training Services:					
Other Purchased Services	\$ 300	\$ -	\$ 300	\$ 54	\$ 246
Total Instructional Staff Training Services	300	-	300	54	246
Support Services General Administration:					
Salaries	42,848		42,848	40,911	1,937
Legal Fees	4,700	1,290	5,990	5,680	310
Audit Fees	10,300	4,361	14,661	14,661	-
Communications/Telephone	6,605		6,605	6,499	106
Other Purchased Services	5,175		5,175	5,164	11
General Supplies	700		700	700	-
Miscellaneous Expenditures	2,044		2,044	2,044	-
BOE Membership Dues and Fees	2,445		2,445	2,445	-
Total Support Services General Administration	74,817	5,651	80,468	78,104	2,364
Support Services School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	43,337		43,337	42,591	746
Salaries of Secretarial and Clerical Assistants	3,950		3,950	3,950	-
Supplies and Materials	545		545	545	-
Other Objects	300		300	300	-
Total Support Services School Administration	48,132	-	48,132	47,386	746
Central Services:					
Salaries	85,000	(5,000)	80,000	80,000	-
Purchased Professional Services	2,600	2,434	5,034	5,034	-
Miscellaneous Purchased Services		4,246	4,246	4,246	-
Supplies and Materials	100		100	68	32
Miscellaneous Expenditures	300	109	409	409	-
Total Central Services	88,000	1,789	89,789	89,757	32
Required Maintenance for School Facilities:					
Salaries	27,290	3,277	30,567	30,567	-
Cleaning, Repair and Maintenance Services	30,000	49,000	79,000	36,927	42,073
General Supplies	9,000		9,000	5,200	3,800
Total Required Maintenance for School Facilities	66,290	52,277	118,567	72,694	45,873
Other Operation and Maintenance of Plant Services:					
Salaries	76,694	(17,819)	58,875	57,315	1,560
Insurance	25,000	(4,000)	21,000	20,165	835
Miscellaneous Purchased Services	14,623	(10,000)	4,623	2,091	2,532
Energy (Heat and Electricity)	55,000	6,000	61,000	42,283	18,717
Other Objects	3,000		3,000	2,287	713
Total Other Operation and Maintenance of Plant Services	174,317	(25,819)	148,498	124,141	24,357
Student Transportation Services:					
Contracted Services - Aid In Lieu of Payment for Non-public School Students	5,000	(3,048)	1,952	1,768	184
Contracted Services - Transportation (B/T Home & School) - Vendors	65,000	(11,000)	54,000	53,266	734
Contracted Services - Transport (Other Than B/T Home & School) - Vendors	6,000		6,000	5,935	65
Contracted Services (Special Ed Students) - Vendors	60,500	23,200	83,700	80,442	3,258
Total Student Transportation Services	136,500	9,152	145,652	141,411	4,241
Allocated Employee Benefits - Regular Programs:					
Health Benefits	220,435	4,300	224,735	218,353	6,382
Total Allocated Employee Benefits - Regular Programs	220,435	4,300	224,735	218,353	6,382
Allocated Employee Benefits - Special Education Programs:					
Health Benefits	60,000		60,000	60,000	-
Total Allocated Employee Benefits - Special Education Programs	60,000	-	60,000	60,000	-

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Allocated Employee Benefits - General Administration:					
Health Benefits	\$ 1,550	\$ -	\$ 1,550	\$ 1,550	\$ -
Total Allocated Employee Benefits - General Administration	1,550	-	1,550	1,550	-
Allocated Employee Benefits - School Administration:					
Health Benefits	1,550	-	1,550	1,550	-
Total Allocated Employee Benefits - School Administration	1,550	-	1,550	1,550	-
Allocated Employee Benefits - Central Services:					
Health Benefits	10,965	-	10,965	10,965	-
Total Allocated Employee Benefits - Central Services	10,965	-	10,965	10,965	-
Allocated Employee Benefits - Operation and Maintenance of Plant Services:					
Social Security Contribution	45,000	(3,000)	42,000	20,463	21,537
Other Retirement Contributions - Regular	35,000	-	35,000	14,979	20,021
Unemployment Compensation	6,000	2,000	8,000	3,908	4,092
Workmen's Compensation	18,560	-	18,560	9,875	8,685
Health Benefits	15,500	-	15,500	9,098	6,402
Tuition Reimbursement	12,600	(5,000)	7,600	-	7,600
Total Allocated Employee Benefits - Operation and Maintenance of Plant Services	132,660	(6,000)	126,660	58,323	68,337
Total Allocated Employee Benefits	427,160	(1,700)	425,460	350,741	74,719
On-Behalf TPAF Pension Contributions (Non-Budgeted)				114,843	(114,843)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				84,039	(84,039)
On-Behalf TPAF Post-Retirement Medical Contributions (Non-Budgeted)				95,690	(95,690)
On-Behalf TPAF Long-Term Disability Insurance Contributions (Non-Budgeted)				607	(607)
Total Contributions	-	-	-	295,179	(295,179)
Total Undistributed Expenditures	2,111,529	31,780	2,143,309	2,247,912	(104,603)
Total Expenditures - Current Expenses	3,283,831	32,000	3,315,831	3,409,219	(93,388)
Total Expenditures	3,283,831	32,000	3,315,831	3,409,219	(93,388)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(32,000)	(32,000)	167,273	199,273
OTHER FINANCING SOURCES (USES):					
Food Services:					
Transfers to Cover Deficit		(18,000)	(18,000)	(19,050)	(1,050)
Total Other Financing Sources (Uses)	-	(18,000)	(18,000)	(19,050)	(1,050)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	(50,000)	(50,000)	148,223	198,223
FUND BALANCES, JULY 1	156,460	-	156,460	156,460	-
FUND BALANCES, JUNE 30	\$ 156,460	\$ (50,000)	\$ 106,460	\$ 304,683	\$ 198,223
RECAPITULATION:					
Reserved For:					
Excess Surplus				\$ 48,885	
Capital Reserve Account				976	
Unassigned:					
Unassigned Fund Balance				254,822	
				304,683	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(167,282)	
Fund Balance Per Governmental Funds (GAAP)				\$ 137,401	

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE SOURCES:					
Federal	\$ 62,152	\$ 2,867	\$ 65,019	\$ 65,019	\$ -
Total Revenues	<u>62,152</u>	<u>2,867</u>	<u>65,019</u>	<u>65,019</u>	<u>-</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	11,605		11,605	11,605	-
Other Purchased Services	27,000		27,000	27,000	-
Total Instruction	<u>38,605</u>	<u>-</u>	<u>38,605</u>	<u>38,605</u>	<u>-</u>
Support Services:					
Personal Services - Employee Benefits	3,017	3,051	6,068	6,068	-
Purchased Prof/Ed Services	19,401	(183)	19,218	19,218	-
Purchased Professional Services	1,129	(1)	1,128	1,128	-
Total Support Services	<u>23,547</u>	<u>2,867</u>	<u>26,414</u>	<u>26,414</u>	<u>-</u>
Total Expenditures	<u>62,152</u>	<u>2,867</u>	<u>65,019</u>	<u>65,019</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 NOTE TO RSI  
 FISCAL YEAR ENDED JUNE 30, 2017

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

	General Fund	Special Revenue Fund
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1] \$ 3,576,492	[C-2] \$ 65,019
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	166,052	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(167,282)	
Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] \$ <u>3,575,262</u>	[B-2] \$ <u>65,019</u>
<b>Uses/Outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 3,428,269	[C-2] \$ 65,019
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial accounting purposes.		-
Transfers to and from other fund are presented as outflows of budgetary resources but are not expenditures for financial accounting purposes.		
Net Transfers (Outflows) to/from general fund.	(19,050)	
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ <u>3,409,219</u>	[B-2] \$ <u>65,019</u>

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

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

*The schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.*

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

	Fiscal Year Ending June 30,			
	2017	2016	2015	2014
School District's proportion of the net pension liability	0.0028444852%	0.0036926632%	0.0031966838%	0.0031317372%
School District's proportionate share of the net pension liability	\$ 842,455	\$ 828,929	\$ 598,507	\$ 598,537
School District's covered employees payroll	\$ 211,284	\$ 190,951	\$ 183,071	\$ 214,947
School District's proportionate share of the net pension liability as a percentage of it's covered employee payroll	398.73%	434.11%	326.93%	278.46%
Plan fiduciary net position as a percentage of the total pension liability	40.14%	47.93%	52.08%	48.72%

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



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

	Fiscal Year Ending June 30,			
	2017	2016	2015	2014
Contractually required contribution	\$ 25,270	\$ 31,747	\$ 26,353	\$ 23,597
Contributions in relation to the contractually required contribution	<u>(25,518)</u>	<u>(31,747)</u>	<u>(26,353)</u>	<u>(23,597)</u>
Contribution deficiency/(excess)	<u>\$ (248)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered employee payroll	\$ 211,284	\$ 190,951	\$ 183,071	\$ 214,947
Contributions as a percentage of covered employee payroll	11.96%	16.63%	14.39%	10.98%

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

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

	Fiscal Year Ending June 30,			
	2017	2016	2015	2014
State's proportion of the net pension liability attributable of the School District	0.0123089465%	0.0126868954%	0.0133784174%	0.0134826950%
State's proportionate share of the net pension liability attributable to the School District	\$ 9,683,001	\$ 8,018,660	\$ 7,150,329	\$ 7,049,346
School District's covered employees payroll	\$ 1,137,485	\$ 1,022,311	\$ 1,058,140	\$ 1,227,651
School District's proportionate share of the net pension liability as a percentage of it's covered employee payroll	851.26%	784.37%	675.75%	574.21%
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.76%

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

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
FOR FISCAL YEAR ENDED JUNE 30, 2016

**A. Benefit Changes**

There were none.

**B. Changes in Assumptions**

For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
TEACHERS PENSION AND ANNUITY FUND  
FOR FISCAL YEAR ENDED JUNE 30, 2016

**A. Benefit Changes**

There were none.

**B. Changes in Assumptions**

For 2016, the discount rate changed to 3.22% and the long-term expected rate of return changed to 7.65%. Further, the demographic assumptions were revised to reflect those recommended on the basis of the July 1, 2012 - June 30, 2015 experience study. For 2015, the discount rate changed to 4.13%. For 2014, the discount rate was at 4.68%.

***OTHER SUPPLEMENTARY INFORMATION***

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

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND

E-1

COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	NCLB Title I	I.D.E.A. Part B	I.D.E.A. Preschool	NCLB Title II	Grand Total
<b>REVENUE SOURCES:</b>					
Federal	\$ 17,673	\$ 39,965	\$ 1,128	\$ 6,253	\$ 65,019
Total Revenues	17,673	39,965	1,128	6,253	65,019
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	11,605				11,605
Other Purchased Services		27,000			27,000
Total Instruction	11,605	27,000	-	-	38,605
Support Services:					
Personal Services - Employee Benefits	6,068				6,068
Purchased Prof/Ed Services		12,965		6,253	19,218
Other Purchased Prof/Tech Services			1,128		1,128
Total Support Services	6,068	12,965	1,128	6,253	26,414
Total Expenditures	17,673	39,965	1,128	6,253	65,019
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -



**SECTION G – PROPRIETARY FUND  
DETAIL STATEMENTS**

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

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

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

**SECTION H – FIDUCIARY FUNDS  
DETAIL STATEMENTS**

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

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

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

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

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

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2017

	Nonexpendable Trusts	Agency			Total Agency Fund
	Bernstein/ Sweeney Scholarships	Student Activity	Payroll Agency	Net Payroll	
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 2,733	\$ 3,054	\$ 41,960	\$ 6,775	\$ 51,789
Interfund Accounts Receivable		250			250
<b>Total Assets</b>	<u>2,733</u>	<u>\$ 3,304</u>	<u>\$ 41,960</u>	<u>\$ 6,775</u>	<u>\$ 52,039</u>
<b>LIABILITIES:</b>					
Interfund Accounts Payable	250	\$ -	\$ 35,188	\$ 6,775	\$ 41,963
Payable to Student Groups		3,304			3,304
Payroll Deductions and Withholdings			6,772		6,772
<b>Total Liabilities</b>	<u>250</u>	<u>\$ 3,304</u>	<u>\$ 41,960</u>	<u>\$ 6,775</u>	<u>\$ 52,039</u>
<b>NET POSITION:</b>					
Restricted For:					
Principal Portion - Nonexpendable	<u>2,483</u>				
<b>Total Net Position</b>	<u>\$ 2,483</u>				

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FISCAL YEAR ENDED JUNE 30, 2017

<b>Nonexpendable Trust Funds</b>	<u>Bernstein/ Sweeney Scholarships</u>
ADDITIONS:	
Donations	\$ 100
Interest Income	<u>3</u>
Total Additions	<u>103</u>
DEDUCTIONS:	
Scholarship Payments	<u>450</u>
Total Deductions	<u>450</u>
Change in Net Position	(347)
Net Position, July 1	<u>2,830</u>
Net Position, June 30	<u><u>\$ 2,483</u></u>

WINFIELD TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STUDENT ACTIVITY  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2017</u>
ELEMENTARY SCHOOLS:				
Winfield Township	<u>\$ 2,569</u>	<u>\$ 27,118</u>	<u>\$ 26,383</u>	<u>\$ 3,304</u>
Total	<u><u>\$ 2,569</u></u>	<u><u>\$ 27,118</u></u>	<u><u>\$ 26,383</u></u>	<u><u>\$ 3,304</u></u>

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 PAYROLL AGENCY FUND  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FISCAL YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Receipts	Disbursements	Balance June 30, 2017
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 2,673	\$ 780,082	\$ 740,795	\$ 41,960
Total Assets	<u>\$ 2,673</u>	<u>\$ 780,082</u>	<u>\$ 740,795</u>	<u>\$ 41,960</u>
<b>LIABILITIES:</b>				
Interfund Accounts Payable	\$ 2,673	\$ 32,515	\$ -	\$ 35,188
Payroll Deductions and Withholding	-	747,567	740,795	6,772
Total Liabilities	<u>\$ 2,673</u>	<u>\$ 780,082</u>	<u>\$ 740,795</u>	<u>\$ 41,960</u>

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

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
LONG TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
AS OF JUNE 30, 2017

Series	Amount of Issue	Balance July 1, 2016	Current Year Addition	Current Year Retired	Balance June 30, 2017
Savin MP6002SP Copier	\$ 38,340	\$ 14,697	\$ -	\$ 7,668	\$ 7,029
Total		<u>\$ 14,697</u>	<u>\$ -</u>	<u>\$ 7,668</u>	<u>\$ 7,029</u>



**STATISTICAL SECTION (UNAUDITED)**

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

**Contents**

**Financial Trends**

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

**Revenue Capacity**

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

**Debt Capacity**

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

**Demographic and Economic Information**

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

**Operating Information**

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

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

***FINANCIAL TRENDS***

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

	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Governmental Activities</b>										
Net Investment in Capital Assets/										
Invested in capital assets, net of related debt	\$ 31,600	\$ 31,600	\$ 31,600	\$ 31,600	\$ 31,600	\$ 1,289	\$ 15,664	\$ 14,889	\$ 14,114	\$ 13,339
Restricted	49,861	976	1,176	65,243	61,728	42,153	149,973	131,505	31,004	75,843
Unrestricted	(598,625)	(680,945)	(661,887)	(61,887)	62,658	76,712	59,204	118,003	92,938	167,386
Total Governmental Activities Net Assets/Position	\$ (517,164)	\$ (648,369)	\$ (629,111)	\$ 34,956	\$ 155,986	\$ 120,154	\$ 224,841	\$ 264,397	\$ 138,056	\$ 256,568
<b>Business-Type Activities</b>										
Net Investment in Capital Assets/										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ 2,427	\$ 4,854	\$ 9,708	\$ 9,708	\$ 9,708	\$ -
Restricted	64,268	64,268	64,268	64,268	64,268	64,268	64,268	64,268	64,268	64,268
Unrestricted	(56,598)	(62,916)	(62,202)	(62,065)	(61,076)	(65,123)	(62,781)	(62,424)	(63,279)	(66,984)
Total Business-Type Activities Net Assets/Position	\$ 7,670	\$ 1,352	\$ 2,066	\$ 2,203	\$ 5,619	\$ 3,999	\$ 11,195	\$ 11,552	\$ 10,697	\$ (2,716)
<b>District-wide</b>										
Net Investment in Capital Assets/										
Invested in capital assets, net of related debt	\$ 31,600	\$ 31,600	\$ 31,600	\$ 31,600	\$ 34,027	\$ 6,143	\$ 25,372	\$ 24,597	\$ 23,822	\$ 13,339
Restricted	114,129	65,244	65,444	129,511	125,996	106,421	214,241	195,773	95,272	140,111
Unrestricted	(655,223)	(743,861)	(724,089)	(123,952)	1,582	11,589	(3,577)	55,579	29,659	100,402
Total District-wide Net Assets/Position	\$ (509,494)	\$ (647,017)	\$ (627,045)	\$ 37,159	\$ 161,605	\$ 124,153	\$ 236,036	\$ 275,949	\$ 148,753	\$ 253,852

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

	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Expenses</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 1,300,416	\$ 1,234,948	\$ 1,195,967	\$ 1,315,111	\$ 1,348,073	\$ 1,310,648	\$ 1,253,234	\$ 1,254,752	\$ 1,174,324	\$ 1,055,197
Special Education	311,984	450,736	438,390	412,207	394,391	358,537	356,942	333,720	252,431	232,896
Other Special Education	24,286	3,788	28	-	23,246	17,735	13,506	25,342	24,794	21,773
Other Instruction	38,084	29,605	21,662	31,300	30,300	34,293	28,371	27,167	27,603	24,232
Support Services:										
Tuition	703,347	638,145	720,337	546,742	371,117	561,915	422,735	413,399	749,105	614,638
Student and Instruction Related Services	423,582	429,246	423,308	409,273	436,381	418,306	405,231	415,680	390,279	403,295
General and Business Administration Services	218,258	212,312	165,989	235,939	203,880	189,493	290,310	262,052	239,283	521,273
School Administrative Services	57,441	56,187	49,712	51,474	53,952	48,531	49,097	47,178	44,890	49,225
Plant Operations and Maintenance	271,217	368,625	380,928	374,346	372,074	307,282	206,346	226,180	202,056	206,033
Pupil Transportation	141,411	161,420	183,163	197,728	136,204	179,440	164,776	183,219	192,218	233,679
Capital Outlay	-	10,000	10,000	28,000	44,127	19,432	30,555	28,823	61,488	11,300
Total Governmental Activities Expenses	<u>3,490,026</u>	<u>3,595,012</u>	<u>3,589,484</u>	<u>3,602,120</u>	<u>3,413,745</u>	<u>3,445,612</u>	<u>3,221,103</u>	<u>3,217,512</u>	<u>3,358,471</u>	<u>3,373,541</u>
Business-Type Activities:										
Food Service	64,289	61,280	59,901	59,824	57,222	55,119	49,738	44,923	52,257	46,462
Total Business-Type Activities Expenses	64,289	61,280	59,901	59,824	57,222	55,119	49,738	44,923	52,257	46,462
Total District Expenses	<u>\$ 3,554,315</u>	<u>\$ 3,656,292</u>	<u>\$ 3,649,385</u>	<u>\$ 3,661,944</u>	<u>\$ 3,470,967</u>	<u>\$ 3,500,731</u>	<u>\$ 3,270,841</u>	<u>\$ 3,262,435</u>	<u>\$ 3,410,728</u>	<u>\$ 3,420,003</u>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services	\$ 15,000	\$ 4,690	\$ 7,740	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Grants and Contributions	158,967	157,634	157,634	157,465	156,751	150,236	150,727	171,854	148,209	174,851
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	<u>173,967</u>	<u>162,324</u>	<u>165,374</u>	<u>157,465</u>	<u>156,751</u>	<u>150,236</u>	<u>150,727</u>	<u>171,854</u>	<u>148,209</u>	<u>174,851</u>
Business-Type Activities:										
Charges for Services	26,144	30,315	30,988	32,367	24,032	29,049	25,420	21,488	27,787	23,131
Operating Grants and Contributions	25,413	16,551	18,176	14,896	18,610	14,874	14,861	11,990	13,195	12,433
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Expenses	<u>51,557</u>	<u>46,866</u>	<u>49,164</u>	<u>47,263</u>	<u>42,642</u>	<u>43,923</u>	<u>40,281</u>	<u>33,478</u>	<u>40,982</u>	<u>35,564</u>
Total District Program Revenues	<u>\$ 225,524</u>	<u>\$ 209,190</u>	<u>\$ 214,538</u>	<u>\$ 204,728</u>	<u>\$ 199,393</u>	<u>\$ 194,159</u>	<u>\$ 191,008</u>	<u>\$ 205,332</u>	<u>\$ 189,191</u>	<u>\$ 210,415</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (3,316,059)	\$ (3,432,688)	\$ (3,424,110)	\$ (3,444,655)	\$ (3,256,994)	\$ (3,295,376)	\$ (3,070,376)	\$ (3,045,658)	\$ (3,210,262)	\$ (3,198,690)
Business-Type Activities	(12,732)	(14,414)	(10,737)	(12,561)	(14,580)	(11,196)	(9,457)	(11,445)	(11,275)	(10,898)
Total District-wide Net Expense	<u>\$ (3,328,791)</u>	<u>\$ (3,447,102)</u>	<u>\$ (3,434,847)</u>	<u>\$ (3,457,216)</u>	<u>\$ (3,271,574)</u>	<u>\$ (3,306,572)</u>	<u>\$ (3,079,833)</u>	<u>\$ (3,057,103)</u>	<u>\$ (3,221,537)</u>	<u>\$ (3,209,588)</u>

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>General Revenues and Other Changes in Net Assets/Position</b>										
Governmental Activities:										
Property Taxes Levied For:										
General Purposes	\$ 1,588,599	\$ 1,557,450	\$ 1,526,912	\$ 1,496,973	\$ 1,467,621	\$ 1,438,845	\$ 1,410,633	\$ 1,410,633	\$ 1,460,632	\$ 1,430,010
Federal and State Aid Not Restricted	1,877,715	1,865,852	1,800,529	1,806,956	1,812,465	1,744,122	1,608,797	1,759,378	1,636,926	1,791,718
Investment Earnings	-	-	-	580	765	781	1,439	1,947	4,407	18,808
Tuition Revenue	-	-	-	8,130	3,560	-	11,777	4,986	8,397	5,555
Miscellaneous Income	-	3,828	15,386	20,131	24,615	10,941	7,274	7,355	1,948	2,423
Transfer	(19,050)	(13,700)	(10,600)	(9,145)	(16,200)	(4,000)	(9,100)	(12,300)	(24,688)	(7,000)
<b>Total Governmental Activities</b>	<b>3,447,264</b>	<b>3,413,430</b>	<b>3,332,227</b>	<b>3,323,625</b>	<b>3,292,826</b>	<b>3,190,689</b>	<b>3,030,820</b>	<b>3,171,999</b>	<b>3,087,622</b>	<b>3,241,514</b>
Business-Type Activities:										
Transfer	19,050	13,700	10,600	9,145	16,200	4,000	9,100	12,300	24,688	7,000
<b>Total Business-Type Activities</b>	<b>19,050</b>	<b>13,700</b>	<b>10,600</b>	<b>9,145</b>	<b>16,200</b>	<b>4,000</b>	<b>9,100</b>	<b>12,300</b>	<b>24,688</b>	<b>7,000</b>
<b>Total District-wide</b>	<b>\$ 3,466,314</b>	<b>\$ 3,427,130</b>	<b>\$ 3,342,827</b>	<b>\$ 3,332,770</b>	<b>\$ 3,309,026</b>	<b>\$ 3,194,689</b>	<b>\$ 3,039,920</b>	<b>\$ 3,184,299</b>	<b>\$ 3,112,310</b>	<b>\$ 3,248,514</b>
<b>Change in Net Assets/Position</b>										
Governmental Activities										
Business-Type Activities	\$ 131,205	\$ (19,258)	\$ (91,883)	\$ (121,030)	\$ 35,832	\$ (104,687)	\$ (39,556)	\$ 126,341	\$ (122,640)	\$ 42,824
<b>Total District</b>	<b>6,318</b>	<b>(714)</b>	<b>(137)</b>	<b>(3,416)</b>	<b>1,620</b>	<b>(7,196)</b>	<b>(357)</b>	<b>855</b>	<b>13,413</b>	<b>(3,898)</b>
<b>Total District</b>	<b>\$ 137,523</b>	<b>\$ (19,972)</b>	<b>\$ (92,020)</b>	<b>\$ (124,446)</b>	<b>\$ 37,452</b>	<b>\$ (111,883)</b>	<b>\$ (39,913)</b>	<b>\$ 127,196</b>	<b>\$ (109,227)</b>	<b>\$ 38,926</b>

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

	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund										
Assigned/Reserved	\$ 49,861	\$ 976	\$ 1,176	\$ 65,243	\$ 61,728	\$ 42,153	\$ 149,973	\$ 131,505	\$ 31,004	\$ 75,843
Unassigned/Unreserved	87,540	(10,568)	(12,140)	35,646	97,331	79,290	75,357	118,003	92,938	167,386
<b>Total General Fund</b>	<b>\$ 137,401</b>	<b>\$ (9,592)</b>	<b>\$ (10,964)</b>	<b>\$ 100,889</b>	<b>\$ 159,059</b>	<b>\$ 121,443</b>	<b>\$ 225,330</b>	<b>\$ 249,508</b>	<b>\$ 123,942</b>	<b>\$ 243,229</b>
All Other Governmental Funds										
Assigned/Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned/Unreserved, Reported In:										
Special Revenue Fund	-	-	-	-	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

Fiscal Year Ending June 30,	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Revenues:</b>										
Local Sources:										
Local Tax Levy	\$ 1,588,599	\$ 1,557,450	\$ 1,526,912	\$ 1,496,973	\$ 1,467,621	\$ 1,438,845	\$ 1,410,633	\$ 1,410,633	\$ 1,460,632	\$ 1,430,010
Tuition	15,000	4,690	7,740	8,130	3,560	781	11,777	4,986	8,397	5,555
Interest In Investments	-	-	-	580	765	-	1,439	1,947	4,407	18,808
Miscellaneous	-	3,828	15,386	20,131	24,615	10,941	7,274	7,355	1,948	2,423
State Sources	1,971,663	1,961,507	1,898,667	1,904,409	1,907,075	1,774,240	1,693,553	1,618,076	1,719,637	1,899,727
Federal Sources	65,019	61,979	59,496	60,012	62,141	120,118	65,971	313,156	65,498	66,842
<b>Total Revenues</b>	<b>3,640,281</b>	<b>3,589,454</b>	<b>3,508,201</b>	<b>3,490,235</b>	<b>3,465,777</b>	<b>3,344,925</b>	<b>3,190,647</b>	<b>3,356,153</b>	<b>3,260,519</b>	<b>3,423,365</b>
<b>Expenditures:</b>										
Instruction:										
Regular	1,150,770	1,101,237	1,073,339	1,192,031	1,204,538	1,196,612	1,157,194	1,162,688	1,086,288	1,104,917
Special Education	273,281	391,399	389,005	369,825	347,816	323,684	326,796	305,715	229,913	237,398
Other Special Education	20,580	3,214	24	-	19,986	15,689	12,158	22,843	22,313	18,060
Other Instruction	33,634	25,825	19,178	28,435	27,211	31,445	26,366	25,296	25,510	20,497
Support Services:										
Tuition	703,347	638,145	720,337	546,742	371,117	561,915	422,735	413,399	749,105	614,638
Student and Instructional Related Services	371,566	379,386	385,625	373,688	393,450	384,664	376,417	392,633	367,904	353,943
General and Business Administration Services	180,376	169,677	168,169	157,679	180,739	172,452	174,123	174,070	162,128	161,942
School Administrative Services	48,936	47,992	43,529	45,500	46,722	43,198	44,058	42,758	41,670	43,053
Plant Operations and Maintenance	255,158	349,795	363,519	356,695	356,662	295,869	284,345	291,550	252,417	252,978
Pupil Transportation	141,411	158,320	179,744	194,547	132,494	176,531	162,352	180,920	189,947	229,684
Employee Benefits	295,179	299,392	256,985	246,118	287,099	223,321	188,626	177,592	166,435	291,866
Capital Outlay	-	10,000	10,000	28,000	44,127	19,432	30,555	28,823	61,488	23,800
<b>Total Expenditures</b>	<b>3,474,238</b>	<b>3,574,382</b>	<b>3,609,454</b>	<b>3,539,260</b>	<b>3,411,961</b>	<b>3,444,812</b>	<b>3,205,725</b>	<b>3,218,287</b>	<b>3,355,118</b>	<b>3,352,776</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	166,043	15,072	(101,253)	(49,025)	53,816	(99,887)	(15,078)	137,866	(94,599)	70,589
<b>Other Financing Sources (Uses):</b>										
Transfer to Food Service	(19,050)	(13,700)	(10,600)	(9,145)	(16,200)	(4,000)	(9,100)	(12,300)	(24,688)	(7,000)
Total Other Financing Sources (Uses)	(19,050)	(13,700)	(10,600)	(9,145)	(16,200)	(4,000)	(9,100)	(12,300)	(24,688)	(7,000)
<b>Net Change in Fund Balance</b>	<b>\$ 146,993</b>	<b>\$ 1,372</b>	<b>\$ (111,853)</b>	<b>\$ (58,170)</b>	<b>\$ 37,616</b>	<b>\$ (103,887)</b>	<b>\$ (24,178)</b>	<b>\$ 125,566</b>	<b>\$ (119,287)</b>	<b>\$ 63,589</b>

**Source: District records**

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



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

Fiscal Year Ending June 30,	Donations	Prior Year Refunds	Miscellaneous Revenue	Annual Total
2017	\$ -	\$ -	\$ -	\$ -
2016	700	-	3,128	3,828
2015	9,814	-	5,572	15,386
2014	-	-	20,131	20,131
2013	-	-	24,615	24,615
2012	-	-	10,941	10,941
2011	-	-	7,274	7,274
2010	-	2,287	5,068	5,068
2009	-	350	1,598	1,598
2008	-	-	2,423	2,423

Source: District records

***REVENUE CAPACITY***

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

Year Ended December 31,	Total Total Assessed Value	Less: Tax Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2016	\$ 1,382,200	N/A	\$ 5,550	\$ 1,387,750	\$ 16,539,073	114.471
2015	1,382,200	N/A	N/A	1,382,200	16,539,043	110.125
2014	1,382,200	N/A	N/A	1,382,200	16,563,900	110.125
2013	1,382,200	N/A	N/A	1,382,200	16,567,320	107.835
2012	1,382,200	N/A	N/A	1,382,200	16,567,320	107.835
2011	1,382,200	N/A	N/A	1,382,200	16,565,366	103.831
2010	1,382,200	N/A	N/A	1,382,200	16,566,111	101.798
2009	1,382,200	N/A	N/A	1,382,200	16,537,080	101.793
2008	1,382,200	N/A	N/A	1,382,200	16,568,773	105.400
2007	1,382,200	N/A	N/A	1,382,200	16,533,493	103.197

**Source: Municipal Tax Assessor**

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

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

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

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

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

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

Year Ended December 31,	Winfield Township School District Direct Rate (From J-6)			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct School Tax Rate	Winfield Township	Union County	
2016	114.471	N/A	114.471	104.726	6.455	225.652
2015	110.125	N/A	110.125	101.699	6.119	217.943
2014	110.125	N/A	110.125	101.699	6.119	217.943
2013	107.835	N/A	107.835	99.450	5.793	213.078
2012	107.835	N/A	107.835	99.450	5.793	213.078
2011	103.831	N/A	103.831	92.579	4.930	201.340
2010	101.798	N/A	101.798	90.007	4.412	196.217
2009	101.793	N/A	101.793	85.093	4.042	190.928
2008	105.400	N/A	105.400	83.550	3.937	192.887
2007	103.197	N/A	103.197	67.249	4.683	175.129

**Source: Municipal Tax Collector**

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

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

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

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

Taxpayer	Taxed Assessed Value	
	2017	2008
Mutual Housing Corporation	\$ 1,382,200	\$ 1,382,200
Total	\$ 1,382,200	\$ 1,382,200

**Source:** Municipal Tax Assessor

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

Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	\$ 3,131,541	\$ 3,131,541	100.00%	N/A
2015	3,021,844	3,021,844	100.00%	N/A
2014	3,021,844	3,021,844	100.00%	N/A
2013	3,021,844	3,021,844	100.00%	N/A
2012	2,960,435	2,960,435	100.00%	N/A
2011	2,792,560	2,792,560	100.00%	N/A
2010	2,721,483	2,721,483	100.00%	N/A
2009	2,648,322	2,648,322	100.00%	N/A
2008	2,672,895	2,672,895	100.00%	N/A
2007	2,491,110	2,491,110	100.00%	N/A

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

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

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

***DEBT CAPACITY***

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

Fiscal Year Ended June 30,	Governmental Activities			Bond Anticipation Notes (BANS)		Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Capital Leases	Anticipation Notes (BANS)	Capital Leases	Capital Leases			
2017	\$ -	\$ -	\$ 7,029	\$ -	\$ -	\$ -	\$ -	7,029	0.02%	\$ 5
2016	-	-	14,697	-	-	-	-	14,697	0.02%	10
2015	-	-	22,365	-	-	-	-	22,365	0.03%	15
2014	-	-	30,033	-	-	-	-	30,033	0.04%	20
2013	-	-	-	-	-	-	-	-	0.00%	-
2012	-	-	2,064	-	-	-	-	2,064	0.00%	1
2011	-	-	6,192	-	-	-	-	6,192	0.01%	4
2010	-	-	10,320	-	-	-	-	10,320	0.01%	7
2009	-	-	14,448	-	-	-	-	14,448	0.02%	10
2008	-	-	18,576	-	-	-	-	18,576	0.03%	13

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

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



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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>a</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2017	\$ -	\$ -	\$ -	0.00%	\$ 5
2016	-	-	-	0.00%	10
2015	-	-	-	0.00%	15
2014	-	-	-	0.00%	20
2013	-	-	-	0.00%	-
2012	-	-	-	0.00%	1
2011	-	-	-	0.00%	4
2010	-	-	-	0.00%	7
2009	-	-	-	0.00%	10
2008	-	-	-	0.00%	13

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

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

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 AS OF JUNE 30, 2017

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

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

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Winfield. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, for each overlapping payment.

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2017

Equalized Valuation Basis	
2017	N/A
2016	N/A
2015	N/A
	\$ -
Average Equalized Valuation of Taxable Property	\$ -
Debt Limit (4% of Average Equalization Value)	- a
Total Net Debt Applicable To Limit	-
Legal Debt Margin	\$ -

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt Limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220,447	\$ 444,385
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220,447	\$ 444,385
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

***DEMOGRAPHIC AND ECONOMIC INFORMATION***

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

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2016	1,507	\$ 45,616,890	\$ 30,270	5.30%
2015	1,510	90,734,390	60,089	5.50%
2014	1,506	86,302,836	57,306	7.60%
2013	1,499	82,278,611	54,889	7.80%
2012	1,488	81,317,712	54,649	15.60%
2011	1,480	79,188,880	53,506	15.60%
2010	1,474	75,745,912	51,388	15.60%
2009	1,443	72,493,434	50,238	15.40%
2008	1,436	75,922,756	52,871	9.20%
2007	1,439	73,954,527	51,393	7.20%

**Source:**

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

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

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

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

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

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

Employer	2017			2008		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
Company	N/A		N/A	N/A		N/A
Individual	N/A		N/A	N/A		N/A
	-		0.00%	-		0.00%

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

***OPERATING INFORMATION***

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

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Instruction:										
Regular	11	12	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Special Education	3	4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other Special Education	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other Instruction	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Support Services:										
Tuition	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Student and Instruction Related Services	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
General and Business Administration Services	1	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
School Administrative Services	4	4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plant Operations and Maintenance	1	5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pupil Transportation	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Special Schools	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Food Service	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>20</b>	<b>26</b>	-	-	-	-	-	-	-	-

**Source:** District Personnel Records

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



WINFIELD TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	Percent Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2017	141.0	\$ 3,474,238	\$ 24,640	7.27%	20	7:33	N/A	N/A	140.16	132.98	-11.17%	94.88%
2016	156.0	3,564,382	22,849	-2.30%	26	7:33	N/A	N/A	155.81	141.04	1.30%	90.52%
2015	154.0	3,599,454	23,373	0.51%	21	7:33	N/A	N/A	153.79	145.52	-1.38%	94.62%
2014	151.0	3,511,260	23,253	4.08%	21	7:4:1	N/A	N/A	155.91	147.08	0.00%	94.34%
2013	151.0	3,367,834	22,304	-2.39%	21	7:1	N/A	N/A	155.91	147.08	3.79%	94.34%
2012	150.0	3,425,380	22,836	1.39%	21	6:7	N/A	N/A	150.00	142.80	6.40%	95.20%
2011	141.0	3,175,170	22,519	0.26%	21	6:7	N/A	N/A	140.40	133.90	0.85%	95.37%
2010	142.0	3,189,464	22,461	-19.22%	21	5:8	N/A	N/A	139.20	133.20	11.78%	95.69%
2009	123.0	3,293,630	26,777	-3.60%	21	5:6	N/A	N/A	122.80	117.90	3.42%	96.01%
2008	120.0	3,328,976	27,741	8.17%	21	5:9	N/A	N/A	118.60	112.70	-2.87%	95.03%

Sources: District records

Note: Enrollment based on annual October District count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certified staff.

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

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>District Building</b>										
<u>Elementary</u>										
Winfield School	37,538	37,538	37,538	37,538	37,538	37,538	37,538	37,538	37,538	37,538
Square Feet	244	244	244	244	244	244	244	244	244	244
Capacity (students)	141	156	154	151	151	150	141	142	123	120
Enrollment										
<u>Other</u>										
Name of Building (Year)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Square Feet										

Number of Schools at June 30, 2017  
 Elementary = 1

**Source: District Facilities Office**

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

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

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

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

* School Facilities	Project # (s)	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Elementary School	N/A	\$ 72,694	\$ 100,114	\$ 112,164	\$ 91,028	\$ 137,508	\$ 77,394	\$ 69,086	\$ 92,143	\$ 71,135	\$ 65,247
Grand Total		\$ 72,694	\$ 100,114	\$ 112,164	\$ 91,028	\$ 137,508	\$ 77,394	\$ 69,086	\$ 92,143	\$ 71,135	\$ 65,247

\* School facilities as defined under EFCFA.  
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

WINFIELD TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2017

**NEW JERSEY SCHOOL BOARDS ASSOCIATION INSURANCE GROUP**

<b>COVERAGE</b>	<b>AMOUNTS/ LIMITS</b>
<b><u>MULITI PERIL PACKAGE POLICY</u></b>	
Blanket Building & Contents	\$8,017,315
Extra Expense	\$50,000,000
Deductible	\$1,000
Flood	\$75,000,000
Earthquake	\$50,000,000
Musical Instruments	incl. in Property limits
Computer Equipment	\$200,000
Demolition/Incr. Cost of Construction	\$25,000,000
<b>ENERGY SYSTEMS</b>	
Property Damage	\$8,017,315
Spoilage	INCLUDED
<b>Commercial Liability</b>	
Bodily Injury/Property Damage	
Each Occurrence	\$11,000,000
Products/Completed Ops Agg	\$11,000,000
Fire Legal	\$11,000,000
Medical Expense	\$5,000
Personal & Advertising Injury	\$11,000,000
Employee Benefits Liability	\$11,000,000
Employee Benefits Deductible	\$1,000
Sexual Abuse Per Occurrence	\$11,000,000
Sexual Abuse NJSIG Aggregate	\$17,000,000
<b>CRIME</b>	
Money & Securities	\$25,000
Employee Dishonesty	\$25,000
<b>BUSINESS AUTO</b>	
Hired/Non Owned Auto Liability	\$11,000,000
<b>BONDS</b>	
Donna Hughes	\$153,000
Gabrielle Conde	\$168,200
Deductible	\$1,000
<b>SCHOOL BOARD LEGAL</b>	
Limit of Liability	\$11,000,000
Deductible	\$5,000
<b>WORKERS COMPENSATION</b>	
Section B	\$2,000,000
<b>SUPPLEMENTAL W/C</b>	
Benefit	\$2,500 PER WEEK
<b><u>ENVIRONMENTAL IMPAIRMENT</u></b>	
Each Pollution Incident	\$1,000,000
Aggregate	\$11,000,000
Deductible	\$25,000

Source: Winfield Township Board of Education

***SINGLE AUDIT SECTION***

**BARRE & COMPANY LLC**  
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**Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Winfield Township School District (School District), in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District’s basic financial statements as listed in table of contents and have issued our report thereon dated November 30, 2017.

**Internal Control over Financial Reporting**

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

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

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


### **Compliance and Other Matters**

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

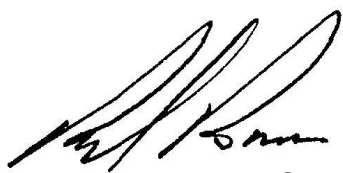
We also noted other matters that we reported to the Board of Trustees of the Winfield Township School District in a separate report entitled, Auditor's Management Report on Administrative Findings dated November 30, 2017.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the Office of School Finance, Department of Education, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BARRE & COMPANY LLC  
Certified Public Accountants  
Public School Accountants



Richard M. Barre, CPA  
Public School Accountant  
PSA Number CS-01181

Union, New Jersey  
November 30, 2017



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

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

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

We have audited the compliance of the Winfield Township School District (School District), in the County of Union, State of New Jersey, with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District’s major state programs for the year ended June 30, 2017. The School District’s major state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

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

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the School District’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

Those standards, the Uniform Guidance, and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the Winfield Township School District, in the County of Union, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2017.

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

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


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


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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Winfield Township School District, as of and for the fiscal year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated November 30, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by the New Jersey OMB's Circular 15-08 are presented for purposed of additional analysis and are not a required part of the basic financial statements. Such information is the responsibilities of management and was derived from and related directly to the underlying accounting and other records used to prepare basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

  
BARRE & COMPANY LLC  
Certified Public Accountants  
Public School Accountants

  
Richard M. Barre, CPA  
Public School Accountant  
PSA Number CS-01181

Union, New Jersey  
November 30, 2017

WINFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	FAIN	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2016	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment Of Prior Years' Balances	Accounts Receivable	Balance at June 30, 2017 Deferred Revenue	Due to Grantor
<b>U.S. Department of Education</b>														
<b>Passed-through State Department of Education</b>														
Special Revenue Fund:														
No Child Left Behind Cluster:														
Title I Part A	84.010A	S010A160030	NCLB - 5810 - 17	\$ 14,806	7/1/16	\$ -	\$ -	14,806	(14,806)	-	\$ -	-	\$ -	-
Title I Part A Carryover	84.010A	S010A150030	NCLB - 5810 - 16	15,245	7/1/15	(2,867)	-	2,986	(2,867)	-	-	(2,748)	-	-
Title II Part A	84.367A	S367A160029	NCLB - 5810 - 17	6,253	7/1/16	(2,867)	-	6,253	(6,253)	-	-	(2,748)	-	-
Total No Child Left Behind Cluster								24,045	(23,926)	-	-	(2,748)	-	-
Individuals with Disabilities Cluster:														
ID.E.A. Part B Basic	84.027	H027A160100	IDEA - 5810 - 17	39,965	7/1/16	-	-	39,965	(39,965)	-	-	-	-	-
ID.E.A. Preschool	84.173	H173A160114	IDEA - 5810 - 17	1,128	7/1/16	-	-	1,128	(1,128)	-	-	-	-	-
Total Individuals with Disabilities Cluster								41,093	(41,093)	-	-	-	-	-
Total Special Revenue Fund						(2,867)	-	65,138	(65,019)	-	-	(2,748)	-	-
<b>U.S. Department of Agriculture</b>														
<b>Passed-through State Department of Agriculture</b>														
Enterprise Fund:														
Food Distribution Program	10.550	171N1304N1099	N/A	6,037	7/1/16	-	-	6,037	(6,037)	-	-	-	-	-
School Breakfast Program	10.553	16161N304N1099	N/A	281	7/1/16	-	-	273	(281)	-	-	(8)	-	-
National School Lunch Program	10.555	16161N304N1099	N/A	501	7/1/15	(32)	-	17,452	(18,325)	-	-	(873)	-	-
National School Lunch Program	10.555	16161N304N1099	N/A	18,325	7/1/15	(661)	-	17,452	(18,325)	-	-	(873)	-	-
Special Milk Program	10.555	16161N304N1099	N/A	13,230	7/1/15	(661)	-	17,452	(18,325)	-	-	(873)	-	-
Special Milk Program for Children	10.556	171N1304N1099	N/A	321	7/1/16	(25)	-	214	(231)	-	-	(17)	-	-
Special Milk Program for Children	10.556	16161N304N1099	N/A	315	7/1/15	(25)	-	25	(231)	-	-	(17)	-	-
Total Enterprise Fund						(718)	-	24,694	(24,874)	-	-	(898)	-	-
Sub-Total Federal Financial Awards						(3,585)	\$ -	\$ 89,832	\$ (89,893)	\$ -	\$ -	\$ (3,646)	\$ -	\$ -

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

WINFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2016		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Reversals of Prior Year's Balance	Balance at June 30, 2017		MEMO	
			From	To	Deferred Revenues (Accounts Receivable)	Due to Grantor					Deferred Revenues (Accounts Receivable)	Due to Grantor		
<b>State Department of Education</b>														
General Fund:														
State Aid-Public Cluster:														
17-495-034-5120-078		\$ 1,315,177	7/1/16	6/30/17	\$ -	\$ -	\$ 1,183,664	\$ (1,315,177)	\$ -	\$ -	\$ (131,513)	\$ -	\$ 131,513	\$ 1,315,177
16-495-034-5120-078		1,310,098	7/1/16	6/30/16	(131,005)	-	131,005	-	(98,817)	-	(9,881)	-	9,881	98,817
17-495-034-5120-089		98,817	7/1/16	6/30/17	(9,716)	-	88,936	(98,817)	-	-	(2,025)	-	2,025	20,252
16-495-034-5120-089		97,159	7/1/16	6/30/16	(2,017)	-	18,227	(20,252)	-	-	(3,287)	-	3,287	32,874
17-495-034-5120-084		20,252	7/1/16	6/30/17	(3,406)	-	29,597	(32,874)	-	-	(14,053)	-	14,053	140,535
16-495-034-5120-084		20,166	7/1/16	6/30/16	(13,533)	-	3,406	(140,535)	-	-	(6,029)	-	6,029	60,297
16-495-034-5120-085		34,066	7/1/16	6/30/16	(6,047)	-	126,482	(60,297)	-	-	(1,640)	-	1,640	1,640
16-495-034-5120-088		140,535	7/1/16	6/30/17	(1,640)	-	1,476	(1,640)	-	-	(1,660)	-	1,660	1,660
17-495-034-5120-088		13,533	7/1/16	6/30/17	(1,640)	-	1,494	(1,672,892)	-	-	(167,282)	-	167,282	1,672,892
17-495-034-5120-014		165,397	7/1/16	6/30/17	(6,047)	-	5,983	(60,297)	-	-	(164)	-	164	1,640
16-495-034-5120-014		60,475	7/1/16	6/30/16	(1,640)	-	1,476	(1,640)	-	-	(166)	-	166	1,660
17-495-034-5120-038		1,640	7/1/16	6/30/17	(1,640)	-	1,494	(1,672,892)	-	-	(167,282)	-	167,282	1,672,892
16-495-034-5120-038		1,640	7/1/16	6/30/16	(1,640)	-	1,476	(1,640)	-	-	(166)	-	166	1,660
17-495-034-5120-097		1,640	7/1/16	6/30/17	(1,640)	-	1,494	(1,672,892)	-	-	(167,282)	-	167,282	1,672,892
16-495-034-5120-097		1,640	7/1/16	6/30/16	(1,640)	-	1,476	(1,640)	-	-	(166)	-	166	1,660
17-495-034-5120-101		1,660	7/1/16	6/30/17	(166,052)	-	1,671,662	(1,672,892)	-	-	(167,282)	-	167,282	1,672,892
16-495-034-5120-101		1,660	7/1/16	6/30/16	(166,052)	-	1,494	(1,672,892)	-	-	(167,282)	-	167,282	1,672,892
Total State Aid-Public Cluster														
Other General Funds:														
17-100-034-5120-473		4,474	7/1/16	6/30/17	(170,675)	-	1,971,464	(1,972,893)	-	-	(172,104)	-	172,104	1,972,893
17-100-034-5120-473		4,474	7/1/16	6/30/17	(170,675)	-	1,971,464	(1,972,893)	-	-	(172,104)	-	172,104	1,972,893
17-100-034-5120-068		348	7/1/16	6/30/17	(696)	-	696	(348)	-	-	(348)	-	348	348
16-100-034-5120-068		696	7/1/16	6/30/16	(696)	-	696	(348)	-	-	(348)	-	348	348
17-495-034-5094-001		95,690	7/1/16	6/30/17	-	-	95,690	(95,690)	-	-	-	-	95,690	95,690
16-495-034-5094-001		114,843	7/1/16	6/30/17	-	-	114,843	(114,843)	-	-	-	-	114,843	114,843
17-495-034-5094-002		84,039	7/1/16	6/30/17	-	-	84,039	(84,039)	-	-	-	-	84,039	84,039
16-495-034-5094-002		607	7/1/16	6/30/17	-	-	607	(607)	-	-	-	-	607	607
17-495-034-5094-003		607	7/1/16	6/30/17	-	-	289,802	(302,001)	-	-	(4,822)	-	4,822	302,001
16-495-034-5094-003		607	7/1/16	6/30/17	-	-	289,802	(302,001)	-	-	(4,822)	-	4,822	302,001
Total Other General Funds														
Total State Financial Assistance														
State Department of Agriculture														
Enterprise Fund:														
17-100-010-3350-023		539	7/1/16	6/30/17	(22)	-	514	(539)	-	-	(25)	-	25	539
16-100-010-3350-023		445	7/1/16	6/30/16	(22)	-	22	(25)	-	-	(25)	-	25	539
Total Enterprise Fund														
Total State Financial Assistance														
State Financial Assistance Not Subject to Major Program Determination:														
17-495-034-5094-001		95,690	7/1/16	6/30/17	-	-	(95,690)	95,690	-	-	-	-	-	(95,690)
17-495-034-5094-002		114,843	7/1/16	6/30/17	-	-	(114,843)	114,843	-	-	-	-	-	(114,843)
17-495-034-5094-003		607	7/1/16	6/30/17	-	-	(607)	607	-	-	-	-	-	(607)
Total On-Behalf TPAF Pension System Contributions														
Total State Financial Assistance Subject to Major Program Determination														
MEMO														

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

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL  
ASSISTANCE  
JUNE 30, 2017**

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**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements. This does not apply to charter schools as districts are not permitted to defer the June payments to charter schools.

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

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL  
ASSISTANCE  
JUNE 30, 2017**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$1,230) for the general fund and \$0 for the special revenue fund. See Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 1,971,663	\$ 1,971,663
Special Revenue Fund	65,019	-	65,019
Food Service Fund	24,874	539	25,413
Total Awards & Financial Assistance	<u>\$ 89,893</u>	<u>\$ 1,972,202</u>	<u>\$ 2,062,095</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING**

Winfield Township School District has no loan balances outstanding at June 30, 2017.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL  
ASSISTANCE  
JUNE 30, 2017**

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**NOTE 6. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amounts reported as TPAF Pension Contributions, TPAF Post-Retirement Medical Contributions, and TPAF Long-Term Disability Insurance Contributions represent the amount paid by the State on behalf of the school district for the year ended June 30, 2017. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2017.

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

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

**NOTE 8. SCHOOLWIDE PROGRAM FUNDS**

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

Program	Total
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$ 17,673
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	<u>6,253</u>
Total	<u>\$ 23,926</u>



WINFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

**Financial Statements**

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

**State Awards**

Dollar threshold used to distinguish between Type A and Type B programs:		\$750,000
Auditee qualified as low-risk auditee?	___X___ Yes	_____ No
Internal control over major programs:		
1) Material weakness(es) identified?	_____ Yes	___X___ No
2) Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes	None ___X___ Reported
Type of auditors’ report issued on compliance for major programs		<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08?	_____ Yes	___X___ No

Identification of major state programs:

<b>GMIS Number(s)</b>	<b>Name of State Program</b>
_____	_____
17-495-034-5120-078	State Aid-Public Cluster:
17-495-034-5120-089	Equalization Aid
17-495-034-5120-084	Special Education Categorical Aid
17-495-034-5120-085	Security Aid
17-495-034-5120-068	Adjustment Aid
17-495-034-5120-014	School Choice Aid
17-495-034-5120-098	Transportation Aid
17-495-034-5120-097	PARCC Readiness Aid
17-495-034-5120-101	Per Pupil Growth Aid
_____	Professional Learning Community Aid
_____	_____

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

**Finding**

There were no matters reported.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

**STATE AWARDS**

**Findings**

There were no matters reported.

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**STATUS OF PRIOR YEAR FINDINGS**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, Uniform Guidance (.511(a)(b)) and NJOMB's Circular 15-08.

**Findings**

There were no matters reported.