

***SCHOOL DISTRICT  
OF  
TOWN OF WESTFIELD***

***TOWN OF WESTFIELD BOARD OF EDUCATION***

***COUNTY OF UNION  
WESTFIELD, NEW JERSEY***

***COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR  
ENDED JUNE 30, 2016***

**TOWN OF WESTFIELD SCHOOL DISTRICT**  
**COUNTY OF UNION, NEW JERSEY**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2016**

**TABLE OF CONTENTS**

	<u>PAGE(S)</u>
<b>INTRODUCTORY SECTION</b>	1
Letter of Transmittal	2 - 9
Organizational Chart	10
Roster of Officials	11
Consultants and Advisors	12
<b>FINANCIAL SECTION</b>	13
<b>Independent Auditor's Report</b>	14 - 16
<b>Required Supplementary Information – Part I</b>	17
Management’s Discussion and Analysis	18 - 28
<b>Basic Financial Statements</b>	29
A. District-wide Financial Statements	30
A- 1 <u>Statement of Net Position</u>	31
A- 2 <u>Statement of Activities</u>	32
B. Fund Financial Statements	33
Governmental Funds:	34
B- 1 <u>Balance Sheet</u>	35 - 36
B- 2 <u>Statement of Revenues, Expenses, and Change in Fund Balances</u>	37
B- 3 <u>Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities</u>	38
Proprietary Funds:	39
B- 4 <u>Statement of Net Position</u>	40
B- 5 <u>Statement of Revenues, Expenses, and Changes in Net Position</u>	41
B- 6 <u>Statement of Cash Flows</u>	42

	<u>PAGE(S)</u>
Fiduciary Funds:	43
B- 7 <u>Statement of Fiduciary Net Position</u>	44
B- 8 <u>Statement of Changes in Fiduciary Net Position</u>	45
Notes to the Financial Statements	46 - 75
<b>Required Supplementary Information – Part II</b>	<b>76</b>
C. Budgetary Comparison Schedules	77
C- 1 <u>Budgetary Comparison Schedule - General Fund</u>	78 - 89
C- 1a <u>Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual</u>	N/A
C- 1b <u>American Recovery and Reinvestment Act – Budget and Actual</u>	N/A
C- 2 <u>Budgetary Comparison Schedule - Special Revenue Fund</u>	90 - 91
<b>Notes to the Required Supplementary Information</b>	<b>92</b>
C- 3 <u>Budgetary Comparison Schedule – Note to RSI</u>	93
<b>Required Supplementary Information – Part III</b>	<b>94</b>
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	95
L- 1 Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS	96
L- 2 Schedule of District Contributions – PERS	97
L- 3 Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF	98
<b>Notes to Required Supplementary Information – Part III</b>	<b>99</b>
Notes to Required Supplementary Pension Information	100
<b>Other Supplementary Information</b>	<b>101</b>
D. School Level Schedules:	102
D- 1 <u>Combining Balance Sheet</u>	N/A
D- 2 <u>Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual</u>	N/A
D- 3 <u>Blended Resource Fund - Schedule of Blended Expenditures</u>	N/A
D- 4 <u>Schedule of DEOA Expenditures - Budget and Actual</u>	N/A
E. Special Revenue Fund:	103
E- 1 <u>Combining Schedule of Revenues and Expenditures Special Revenue Fund - Budgetary Basis</u>	104 - 105
E- 1a <u>Combining Schedule of Revenues and Expenditures Special Revenue Fund - Budgetary Basis</u>	106

	<u>PAGE(S)</u>
E- 1b <u>Combining Schedule of Revenues and Expenditures</u> <u>Special Revenue Fund - Budgetary Basis</u>	107
E- 2 <u>Demonstrably Effective Program Aid Schedule of Expenditures</u> <u>- Budgetary Basis</u>	N/A
E- 3 <u>Early Childhood Program Aid Schedule of Expenditures</u> <u>- Budgetary Basis</u>	N/A
E- 4 <u>Distance Learning Network Aid Schedule of</u> <u>Expenditures - Budgetary Basis</u>	N/A
E- 5 <u>Instructional Supplement Aid Schedule of Expenditures</u> <u>- Budgetary Basis</u>	N/A
F. Capital Projects Fund:	108
F- 1 <u>Summary Statement of Project Expenditures</u>	109
F- 2 <u>Summary Schedule of Revenues, Expenditures, and Change</u> <u>and in Fund Balance - Budgetary Basis</u>	110
F- 2a <u>Schedule of Project Revenues, Expenditures, Project Balance</u> <u>and Project Status - Budgetary Basis - District Roof Replacement</u>	111
F- 2b <u>Schedule of Project Revenues, Expenditures, Project Balance</u> <u>and Project Status - Budgetary Basis – Boiler Repairs &amp;</u> <u>School Security Various Schools</u>	112
F- 2c <u>Schedule of Project Revenues, Expenditures, Project Balance</u> <u>and Project Status - Budgetary Basis – Construction &amp; -</u> <u>Additions/Renovations to Various Schools</u>	113
F- 2d <u>Schedule of Project Revenues, Expenditures, Project Balance</u> <u>and Project Status - Budgetary Basis – Improvements to</u> <u>Various Schools</u>	114
G. Proprietary Funds:	115
Enterprise Fund:	116
G- 1 Combining Statement of Net Position	117
G- 2 Combining Statement of Revenues, Expenses and Changes in Net Positions	118
G- 3 Combining Statement of Cash Flows	119
Internal Service Fund:	120
G- 4 Combining Statement of Net Position	N/A
G- 5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
G- 6 Combining Statement of Cash Flows	N/A

H. Fiduciary Funds:		121
H- 1	Combining Statement of Fiduciary Net Position	122
H- 2	Combining Statement of Changes in Fiduciary Net Position	123
H- 3	Schedule of Receipts and Disbursements - Student Activity Agency Fund	124
H- 4	Schedule of Receipts and Disbursements - Payroll Agency Fund	125
H- 5	Schedule of Receipts and Disbursements - Net Payroll Fund	N/A
I. Long-Term Debt:		126
I- 1	Schedule of Serial Bonds	127 - 128
I- 2	Schedule of Obligations Under Capital Leases	N/A
I- 3	Budgetary Comparison Schedule - Debt Fund Service	129

**STATISTICAL SECTION (Unaudited)** 130

<b>Financial Trends</b>		131
J- 1	Net Position/Net Assets by Component	132
J- 2	Changes in Net Assets/Net Position	133 - 134
J- 3	Fund Balances, Governmental Funds	135
J- 4	Change in Fund Balances, Governmental Funds	136
J- 5	General Fund – Other Local Revenue by Source	137
<b>Revenue Capacity</b>		138
J- 6	Assessed Value and Actual Value of Taxable Property	139
J- 7	Direct and Overlapping Property Tax Rates	140
J- 8	Principal Property Taxpayers	141
J- 9	Property Tax Levies and Collections	142
<b>Debt Capacity</b>		143
J-10	Ratios of Outstanding Debt by Type	144
J-11	Ratios of Net General Bonded Debt Outstanding	145
J-12	Direct and Overlapping Governmental Activities Debt	146
J-13	Legal Debt Margin Information	147
<b>Demographic and Economic Information</b>		148
J-14	Demographic and Economic Statistics	149
J-15	Principal Employers	150
<b>Operating Information</b>		151
J-16	Full-time Equivalent District Employees by Function/Program	152
J-17	Operating Statistics	153
J-18	School Building Information	154
J-19	Schedule of Required Maintenance	155
J-20	Insurance Schedule	156

	<u>PAGE(S)</u>
<b>SINGLE AUDIT SECTION</b>	157
K- 1 Report 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	158 - 159
K- 2 Report on Compliance on Each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on The Schedule of Expenditures of Federal and State Financial Assistance Required by OMB Uniform Guidance and New Jersey OMB Circular 15-08	160 - 162
K - 3 Schedule of Expenditures of Federal Awards, Schedule A	163
K - 4 Schedule of Expenditures of State Financial Assistance, Schedule B	164
K - 5 Notes to the Schedules of Awards and Financial Assistance	165 - 166
K- 6 Schedule of Findings and Questioned Costs	167 - 169
K - 7 Summary Schedule of Prior Audit Findings	170

# **INTRODUCTORY SECTION**



# WESTFIELD PUBLIC SCHOOLS

*A Tradition of Excellence*

Margaret Dolan  
Superintendent

302 Elm Street \* Westfield \* New Jersey \* 07090  
908-789-4414  
[www.westfieldnj.k12.org](http://www.westfieldnj.k12.org)

Dana Sullivan  
Business Administrator/  
Board Secretary

October 31, 2016

Honorable President and  
Members of the Board of Education  
Town of Westfield School District  
County of Union, New Jersey

Dear Board Members:

The comprehensive annual financial report (CAFR) of the Town of Westfield School District (District) for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the district management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The District has implemented Statement No. 34 of the Governmental Accounting Standards Board (GASB) entitled *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This standard, issued in June 1999, creates a new reporting model of financial information and disclosure, which represents a significant departure from the currently used reporting model. The reader will notice that the two main basic financial statements created by this standard, the Statement of Net Assets and the Statement of Activities, do not contain numerous columns for various funds that have been seen in past governmental financial statements. These two statements consolidate much of the information contained in fund based financial statements of the past into statements which tend to answer the question: "Is the District better or worse off financially than it was in the previous year?" A comparison of net assets should help the reader in answering that question.

Also required as part of "Required Supplementary Information" by GASB Statement No. 34 is a "Management's Discussion and Analysis" (MD&A) which allows the District to explain in layman's terms its financial position and results of operations of the past fiscal year. Financial data is presented for both the current and immediately preceding school years to facilitate a meaningful analysis of the changes in financial position and operating results during this two year period.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter and lists of principal officials and consultants and advisors. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon, and MD&A.



The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended, and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. **Reporting Entity and its Services:** The Town of Westfield School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Town of Westfield Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, bilingual as well as special education for educationally handicapped youngsters.

The following details the changes in the student enrollment of the district over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015-2016	6,321	0.3%
2014-2015	6,303	-1.0%
2013-2014	6,371	0.5%
2012-2013	6,334	0.6%
2011-2012	6,296	0.1%
2010-2011	6,293	0.4%
2009-2010	6,270	0.6%
2008-2009	6,232	1.1%
2007-2008	6,166	1.3%
2006-2007	6,086	0.9%
2005-2006	6,031	2.2%

2. **Economic Condition and Outlook:** The Town of Westfield is a stable community with a 2010 census population of 30,316. Its 6.7 square miles are basically residential in nature with 11 industrial acres; 336, commercial; 2,702, residential; and 79.96 acres for school buildings and fields. A sturdy Colonial heritage and strong commitment to education and voluntarism form the backbone of Westfield's citizens. According to the 2010 census, the median household income was \$128,418 and per capita income was \$61,322. The per capita income for the County of Union as reported in the 2010 census was \$33,670.

There is little space for new housing expansion - thus, the tax base is rather stable. Housing units increased 3% since 1980. Currently, the average home is assessed at \$180,000 with a market value of approximately \$715,000.

Property taxes provided 95% of the District's General Fund revenues for the 2015-2016 school year. This percentage is consistent with prior years. Fluctuations in the percent of the budget supported by property taxes is largely due to fluctuations in state aid provided to the district.

Forty-nine percent of the families in Westfield have children under age 18. A little over 8% of the school-age population attends private school.

The town has been named a Main Street Community by the Office of Historic Preservation in Trenton, with town-wide efforts underway to revitalize the downtown area.

There is a cooperative, collegial spirit between the Westfield Mayor and Town Council and the elected Board of Education.

3. Major Initiatives: Initiatives and achievements by Westfield students and staff included the following:

- 153 Westfield High School students were inducted into the National Honor Society.
- 147 Westfield High School students earned AP Scholar awards in recognition of their college level achievement through Advanced Placement courses and exams.
- In the National Merit Scholarship program, Four Westfield High School seniors were named Finalists and 21 students earned recognition as Commended Students.
- Digital learning in the Westfield Public Schools was featured on *Classroom Close-Up NJ*, an Emmy award winning TV program focusing on innovative educational projects.
- Westfield High School Marching Band crowned A-Class National Champions.
- WHS Blue Devils Football Team captured State Championship at Met Life Stadium and was included in a TV special on Superbowl Sunday.
- Westfield High School Boys Tennis Team clinched the Group 4 State Championship, the State Sectional, Conference and Union County crowns, the Westfield Invitational, and several individual titles.
- Westfield High School Tennis Coach was inducted into the NJ Scholastic Coaches Association Hall of Fame.
- Westfield High School Boys Swim team ranked #1 in the State; crowned State Champions and captured the State Sectional and Union County Championships.
- Westfield High School Boys Cross Country Team won State Sectional and County Champions.
- Westfield High School Ultimate Frisbee Club team won the USA Ultimate New Jersey State Championship.
- 4 Westfield High School girls' combined time in the winter 4 X 800 relay clocked at #1 in the State.
- Westfield High School senior won the North 2, Group 4, Sectional title in 800 indoor track.
- Westfield High School senior captured the North 2, Group 4, Long Jump Championship.
- 139 Westfield High School Students earned medals in the 2016 National French, Italian and Latin Exams.

- 11 vocalists were selected from Westfield High School for the All State Mixed & Treble Choruses.
- 3 Westfield High School students were selected for the All State Band and 1 for the New Jersey Honors Chamber Orchestra.
- Westfield High School Wind Ensemble earned a Gold Rating; Concert Band and Symphonic Band received Silver Ratings at the Central Jersey Music Educators Association's State Festival.
- Westfield High School's fall drama claimed 3 Montclair State University Theatre Night Awards, including Outstanding Production, Lead Actress and Supporting Actress.
- Roosevelt Intermediate School student won Montclair State University's Outstanding Middle School Performance Award.
- 3 Roosevelt students earned First Place in Improvisation at the 2016 New Jersey Drama & Forensics League Theatrefest.
- 2016 Bucks County Playhouse presented the awards for Outstanding Overall Production and Outstanding Actor to Westfield High School students.
- Westfield High School student-run newspaper, *Hi's Eye*, captured top awards from the National Scholastic Press Association, Columbia Press and the American Scholastic Press Association.
- Westfield High School 11<sup>th</sup> grader received the Prudential Spirit of Community Bronze Medallion for her video on autism awareness.
- 2016 Scholastic Writing Northeast Awards were won by 3 Westfield High School students and a 7<sup>th</sup> grader from Edison Intermediate School.
- Westfield elementary and intermediate school teams advanced to the international tournament of the Odyssey of the Mind, an educational program that provides creative problem solving opportunities.
- Westfield High School's Youth and Government Club earned the Outstanding Delegation Award as well as multiple awards at State House in Trenton.
- Westfield High School Model United Nations delegation of 185 students received several awards including Premier Diplomat, Outstanding Country Research Paper, and Outstanding Youth Secretariat at annual conference.
- Two Westfield High School students were invited to attend the National Police Athletic League Youth Town Hall Meeting in Arlington, VA.
- "Students Change Hunger Award" was earned by Westfield High School 11<sup>th</sup> graders who collected and donated record amounts of food to the Community Food Bank of New Jersey.

- Tamaques Elementary School was named the Specialty Prize winner in the “2016 Carton 2 Garden Contest.”
- Westfield High School hosted 175 colleges and universities at its annual College Night.
- Edison Intermediate School Geography Bee winner qualified for the State competition.
- McKinley fifth grader Katie O’Connor earned the Junior Woman’s Club of Westfield’s Spelling Bee championship.
- McKinley School families donated 3,291 canned and boxed food items to a local Food Bank as a part of the school’s Soup-er-Bowl food drive.
- Edison Intermediate School Social Studies teacher was accepted to the Woodrow Wilson HistoryQuest Institute in Princeton for the summer of 2016 under a fellowship program.
- Westfield High School science teacher received Voya’s Unsung Heroes Award and \$2000 grant to apply to Forensics Science classes.
- Westfield High School Social Studies teachers presented at the New Jersey Council for the Social Studies Annual Fall Conference at Rutgers University.
- Westfield High School Athletic trainer presented at the NJEA Convention on “Leadership in the Classroom and Breaking Mental Barriers to Learning.”
- Physical Education teacher at Washington School addressed National Health and Physical Education Conference.

4. **Management’s Responsibility for Financial Reporting:** The management of the school district is responsible for the preparation of the financial statements included within the CAFR and for their integrity and objectivity. In order to enable the District to fulfill its obligation for accurate and fair financial reporting, management is also 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 recognized that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled 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, 2016. General Fund encumbrances at June 30, 2016 were \$510,251, a decrease of approximately \$261,771 from the previous year.

6. **Accounting System and Reports:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.
7. **Financial Information at Fiscal Year-End:** 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 schedule presents a summary of the general fund, special revenue fund, capital projects funds and debt service fund for the fiscal year ended June 30, 2016 and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>2015-2016</u>	<u>Percent of Total</u>	<u>2014-2015</u>	<u>Increase/ (Decrease)</u>
Local Tax Levy	\$ 94,993,108	83.50%	\$ 91,815,746	3,177,362
Other Local Sources	1,026,626	0.90%	940,243	86,383
State Sources	16,116,374	14.20%	14,270,874	1,845,500
Federal Sources	<u>1,669,836</u>	<u>1.40%</u>	<u>2,196,857</u>	<u>(527,021)</u>
<b>Total</b>	<b><u>\$113,805,944</u></b>	<b><u>100.00%</u></b>	<b><u>\$109,223,720</u></b>	<b><u>\$4,582,224</u></b>

The Schedules of Expenditures of Federal and State Awards, as included in the Single Audit section of the CAFR, provides the status of all state and federal financial assistance received by the District.

The following schedule presents a summary of general fund, special revenue fund capital projects and debt service expenditures for the fiscal year ended June 30, 2016 and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>2015-2016</u>	<u>Percent of Total</u>	<u>2014-2015</u>	<u>Increase/ (Decrease)</u>
Current Expenses:				
Instruction	\$43,831,025	39.40%	\$42,523,832	\$1,307,193
Undistributed Expenditures	58,768,595	52.83%	59,653,451	(884,856)
Capital Outlay	1,239,587	1.11%	982,143	257,444
Special Revenues	1,973,664	1.77%	2,516,812	(543,148)
Debt Service:				
Principal	2,585,000	2.32%	2,236,000	349,000
Interest	838,467	0.75%	1,010,748	(172,281)
Capital Projects	<u>2,028,853</u>	<u>1.82%</u>	<u>4,026,826</u>	<u>(1,997,973)</u>
<b>Total</b>	<b><u>\$111,265,191</u></b>	<b><u>100.00%</u></b>	<b><u>\$112,949,812</u></b>	<b><u>(\$1,684,621)</u></b>

Instruction Expenditures for regular program instruction and special education increased.

Undistributed Expenditures decreased due to a change in health to self-insured insurance as well as increased employee health benefit contributions.

8. Debt Administration: The total debt outstanding for the District was \$23,922,000 as of June 30, 2016.
9. Cash Management: The investment policy of the District is guided in large part by state statute as detailed in the "Notes to Financial Statements", Note 2. The District deposits its 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.
10. Risk Management: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. Umbrella and excess umbrella coverages were also in effect to minimize the District's loss exposure.


11. Other Information:

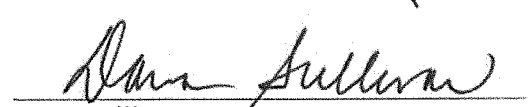
A. Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Hodulik & Morrison, P.A., CPA's, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, as amended, and the related OMB Circular A-133 and New Jersey OMB Circular 04-04. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12. Acknowledgments:

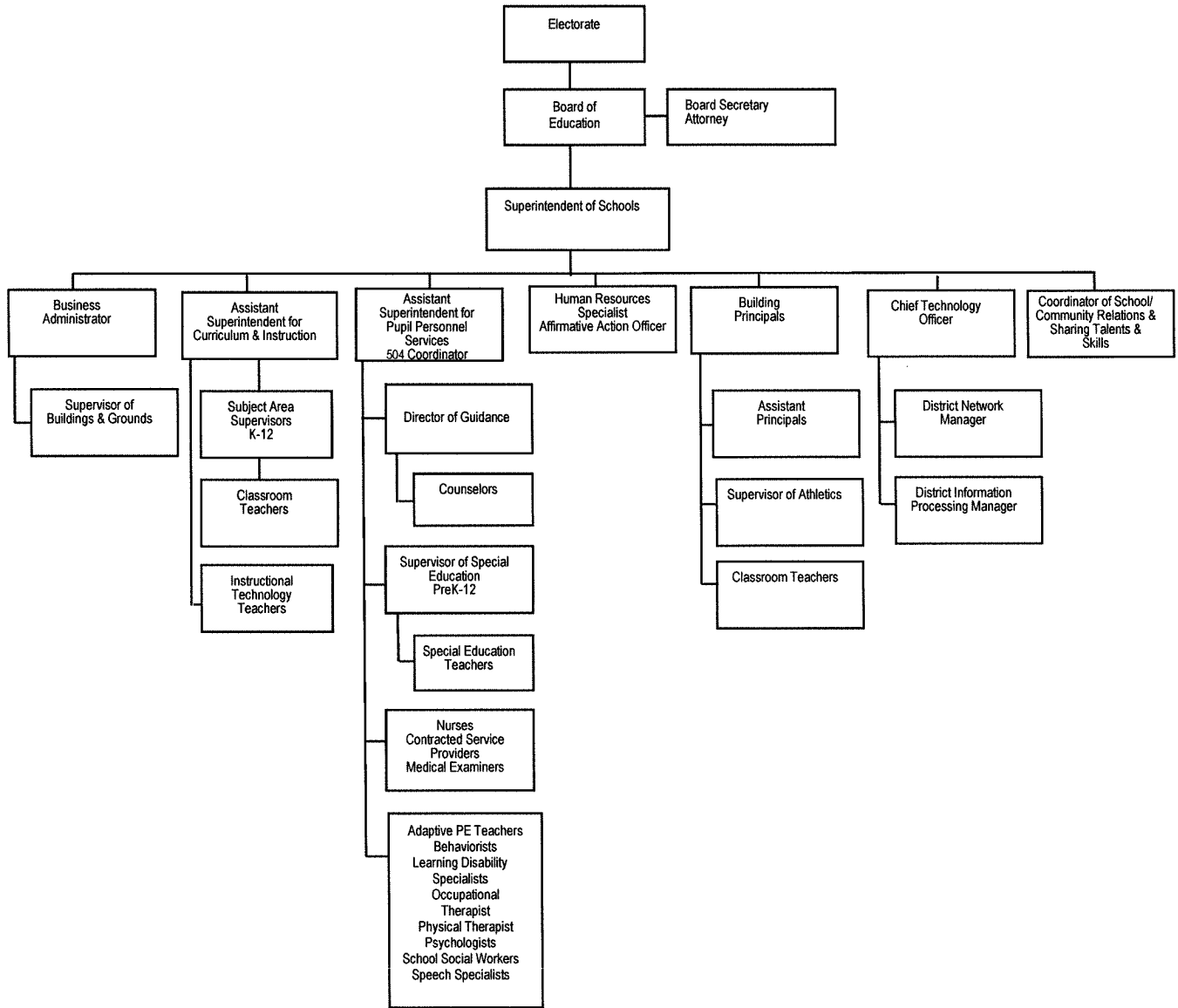
We would like to express our appreciation to the members of the Westfield School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The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

Respectfully submitted,

  
Margaret Dolan Ed.D  
Superintendent

  
Dana Sullivan  
School Business Administrator/Board Secretary

**1110 ORGANIZATIONAL CHART**



Classroom Paraprofessionals report to Building Principal or designated Administrator  
 Custodians report to Building Principals  
 Maintenance and Elm Street Custodians report to Supervisor of Buildings and Grounds  
 Secretaries report to Building Principals or designated Administrator  
 Technicians report to Chief Technology Officer

Approved: November 6, 2007  
 Revised: December 7, 2010  
 Revised: August 28, 2012  
 Revised: December 10, 2013  
 Reviewed: December 11, 2014



**TOWN OF WESTFIELD BOARD OF EDUCATION  
UNION COUNTY, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2016**

**Members of the Board of Education**

**Term Expires**

Gretchen Ohlig, President	2018
Margaret Oster, Vice-President	2017
Mark Friedman	2017
J. Brendan Galligan	2016
Robert Garrison	2018
Christopher B. Langhardt	2017
Virginia Leiz	2016
Charles Ostroff	2018
Amy Root	2016

**Other Officials**

Margaret Dolan, Ed. D., Superintendent of Schools  
Dana Sullivan – Business Administrator/Board Secretary  
Richard J. Kaplow, Esq., Board Attorney

**WESTFIELD BOARD OF EDUCATION  
Consultants and Advisors**

**Architects**

Fraytak, Veiz, Hopkins, Duthie  
P.O. Box 7371  
Trenton, NJ 08628

**Audit Firm**

Hodulik & Morrison. P.A.  
1102 Raritan Avenue  
P.O. Box 1450  
Highland Park, NJ 08904

**Board Attorney**

Richard J. Kaplow, Esq.  
53 Elm Street  
Westfield, NJ 07090

**Bond Counsel**

McManimon, Scotland & Baumann, L.L.C.  
75 Livingston Avenue  
Roseland, NJ 07068

**Financial Advisors**

Pheonix Advisors, LLC  
Bordentown, NJ

**Official Depository**

Valley National Bank  
801 Central Avenue  
Westfield, NJ 07090

**FINANCIAL SECTION**

**HODULIK & MORRISON, P.A.**  
CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS  
PUBLIC SCHOOL ACCOUNTANTS  
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ANDREW G. HODULIK, CPA, RMA, PSA  
ROBERT S. MORRISON, CPA, RMA, PSA

MEMBERS OF:  
AMERICAN INSTITUTE OF CPA'S  
NEW JERSEY SOCIETY OF CPA'S  
REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Westfield School District  
Westfield, New Jersey

**Report on 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 Board of Education of the Westfield School District, in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the district's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 error or fraud.

**Auditor's Responsibility**

Our responsibility is to express an opinion 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 audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School 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 of 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, business-type activities, each major fund, and the aggregate remaining fund information of the Westfield School District, in the County of Union, State of New Jersey, as of June 30, 2016 and the respective changes in financial position and cash flows, where applicable, 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 and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Westfield School District's basic financial statements as a whole. The accompanying other supplementary information, consisting of the combining and individual fund financial statements and long-term debt schedules, as listed in the table of contents, the schedules of expenditures of federal awards and state financial assistance required by the audit requirements of Title 2 U.S. Code of Federal regulations 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* respectively, and other information, including the introductory section and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

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

**Other Reporting Required by *Governmental Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2016 on our consideration of the Westfield 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 control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering the Westfield School District's internal control over financial reporting and compliance.

*Hodulik & Morrison, P.A.*

HODULIK & MORRISON, P.A.  
Certified Public Accountants  
Registered Municipal Accountants  
Public School Accountants

*Robert S. Morrison*

Robert S. Morrison  
Public School Accountant  
PSA # 871

Highland Park, New Jersey  
November 7, 2016

**HODULIK & MORRISON, P.A.**

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**PART I**

**WESTFIELD SCHOOL DISTRICT**  
**Westfield, New Jersey**  
**Union County, New Jersey**

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**  
**(Unaudited)**  
**June 30, 2016**

This section of the district's annual financial report presents a discussion and analysis of the district's financial performance during the fiscal year ending June 30, 2016. It should be read in conjunction with the transmittal letter at the front of this report and the district's financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statement—and Management's Discussion and Analysis—for State and Local Governments issued June 1999 and amended by GASB Statement No. 37. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

The key financial highlights for the 2015-2016 fiscal year include the following:

Governmental funds reported a total fund balance of \$9,081,745.79, which is a 38.8 % increase from last year's total governmental fund balance. This increase was due to the increase in Restricted Fund Balance account within the General fund. The general or operating fund balance was reported for GAAP purposes at \$10,205,015.83, which represents an increase of \$4,017,657.77 over the prior year. Of this total, \$750,000.00 of excess surplus was appropriated toward the 2016-2017 budget, \$510,250.83 of general fund balance was committed to cover open purchase orders at year-end. Based upon the reduction imposed by S1701 in the calculation of maximum restricted fund balance that the District is allowed to retain, the amount of general fund balance required to be reserved for tax relief in the 2017-2018 budget is \$2,000,000.00. The unassigned general fund balance is reported at \$653,438.74. General fund balance is at the maximum permitted under the Department of Education regulations based upon 2% of general fund expenditures, with specified modifications. Total spending for all governmental funds was \$111,265,190.26. Total revenues were \$113,805,943.65 resulting in an excess of revenues over expenditures of \$2,540,753.39 for the year.



## OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the district:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the district's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the district, reporting the district's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short- and long-term financial information about the activities the district operated like businesses, such as food services.
- Fiduciary funds statements provide information about the financial relationship in which the district acts solely as a trustee or agent for the benefits of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the district's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1**

### ***Organization of the School District Annual Financial Report***

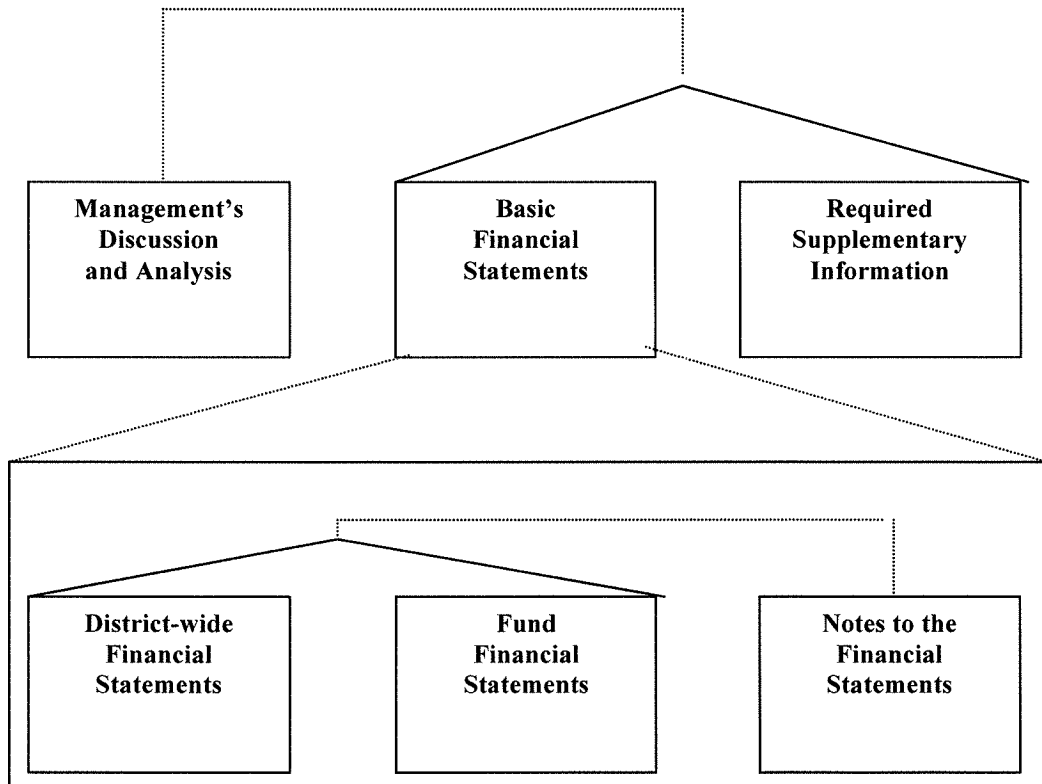


Figure A-2 summarizes the major features of the district’s financial statements, including the portion of the district’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2 Major Features of the District-Wide and Fund Financial Statements				
	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial Statements	<ul style="list-style-type: none"> <li>Statement of net position</li> <li>Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>Balance Sheet</li> <li>Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>Statement of net position</li> <li>Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>Statement of fiduciary net assets</li> <li>Statement of changes in fiduciary net position</li> </ul>
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset / liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/out-flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

## **District-wide Statements**

The district-wide statements report information about the district as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the district's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the district's net position and how they have changed. Net position - the difference between the district's assets and liabilities - is one way to measure the district's financial health or position.

- Over time, increases or decreases in the district's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the district's overall health, you need to consider that the school district's goal is to provide services to students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the of the schools to assess the overall health of the district.

In the district-wide financial statements, the district's activities are divided into two categories:

- **Governmental activities:** Most of the district's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.
- **Business-type activities:** The district charges fees to help it cover the costs of certain services it provides. The district's adult education programs and food services are included here.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the district's funds, focusing on its most significant or "major" funds – not the district as a whole. Funds are accounting devices the district uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The district establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The district has three kinds of funds:

Governmental funds: Most of the district's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the district's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

Proprietary funds: Services for which the district charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The district's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The district uses internal service funds (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The district currently has one internal service fund, the workers' compensation fund.

Fiduciary funds: The district is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The district excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

## **FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

The school district's Governmental Activities net position was \$1,332,030.85 at June 30, 2016. Of this amount, a deficit amount of \$24,717,778.20 was reported as unrestricted net position, primarily due to GASB #68 accounting and reporting requirements for the PERS and TPAF defined benefit pension systems. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the school district's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net position (Figure A-3) and change in net position (Figure A-4) of the school district's governmental activities.

**Figure A - 3**  
**Net Position**

	<b>Governmental Activities 2016</b>	<b>Restated Governmental Activities 2015</b>	<b>% Increase (Decrease)</b>
<b>Assets</b>			
Current and other assets	11,178,610	6,971,882	60.34%
Capital assets	41,543,502	40,070,899	3.67%
<b>Total Assets</b>	<b>52,722,112</b>	<b>47,042,781</b>	<b>12.07%</b>
Deferred Outflows of Resources	5,892,734	3,613,477	100.00%
<b>Total Deferred Outflows of Resources</b>	<b>5,892,734</b>	<b>3,613,477</b>	<b>100.00%</b>
<b>Liabilities</b>			
Current and other liabilities	5,188,306	4,434,238	17.01%
Long-term liabilities	50,953,240	48,045,107	6.05%
<b>Total Liabilities</b>	<b>56,141,545</b>	<b>52,479,344</b>	<b>6.98%</b>
Deferred Inflows of Resources	1,141,270	2,161,540	100.00%
<b>Total Deferred Inflows of Resources</b>	<b>1,141,270</b>	<b>2,161,540</b>	<b>100.00%</b>
<b>Net Position</b>			
Net assets invested in capital Assets net of debt	17,621,502	13,454,474	30.97%
Restricted	8,428,307	5,886,394	43.18%
Unrestricted	(24,717,778)	(23,325,495)	5.97%
<b>Total Net Position</b>	<b>1,332,031</b>	<b>(3,984,626)</b>	<b>-133.43%</b>

**Footnotes:**

June 30, 2015 Capital Assets Restated - Depreciation Costs.

The results of this year's operations for the school district Governmental Activities as a whole are reported in the Statement of activities. Figure A - 4, below, takes the information from the Statement, rounds off the numbers, and rearranges them so slightly so you can see our total revenues and expenses for the year.

**Figure A - 4**  
**Change in Net Position**

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>
<b>Revenues:</b>			
Program revenue			
State grants & entitlements	\$11,455,685	\$9,517,093	\$1,938,593
General revenue			
Local tax levy	94,993,108	91,815,746	3,177,362
Federal and state aid	6,330,525	6,393,171	(62,646)
Miscellaneous revenues (Incl. special items & transfers)	1,026,726	940,243	86,483
			0
Total general revenues	<u>102,350,358</u>	<u>99,149,160</u>	<u>3,201,199</u>
<b>Total revenues</b>	<u>113,806,044</u>	<u>108,666,252</u>	<u>5,139,791</u>
<b>Function/program expense:</b>			
Instruction			
Regular programs	33,945,364	32,170,882	1,774,481
Special programs	7,980,420	8,152,638	(172,218)
Other Instructional programs	2,648,506	3,831,000	(1,182,494)
Support services			
Student services	12,153,419	11,684,484	468,935
Tuition	6,688,650	6,686,758	1,892
Instructional staff support			
General administration and business services	4,013,438	3,689,079	324,360
School administration	3,472,539	3,575,510	(102,971)
Plant services	5,943,911	5,954,354	(10,443)
Student transportation	2,550,903	2,505,294	45,609
Unallocated benefits	26,368,820	26,417,254	(48,434)
Unallocated depreciation and amortization	1,771,245	1,255,944	515,301
Interest on long-term debt	952,171	808,442	143,728
<b>Total expenses</b>	<u>108,489,386</u>	<u>106,731,639</u>	<u>1,757,748</u>
<b>Increase (Decrease) net position</b>	<u><u>\$5,316,657</u></u>	<u><u>\$1,934,613</u></u>	<u><u>\$3,382,044</u></u>

In figure A-5 below, we have [resented the cost of each of the school district's functions for the current year and prior year. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by each function.

**Figure A - 5**  
**Governmental Cctivities - Toatal Cost of Srvices**

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>	
			<u>\$</u>	<u>%</u>
<b>Function/program expense:</b>				
Instruction				
Regular programs	33,945,364	32,170,882	1,774,481	1.7%
Special programs	7,980,420	8,152,638	(172,218)	-0.2%
Other Insructional programs	2,648,506	3,831,000	(1,182,494)	-1.1%
Support services				
Student services	12,153,419	11,684,484	468,935	0.4%
Tuition	6,688,650	6,686,758	1,892	0.0%
Instructional staff support				
General administration and business services	4,013,438	3,689,079	324,360	0.3%
School administration	3,472,539	3,575,510	(102,971)	-0.1%
Plant services	5,943,911	5,954,354	(10,443)	0.0%
Student transportation	2,550,903	2,505,294	45,609	0.0%
Unallocated benefits	26,368,820	26,417,254	(48,434)	0.0%
Unallocated depreciation and amortization	1,771,245	1,255,944	515,301	0.5%
Interest on long-term debt	952,171	808,442	143,728	0.1%
<b>Total</b>	<b><u>108,489,386</u></b>	<b><u>106,731,639</u></b>	<b><u>1,757,748</u></b>	<b><u>1.6%</u></b>

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The school district's Governmental Activities net position was \$1,332,030.85 at June 30, 2016. Of this amount, a deficit amount of \$24,717,778.20 was reported as unrestricted net position, primarily due to GASB #68 accounting and reporting requirements for the PERS and TPAF defined benefit pension systems. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the school district's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net position (Figure A-3) and change in net position (Figure A-4) of the school district's governmental activities.

As we noted earlier, the school district uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the school district is being accountable for the resources provided to it, and also, gives more insight into the school district's overall financial health.

As the school district completed this year, our governmental funds reported a combined fund balance of \$9,081,745.79, which is a increase of \$2,540,753.39 from last year. This amount includes the general fund (increase of \$4,017,657.77), capital projects fund (decrease of \$1,501,199.86). The primary reasons for the increase/decrease are:

1. Favorable budget variances of general and debt service fund balance, and increases of capital, maintenance, and emergency reserve accounts.
2. Expenditure of capital project costs prior to the issuance of permanent financing.

### **General Fund Budgetary Highlights**

Over the course of the year, the school district revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. Budget changes/transfers are approved by the Board of Education throughout the year. Although the district's projected budget for the general fund anticipated that revenues and expenditures would be roughly equal, the actual results for the year show a surplus. Actual revenues reflect a positive variance of \$11.5 million. This is due primarily to the State reimbursement/on behalf in the amount of \$11.2 million for TPAF pension and post retirement and social security contributions. This is always a non-budgeted item that the State requires be included in the final audit.

Actual expenditures reflect a negative variance of \$5.5 million even though all budget categories show a positive variance. This again is primarily due to the State requirement to include TPAF pension and post retirement and social security contributions in the audit.



**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2015, the school district reported \$82,361,390 invested in a broad range of capital assets, including land, buildings, building improvements, other improvements, vehicles, furniture and equipment. This amount represents a net increase (including additions, trade-ins and retirements) of \$3,243,848 from the prior year. Figure A-6 details the composition of capital assets at June 30<sup>th</sup> of the current and prior year and the net changes for the current year.

**Figure A-6  
Governmental Activity Capital Assets at Year-End  
(Dollars in Thousands)**

	<u>FY 2016</u>	<u>FY2015</u>	<u>Increase (Decrease)</u> \$
Land	\$ 4,488	\$4,488	-
Construction In Progress	2,829	1,808	1,021
Buildings and Improvements	61,748	60,204	1,544
Furniture, Equipment and Vehicles	<u>13,295</u>	<u>12,615</u>	<u>680</u>
Total	<u>\$82,361</u>	<u>\$79,117</u>	<u>\$3,244</u>

**Long-Term Debt**

At the end of this year, the school district had \$26,507,000 in bonds (Type II debt) outstanding versus \$23,353,000 last year – a decrease of 9.2%. The summary of year-end long-term debt and changes for the 2014-2015 school year is as follows:

**Figure A-7  
Outstanding Long-Term Debt at Year-End**

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
School Serial Bonds Payable	\$23,922,000	\$26,507,000
Other Long-Term Debt:		
Compensated Absences Payable	<u>792,881</u>	<u>767,858</u>
Totals	<u>\$24,714,881</u>	<u>\$27,274,858</u>

## **FACTORS AFFECTING THE DISTRICT'S FUTURE**

- The largest expenditure in the school budget is for employee salaries and wages. Contracts with the custodians and paraprofessionals will expire on July 1, 2016. Contracts with the teachers and administrators will expire on July 1, 2017. Negotiations with all employee associations will affect future budgets.
- The enrollment in the district is continuing to remain stable.
- The district maintains twelve facilities, ten of which are schools. The district continues to budget for capital improvements in accordance with the State approved Long Range Facilities Plan.
- On January 26, 2016, the district will ask the voters in Westfield to approve two bond referendum questions. The first question will request funding in the amount of \$8.6 million and will provide for the completion of capital projects deemed to be priority 1, including additional boiler replacements, fire alarm and public address system replacements, floor replacements and technology upgrades. The second question will request funding in the amount of \$4.0 million and will provide for complete auditorium upgrades at both intermediate schools, including the installation of air conditioning.

## **CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

Our financial report is designed to provide our citizens, taxpayers, parents, students, 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 received. If you have questions about this report or wish to request additional financial information, contact Dana Sullivan, Business Administrator/Board Secretary, at Westfield Board of Education, 302 Elm Street, Westfield, New Jersey 07090.

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**SECTION – A**

**WESTFIELD SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2016**

	<u>GOVERNMENTAL FUNDS</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 3,820,505.21	\$ 810,639.81	\$ 4,631,145.02
Other Receivables	417,737.12	1,472.40	419,209.52
Receivables from Other Funds		8,982.83	8,982.83
Receivables from Other Governments	649,041.61	5,971.83	655,013.44
Restricted Assets:			
Capital Reserve Account - Cash	4,843,159.21		4,843,159.21
Maintenance Reserve Account - Cash	948,167.05		948,167.05
Emergency Reserve - Cash	500,000.00		
Capital Assets, (Note 1):	<u>41,543,502.00</u>	<u>18,277.00</u>	<u>41,561,779.00</u>
<b>Total Assets</b>	<b><u>52,722,112.20</u></b>	<b><u>845,343.87</u></b>	<b><u>53,067,456.07</u></b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Change of Pension Assumptions	3,113,118.00		3,113,118.00
Change in Pension Proportion	1,602,579.00		1,602,579.00
Difference Expected vs. Actual	691,560.00		691,560.00
Pension Payment Subsequent to Measurement Date	1,166,083.00		
Deferred Bond Discount, Net	66,648.90		66,648.90
Deferred Amount on Refinancing	<u>418,827.97</u>		<u>418,827.97</u>
<b>Total Deferred Outflows of Resources</b>	<b><u>5,892,733.87</u></b>		<b><u>485,476.87</u></b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	2,774,287.37	94,693.35	2,868,980.72
Accrued Interest Payable	341,441.29		341,441.29
Interfund Payable	8,982.83		8,982.83
Payable to Other Governments	64,882.00		64,882.00
Deferred Revenue	414,795.21	139,109.85	553,905.06
Noncurrent Liabilities (Note 2):			
Due Within One Year	2,750,000.00		2,750,000.00
Due Beyond One Year	21,964,881.00		21,964,881.00
Net Pension Liability	<u>28,988,359.00</u>		<u>28,988,359.00</u>
<b>Total liabilities</b>	<b><u>57,307,628.70</u></b>	<b><u>233,803.20</u></b>	<b><u>57,541,431.90</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Difference in Pension Earnings	466,077.00		466,077.00
Unamortized Premium on Refinancing	<u>675,192.52</u>		<u>675,192.52</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>1,141,269.52</u></b>		<b><u>675,192.52</u></b>
<b><u>NET POSITION</u></b>			
Invested in capital assets, net of related debt	17,621,502.00	18,277.00	17,639,779.00
Restricted for:			
Debt Service	24,297.04		24,297.04
Capital Projects	(1,147,567.08)		(1,147,567.08)
Other Purposes	9,551,577.09		9,551,577.09
Unrestricted (Deficit)	<u>(24,717,778.20)</u>	<u>593,263.37</u>	<u>(24,124,514.83)</u>
<b>Total Net Position</b>	<b><u>\$ 1,332,030.85</u></b>	<b><u>\$ 611,540.37</u></b>	<b><u>\$ 1,943,571.22</u></b>

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

**WESTFIELD SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

Functions/Programs	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular	\$ 33,945,263.63	\$	\$	\$ (33,945,263.63)	\$	\$ (33,945,263.63)
Special Education	7,980,420.05			(7,980,420.05)		(7,980,420.05)
Other Special Instruction	1,081,476.94			(1,081,476.94)		(1,081,476.94)
Other Instruction	1,567,029.16			(1,567,029.16)		(1,567,029.16)
Support Services:						
Tuition	6,688,650.18			(6,688,650.18)		(6,688,650.18)
Student & Instruction Related Services	12,153,419.30			(12,153,419.30)		(12,153,419.30)
School Administrative Services	3,472,539.03			(3,472,539.03)		(3,472,539.03)
General and Business Administrative Services	4,013,438.32			(4,013,438.32)		(4,013,438.32)
Plant Operations and Maintenance	5,943,910.73			(5,943,910.73)		(5,943,910.73)
Pupil Transportation	2,550,903.47			(2,550,903.47)		(2,550,903.47)
Unallocated Benefits	26,368,819.93		11,209,759.45	(15,159,060.48)		(15,159,060.48)
Interest on Long-Term Debt	952,170.69		245,926.00	(706,244.69)		(706,244.69)
Unallocated Depreciation and Amortization	1,771,245.00			(1,771,245.00)		(1,771,245.00)
Total Governmental Activities	108,489,286.43		11,455,685.45	(97,033,600.98)		(97,033,600.98)
Business-Type Activities:						
Food Service	1,189,123.37	1,314,582.94	99,531.10		224,990.67	224,990.67
WRAP School	485,571.35	430,003.00			(55,568.35)	(55,568.35)
Total Business-Type Activities	1,674,694.72	1,744,585.94	99,531.10		169,422.32	169,422.32
Total Primary Government	\$ 110,163,981.15	\$ 1,744,585.94	\$ 11,555,216.55	\$ (97,033,600.98)	\$ 169,422.32	\$ (96,864,178.66)

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes, Net	\$ 91,791,272.00					
Taxes Levied for Debt Service	3,201,836.00					
Federal and State Aid Not Restricted	4,354,644.07					
Federal and State Aid Restricted	1,975,880.47					
Local Sources Restricted	187,296.81					
Tuition Received	162,071.45					
Investment Earnings	58,023.23				2,699.83	
Miscellaneous Income	619,234.17					
Total general revenues, special items, extraordinary items and transfers	102,350,258.20			2,699.83		102,352,958.03
Change in Net Position				5,316,657.22		5,488,779.37
Net Position—Beginning (Restated)				(3,984,626.37)		(3,545,207.85)
<b>Net Position—Ending</b>				<b>1,332,030.85</b>		<b>1,943,571.52</b>

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

**FUND FINANCIAL STATEMENTS**

**SECTION – B**

**GOVERNMENTAL FUNDS**



WESTFIELD SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>					
Cash and Cash Equivalents (Deficit)	\$ 10,431,618.29	\$ 47,042.73	(391,126.59)	\$ 24,297.04	\$ 10,111,831.47
Other Receivables	417,737.12				417,737.12
Due from Other Funds	930,989.11		8,010.68		938,999.79
Receivables from Other Governments	217,491.73	245,036.26	186,513.62		649,041.61
Restricted Cash and Cash Equivalents (Deficit)					
<b>Total assets</b>	<b><u>11,997,836.25</u></b>	<b><u>292,078.99</u></b>	<b><u>(196,602.29)</u></b>	<b><u>24,297.04</u></b>	<b><u>12,117,609.99</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	1,561,605.53	34,633.84	11,965.00		1,608,204.37
Intergovernmental Payable		64,882.00			64,882.00
Interfund Payable	8,982.83		938,999.79		947,982.62
Deferred Revenue	<u>222,232.06</u>	<u>192,563.15</u>			<u>414,795.21</u>
Total liabilities	<u>1,792,820.42</u>	<u>292,078.99</u>	<u>950,964.79</u>		<u>3,035,864.20</u>
Fund Balances:					
Restricted for:					
Capital Reserve Account	4,843,159.21				4,843,159.21
Maintenance Reserve Account	948,167.05				948,167.05
Emergency Reserve	500,000.00				500,000.00
Reserve for Excess Surplus	2,000,000.00				2,000,000.00
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	750,000.00				750,000.00
Committed for:					
Year-end Encumbrances	510,250.83				510,250.83
Assigned for:					
Designated for Subsequent Year's Expenditures					
Debt Service Fund				24,297.04	24,297.04
Capital Projects Fund			(1,147,567.08)		(1,147,567.08)
Unassigned, Reported in:					
General Fund	<u>653,438.74</u>				<u>653,438.74</u>
Total Fund Balances	<u>10,205,015.83</u>		<u>(1,147,567.08)</u>	<u>24,297.04</u>	<u>9,081,745.79</u>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 11,997,836.25</u></b>	<b><u>\$ 292,078.99</u></b>	<b><u>(196,602.29)</u></b>	<b><u>\$ 24,297.04</u></b>	<b><u>\$ 12,117,609.99</u></b>

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

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016**

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

Total Governmental Fund Balances	\$	\$9,081,745.79
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The carrying value of the assets is \$82,361,390, and the accumulated depreciation is \$40,817,888.		41,543,502.00
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.		(24,714,881.00)
Short-term Liabilities, including accrued interest on long-term debt, are not due payable in the current period and therefore are not reported as liabilities in the funds.		(341,441.29)
The Net Pension Liability, and associated Deferred Inflows and Outflows of the District relating to its participation in the PERS are not recognized in the funds using the current financial resources measurement focus, but are recognized in the Statement of Net Position using the economic resources measurement focus. The carrying amounts of the individual components are as follows:		
Deferred Outflows of Resources		5,407,257.00
Net Pension Liability		(28,988,359.00)
Deferred Inflows of Resources		(466,077.00)
Difference in Pension Earnings		
Transactions related to a current refunding of a long-term debt, refinancing of lease agreement are not reported in the funds.		
Issuance discount, net of amortization		66,648.90
Issuance premium, net of amortization		(675,192.52)
Deferred amount on refunding, net of amortization		418,827.97
<u>Net Position of Governmental Activities</u>	<u>\$</u>	<u>\$1,332,030.85</u>

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

**WESTFIELD SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b><u>REVENUES</u></b>					
Local Tax Levy	\$ 91,791,272.00	\$	\$	\$ 3,201,836.00	\$ 94,993,108.00
Tuition Charges	162,071.45				162,071.45
Miscellaneous	680,257.40				680,257.40
Local Sources		184,296.81			184,296.81
State Sources	15,486,806.45	197,128.06	186,513.62	245,926.00	16,116,374.13
Federal Sources	77,597.07	1,592,238.79			1,669,835.86
Total Revenues	<u>108,198,004.37</u>	<u>1,973,663.66</u>	<u>186,513.62</u>	<u>3,447,762.00</u>	<u>113,805,943.65</u>
<b><u>EXPENDITURES</u></b>					
Current:					
Regular Instruction	33,594,710.26	350,553.37			33,945,263.63
Special Education Instruction	7,587,808.67	392,611.38			7,980,420.05
Other Special Instruction	1,081,476.94				1,081,476.94
Other Instruction	1,567,029.16				1,567,029.16
Support Services and Undistributed Costs:					
Tuition	5,514,115.01	1,174,535.17			6,688,650.18
Student & Instruction Related Services	12,153,419.30				12,153,419.30
School Administrative Services	3,472,539.03				3,472,539.03
Other Administrative Services	3,932,882.07				3,932,882.07
Plant Operations and Maintenance	5,943,910.73				5,943,910.73
Pupil Transportation	2,550,903.47				2,550,903.47
Unallocated Benefits	25,200,824.93				25,200,824.93
Debt Service:					
Principal				2,585,000.00	2,585,000.00
Interest and Other Charges				838,466.52	838,466.52
Capital Outlay	<u>1,239,587.03</u>	<u>55,963.74</u>	<u>2,028,853.48</u>		<u>3,324,404.25</u>
Total Expenditures	<u>103,839,206.60</u>	<u>1,973,663.66</u>	<u>2,028,853.48</u>	<u>3,423,466.52</u>	<u>111,265,190.26</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,358,797.77</u>		<u>(1,842,339.86)</u>	<u>24,295.48</u>	<u>2,540,753.39</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Proceeds from Sale of School Bonds					
Proceeds Refunding Bonds Issued					
Payment Refunding Bond Escrow Agent					
Transfers in			341,140.00		341,140.00
Transfers out	<u>(341,140.00)</u>				<u>(341,140.00)</u>
Total Other Financing Sources and Uses	<u>(341,140.00)</u>		<u>341,140.00</u>		
Net Change in Fund Balances	4,017,657.77		(1,501,199.86)	24,295.48	2,540,753.39
Fund Balance—Beginning	<u>6,187,358.06</u>		<u>353,632.78</u>	<u>1.56</u>	<u>6,540,992.40</u>
<b>Fund Balance—Ending</b>	<b>\$ <u>10,205,015.83</u></b>	<b>\$</b>	<b>\$ <u>(1,147,567.08)</u></b>	<b>\$ <u>24,297.04</u></b>	<b>\$ <u>9,081,745.79</u></b>

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

**TOWN OF WESTFIELD SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

**Total net change in fund balances - governmental funds (from B-2)** **\$ 2,540,753.39**

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation expense	(1,771,245.00)	
	Capital Outlays	<u>3,243,848.00</u>	1,472,603.00

Repayment of bond and lease obligation (long-term debt) principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 2,585,000.00

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+) (33,313.38)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (24,923.00)

Pension expenditures in the governmental funds are recognized when paid or payable from expendable available financial resources. In the statement of activities, pension costs are recognized on a full accrual basis utilizing actuarial valuations. The amount by which actuarially calculated pension expense exceeds the expenditure reported in the funds is a deduction. (1,143,072.00)

Transactions related to a current refunding of a long-term debt, refinancing of lease obligations (premium/discount on refinancing, deferred amount on refinancing) -

Amortization Expenses - Net (80,390.79)

**Change in net position of governmental activities** **\$ 5,316,657.22**

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

**PROPRIETARY FUNDS**

**WESTFIELD SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</b>		<b>TOTAL ENTERPRISE FUND</b>
	<b><u>FOOD SERVICE</u></b>	<b><u>WRAP PROGRAM</u></b>	
<b><u>ASSETS</u></b>			
Current assets:			
Cash and Cash Equivalents	\$ 631,272.95	\$ 179,366.86	\$ 810,639.81
Accounts Receivable	7,444.23		7,444.23
Interfund Receivable	8,982.83		8,982.83
	<u>647,700.01</u>	<u>179,366.86</u>	<u>827,066.87</u>
Total Current Assets			
Noncurrent Assets:			
Furniture, Machinery & Equipment	428,577.00		428,577.00
Less Accumulated Depreciation	<u>(410,300.00)</u>		<u>(410,300.00)</u>
	<u>18,277.00</u>		<u>18,277.00</u>
Total Noncurrent Assets			18,277.00
	<u><b>665,977.01</b></u>	<u><b>179,366.86</b></u>	<u><b>845,343.87</b></u>
<b><u>LIABILITIES</u></b>			
Current Liabilities:			
Accounts Payable	94,693.35		94,693.35
Deferred revenue	32,924.85	106,185.00	139,109.85
	<u>127,618.20</u>	<u>106,185.00</u>	<u>233,803.20</u>
Total Current Liabilities			233,803.20
<b><u>NET POSITION</u></b>			
Invested in Capital Assets Net of Related Debt	18,277.00		18,277.00
Unrestricted (Deficit)	520,081.81	73,181.86	593,263.67
	<u>538,358.81</u>	<u>73,181.86</u>	<u>611,540.67</u>
Total Net Position	<u><b>\$ 538,358.81</b></u>	<u><b>\$ 73,181.86</b></u>	<u><b>\$ 611,540.67</b></u>

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

**WESTFIELD SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<b>BUSINESS-TYPE ACTIVITIES -</b>		<b>TOTAL</b>
	<b>ENTERPRISE FUND</b>		
	<b>FOOD</b>	<b>WRAP</b>	<b>FUND</b>
	<b>SERVICE</b>	<b>PROGRAM</b>	<b>FUND</b>
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 443,299.00		443,299.00
Daily Sales - Non-reimbursable Programs	871,283.94		871,283.94
Program Fees		430,003.00	430,003.00
Total Operating Revenues	<u>1,314,582.94</u>	<u>430,003.00</u>	<u>1,744,585.94</u>
Operating Expenses:			
Cost of Sales	494,644.99		494,644.99
Salaries	504,621.50	459,149.26	963,770.76
Other Costs	183,517.88	26,422.09	209,939.97
Depreciation	6,339.00		6,339.00
Total Operating Expenses	<u>1,189,123.37</u>	<u>485,571.35</u>	<u>1,674,694.72</u>
Operating Income (Loss)	<u>125,459.57</u>	<u>-55,568.35</u>	<u>69,891.22</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	4,019.53		4,019.53
Federal Sources:			
National School Lunch Program	59,491.45		59,491.45
U.S.D.A. Commodities	36,020.12		36,020.12
Interest on Deposits	2,699.83		2,699.83
Total Nonoperating Revenues (Expenses)	<u>102,230.93</u>		<u>102,230.93</u>
Change in Net Position	227,690.50	-55,568.35	172,122.15
Total Net Position—Beginning	<u>310,668.31</u>	<u>128,750.21</u>	<u>439,418.52</u>
<b>Total Net Position—Ending</b>	<b>\$ <u><u>538,358.81</u></u> \$</b>	<b><u><u>73,181.86</u></u></b>	<b><u><u>611,540.67</u></u></b>

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

**WESTFIELD SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>FOOD SERVICE</u>	<u>WRAP PROGRAM</u>	<u>TOTALS</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from Customers	\$ 1,320,221.26	\$ 485,683.00	\$ 1,805,904.26
Payments to Suppliers	(1,134,078.34)	(485,985.93)	(1,620,064.27)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b><u>186,142.92</u></b>	<b><u>(302.93)</u></b>	<b><u>185,839.99</u></b>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Federal, State, and Local Sources	63,510.98		63,510.98
Net Cash Provided by (Used for) Non-capital Financing Activities	63,510.98		63,510.98
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest on Deposits	2,699.83		2,699.83
Net Cash Provided by (used for) Investing Activities	2,699.83		2,699.83
Net Increase (Decrease) in Cash and Cash Equivalents	252,353.73	(302.93)	252,050.80
Balances—Beginning of Year	378,919.22	179,669.79	558,589.01
<b>Balances—End of Year</b>	<b><u>\$ 631,272.95</u></b>	<b><u>\$ 179,366.86</u></b>	<b><u>\$ 810,639.81</u></b>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 125,459.57	\$ (55,568.35)	\$ 69,891.22
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation and Net Amortization	6,339.00		6,339.00
Federal Commodities	36,020.12		36,020.12
(Increase) Decrease in Accounts Receivable	(412.01)		(412.01)
(Increase) Decrease in Interfund Loans	(4,117.14)		(4,117.14)
(Increase) Decrease in Inventories	12,405.64		12,405.64
Increase (Decrease) in Deferred Revenue	6,050.33	55,680.00	61,730.33
Increase (Decrease) in Accounts Payable	4,397.41	(414.58)	3,982.83
Total Adjustments	<u>60,683.35</u>	<u>55,265.42</u>	<u>115,948.77</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b><u>\$ 186,142.92</u></b>	<b><u>\$ (302.93)</u></b>	<b><u>\$ 185,839.99</u></b>

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



## **FIDUCIARY FUNDS**

**WESTFIELD SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>AGENCY FUND</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ <u>207,147.54</u>	\$ <u>1,103,622.61</u>
<b>Total Assets</b>	<b>\$ <u>207,147.54</u></b>	<b>\$ <u>1,103,622.61</u></b>
<b>LIABILITIES</b>		
Payable to Student Groups	\$	\$ 590,829.80
Accounts Payable/Payroll Deductions and Withholdings	<u>60,000.00</u>	<u>512,792.81</u>
<b>Total Liabilities</b>	<b><u>60,000.00</u></b>	<b><u>1,103,622.61</u></b>
<b>NET POSITION</b>		
Held in Trust for Unemployment Claims and Other Purposes	<b>\$ <u>177,147.54</u></b>	

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

**WESTFIELD SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS</b>	
Contributions:	
Dedicated Payroll Withholdings	\$ 145,782.79
Board Contributioun	<u>75,000.00</u>
Total Contributions	<u>220,782.79</u>
Investment Earnings:	
Interest on Deposits	<u>510.31</u>
Net Investment Earnings	<u>510.31</u>
Total Additions	<u>221,293.10</u>
<b>DEDUCTIONS</b>	
Due to Taxing and Other Agencies Quarterly Contribution Reports	<u>153,806.93</u>
Total Deductions	<u>153,806.93</u>
Change in Net Position	<u>67,486.17</u>
Net Position - Beginning of the Year	<u>109,661.37</u>
<b>Net Position - End of the Year</b>	<b>\$ <u><u>177,147.54</u></u></b>

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

**WESTFIELD SCHOOL DISTRICT**  
**COUNTY OF UNION, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

**A. Description of Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) of the Board of Education (Board) of the Westfield School District (District) report information on all of the nonfiduciary activities of the primary government only. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The District is not financially accountable for any legally separate component units, and no component units have been included in the government-wide financial statements.

The more significant of the Board's accounting policies are described below.

**B. Reporting Entity:**

The Westfield School District is a Type II district located in the County of Union, State of New Jersey, serving students domiciled in the Town of Westfield. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to staggered three-year terms. The purpose of the district is to educate students in grades K-12. The Westfield School District had an approximate enrollment at June 30, 2016 of 6,245 students.

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. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**C. Basis of Presentation – Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column. Any remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

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.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. State Aid in the form of Economic Development Authority Grants under EFCFA are also financial resources of this fund

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

The District reports the following proprietary funds:

**Food Service Fund** – The Food Service Enterprise Fund is used to account fore the activities of the cafeteria operations of the District. The Food Service Fund is considered a major fund of the District.

**WRAP Program Fund** – The WRAP Program Enterprise Fund is used to account for the activities of the program's operations within the District.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### D. Basis of Presentation - Fund Financial Statements (Cont'd)

The District also reports the following fiduciary fund types:

**Agency Fund** – The Agency Fund is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

**Employee Benefit Trust (Unemployment Insurance)** – Employee Benefit Trust should be used to report resources that are required to be held in trust for members and beneficiaries of employee benefit plans.

During the course of its normal operations, the District will have activity between funds (interfund activity) for various purposes. Any residual interfund balances at year end are reported as interfund accounts receivable/payable. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included within governmental activities (the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, any interfund balances between business-type (enterprise) funds are eliminated so that only the net amount is included as internal balances in the business-type activities columns.

Further, interfund activity may occur during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. In the preparation of the government-wide financial statements, transfers between funds included as governmental activities are eliminated so that only net amounts of resources transferred from or to the governmental activities are reported. A similar treatment is afforded transfers of resources between enterprise funds for the preparation of business-type activity financial statements.

#### E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting refers to the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the fiscal period that the taxes are levied by the municipality(s) within which the District is domiciled. Ad Valorem (Property) Taxes are susceptible to accrual and 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 recognizes the entire approved tax levy as revenue in the fiscal period for which they were levied. The District is entitled to receive moneys under an established payment schedule and any unpaid amount is considered to be an "accounts receivable". Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. State categorical aid revenues are recognized as District revenue during the fiscal period in which they are appropriated.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Measurement Focus and Basis of Accounting (Cont'd)**

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it becomes 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. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual basis accounting. Exceptions to this general rule include debt service, for which interest and principal expenditures in the Debt Service Fund are recognized on their due dates, and expenditures relating to compensated absences, claims and judgments, which are recorded in the period when payment becomes due. General capital asset acquisitions are recorded as expenditures in the governmental funds and are not capitalized. The issuance of long-term debt for capital purposes and capital lease obligations incurred to acquire general capital assets are reported as "other financing sources".

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. Entitlements are recorded as revenue when all eligibility requirements, including timing of funding appropriations, are met, subject to the 60-day availability requirement for collection. Interest and tuition revenues are considered susceptible to accrual and have been recognized as revenues of the current fiscal period, subject to availability. Expenditure driven grant revenues are recorded as qualifying expenditures are incurred and all other eligibility requirements have been met, subject to availability requirements. All other revenue items are considered measurable and available only when cash is received by the District.

The District's proprietary funds, employee benefit trust fund and private purpose scholarship trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

**F. Budgets/Budgetary Control**

Annual budgets are adopted for the general, special revenue and debt service funds using a regulatory basis of accounting which differs from generally accepted accounting principles in one material respect; Budgetary revenues for certain nonexchange state aid transactions are recognized for budgetary purposes in the fiscal period prior to the period in which the state recognizes expenditures/expenses.

The amounts of the adjustments needed to reconcile the budgetary basis to the GAAP based fund financial statements is set forth in the explanation of differences schedules which follow.

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 for approval. Pursuant to changes in the Local District School Budget Law, statutorily conforming base budgets of Districts with annual school elections held in November (The District has chosen this option) are no longer required to be presented to the voters for approval 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. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. New Jersey statutes place limits on the Board's ability to increase budgeted expenditures through the appropriation of previously undesignated fund balance and requires the District to obtain additional approvals when budgetary transfers, measured using the advertised budgetary account totals rather than line-item totals, exceed certain thresholds.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### F. Budgets/Budgetary Control (Cont'd)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and 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.

Appropriations in the general and debt service funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances, for which the contracted performance is expected during the subsequent budget cycle, are legally restricted at year-end and are automatically re-appropriated and become part of the subsequent years' budget pursuant to state regulations.

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 statements.

The following presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules – General and Special Revenue Funds to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.

Explanation of differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$108,148,846.37	\$2,036,504.86
Difference- budget to GAAP:		
1. Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and revenues (Net)	0.00	(62,841.20)
2. Certain State Aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	(1,502,545.00)	0.00
3. State Aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	<u>1,551,703.00</u>	<u>0.00</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance – governmental funds.	<u>\$108,198,004.37</u>	<u>\$1,973,663.66</u>



**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**F. Budgets/Budgetary Control (Cont'd)**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of resources		
Actual amounts (budgetary basis) "total outflows"		
From the budgetary comparison schedule	\$108,839,206.60	\$2,036,504.86
Difference- budget to GAAP:		
Encumbrances for supplies and equipment ordered but not yet are reported in the year the encumbrance is placed for budgetary purposes, but in the year the goods are received for financial reporting purposes (Net)	<u>0.00</u>	<u>(62,841.20)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds.	<u>\$103,839,206.60</u>	<u>\$1,973,663.66</u>

**G. Encumbrances:**

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.

**H. Cash, Cash Equivalents and Investments:**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with maturities of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

Additionally, the District has adopted a cash management plan that 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.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****H. Cash, Cash Equivalents and Investments (Cont'd):**

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. GUDPA was amended, effective July 1, 2010, by P.L. 2009, c. 326. The amendments provide a greater level of security protection for covered deposits by increasing collateralization requirements and revising the enforcement protocol to allow for timely response in the event that a member bank shows signs of stress.

Under the new law, collateralization of GUDPA deposits up to 75% of New Jersey capital is based on a sliding scale that requires the minimum of 5% collateral for Well Capitalized institutions to a maximum of 120% collateral for Critically Undercapitalized institutions. All uninsured GUDPA deposits in excess of 75% of New Jersey capital require 100% collateral. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**I. Tuition Revenue**

Tuition revenues for the fiscal year 2015-2016 were based on contractual per pupil rates established by and between the sending and receiving districts. These rates are not subject to change except through amendatory contracts.

**J. Inventories and Prepaid Expenses:**

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditure during the year of purchase.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The cost of such inventories is recorded as expenses when consumed rather than when purchased

Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

**K. Short-Term Interfund Receivables/Payables:**

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

**L. Capital Assets:**

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$2,000 or more for capitalizing capital assets. The system for accumulation of fixed assets cost data does not provide the means for determining the percentage of assets valued at actual and those valued at estimated cost.

Capital assets are recorded in the District-wide financial statement, but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes.

NOTES TO FINANCIAL STATEMENTS

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**L. Capital Assets (Cont'd):**

Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

Capital assets not being depreciated include land and construction in progress.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund:	
Equipment	5-20 Years

**M. Compensated Absences:**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued in the government-wide financial statements as the employees earn the rights to the benefits. Compensated absences that related to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place. The School District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences".

In the governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as a fund liability and expenditure in the fund that will pay for the compensated absence. The noncurrent portion for governmental funds is maintained separately and is a reconciling item between the fund and government-wide presentations.

The District's compensated absences was recorded in the amount of \$792,881 as at June 30, 2016 to conform with the financial procedures regarding the calculation of compensated absences.

Based upon existing personnel policies and collective bargaining agreements, employees are granted varying amounts of annual sick, personal and vacation leave. Sick leave may be accumulated for use in subsequent years and the right to a termination payment begins to vest with the employee after 10 years of service. Termination payments for unused sick pay are capped at by bargaining unit. Accumulations of unused sick leave may be used only for illnesses in subsequent periods. The accumulation of unused vacation pay is limited by the provisions of existing personnel policies and collective bargaining agreements. Unused vacation pay is paid to employees upon separation from service at current daily pay rates. Changes in the value of compensated absences earned and unused is more fully detailed in Note 4.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### **N. Deferred Outflows/Inflows of Resources:**

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recorded as an outflow of resources (expenditure/expense) until that time. The District is reporting three items in this category; The Deferred Amount on Refunding, and Pension related items including the Change in Pension Assumptions and the amounts of pension payments made by the District subsequent to the pension measurement date. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding bonds. Deferred Outflows for Changes in Pension Assumptions future outflows of resources resulting from changes in actuarial assumptions used in the valuation of the pension liability. Deferred outflows for Subsequent pension payments reflects payments made by the District to the pension system subsequent to the date of the most recent actuarial valuation, which was June 30, 2015.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element represents the acquisition of net position that applies to a future period(s) and will not be recorded as an inflow of resources (revenue) until that time. The District is reporting two pension related items in this category, the Difference in Pension Earnings and the Change in Pension Proportion. The former represents the District's proportionate share of plan earnings in excess of assumed amounts, while the latter represents the favorable impact of a decline in the District's proportionate share of system wide net pension liability.

#### **O. 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 position of the New Jersey Public Employees Retirement System (PERS) and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, 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.

#### **P. Unearned Revenue/Advances from Grantors:**

Unearned revenue represents cash advances received relating to services (expenditures/expenses) that will be provided in a subsequent fiscal period. Similarly, for expenditure-driven grants, amounts advanced to the District in excess of the amounts expended and earned are recorded as advances from grantors.

#### **Q. Net Position Flow Assumption (District-Wide and Proprietary Fund Financial Statements)**

Periodically, the District may fund outlays for a particular purpose from both restricted resources, such as bond referendum proceeds and/or grant proceeds, and unrestricted resources. To determine the amounts of net position- restricted and unrestricted that should be reported in the government-wide and proprietary fund financial statements, a flow assumption must be made to establish the order in which resources are considered to be applied.. In the absence of specific grant compliance requirements to the contrary, the District policy is to utilize all amounts of available restricted net position prior to applying unrestricted net position to fund acquisition costs.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **R. Fund Balance Flow Assumption (Governmental Fund Financial Statements)**

Periodically, the District may fund outlays for a particular purpose from both restricted resources and unrestricted resources (the total of the committed, assigned and unassigned fund balance). To determine the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made to establish the order in which resources are considered to be applied. In the absence of specific grant compliance requirements to the contrary, the District policy is to utilize all amounts of available restricted fund balance prior to applying any component of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance, with unassigned fund balance applied last.

#### **S. Fund Balance Policies:**

Fund balance of the governmental funds is reported in various categories based upon the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through actions to transfer amounts to legally restricted reserve accounts (capital, maintenance and emergency reserves), or actions to commit or assign fund balance.

The committed fund balance includes amounts that can only be used for the specific purposes determined by a formal action of the Board of Education. Commitments of fund balance remain in place until the committed fund balance is fully depleted or an amendatory action is taken by the Board of Education.

Assignments of fund balance are made by the Board of Education for specific purposes that do not meet the criteria to be classified as committed. The Board of education also assigns fund balance when it appropriates unrestricted/unassigned fund balance to bridge a gap between estimated revenue and appropriations in the subsequent year budget. Unlike commitments, assignments are generally temporary in nature, and additional actions of the Board are generally not required to remove an assignment, whereas an action of the Board is essential to the modification or elimination of an unexpended committed fund balance.

#### **T. District-Wide Financial Statement Classifications**

1. Program Revenues – Amounts reported as program revenues include a) charges to customers or applicants who purchase, use or benefit from goods services or privileges provided by a given function or segment and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.
2. General Revenues – all taxes, including those designated for specific purposes such as debt service, are reported as general revenues. All other resources, including internally dedicated resources, unrestricted entitlements, and investment income are reported as general revenues.
3. Capital Assets – In the statement of net position, capital assets are reported, net of accumulated depreciation as assets of the governmental activities and business-type activities.
4. Long-term Debt - In the statement of net position, long-term debt is reported as a component of long-term liabilities of the governmental activities and business-type activities.
5. Net Investment in Fixed Assets – In the statement of Net Position, the net undepreciated value of capital assets, less the value of outstanding debt issued to purchase acquire or build those capital assets, is reported as Net Investment in Fixed assets as a component of net position for the governmental activities and business-type activities.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### U. Proprietary Fund Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and products in connection with the primary purpose or function for which the fund was established. The District's Food Service proprietary fund reports operating revenues from the sales of lunches and a la carte items, and operating expenses include the costs of sales (food, supplies and labor), administrative costs and depreciation on capital assets. Revenues earned through the District's participation in the National School Lunch Program are classified as nonoperating revenues, notwithstanding the limitations on the pricing of Type A student lunches that is required for program participation.

#### V. Reconciliation of District-Wide and Fund Financial Statements

I. Differences between governmental fund balance sheet and District-wide statement of net position:

<b>Total Governmental Fund Balance (B-1)</b>	<b>\$ 9,081,745.79</b>
<u>Adjustments to District-Wide Net Position:</u>	
Capital Assets (see Note 3)	41,543,502.00
Long-Term Liabilities (see Note 4)	(24,714,8810.00)
Net Pension Liability	(28,988,359.00)
Other Items not recognized in Fund Financial Statements:	
Deferred Outflows of financial Resources	5,407,257.00
Deferred Inflows of Financial Resources	(466,077.00)
Accrued Interest on Long-term Debt	(341,441.29)
Unamortized Discounts Received on Bond Sales	66,648.90
Unamortized Premiums Received on Bond Sales	(765,192.52)
Unamortized Deferred Amounts from Refunding	<u>418,827.97</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 1,332,030.85</u></b>

II. Differences between governmental fund statement of revenues, expenditures and changes in fund balances and District-wide statement of activities:

<b>Total Net Change Governmental Fund Balance (B-2)</b>	<b>\$ 2,540,753.39</b>
<u>Adjustments to District-Wide Net Position:</u>	
Capital Outlays, net of depreciation	1,472,603.00
Repayment of Long-Term Liabilities (see Note 4)	2,585,000.00
Decrease in Value of Compensated Absences	(24,923.00)
Interest on Long-term Debt (Accrual Basis for District-Wide)	(33,313.38)
Net Increase in Pension Expense	(1,143,072.00)
Amortization Expenses & Increases - Net	<u>(80,390.79)</u>
<b>Change In Net Position of Governmental Activities</b>	<b><u>\$ 5,316,657.22</u></b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### W. Estimates

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

### NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

State statutes set forth deposit requirements and investments that may be purchased by local units and the District deposits and invests its funds pursuant to statutory requirements, its policies and an adopted cash management plan.

#### Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey that are insured by the Federal Deposit Insurance Corporation (FDIC), New Jersey's Governmental Unit Deposit Protection Act, by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. The New Jersey Governmental Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain collateral in the amount of 5% of the average public deposits and deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000.00 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:941, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums.

Based upon GASB criteria, the District considers cash and cash equivalents to include petty cash, change funds, demand deposits, money market accounts and short-term investments and are either any direct and general obligation of the United States of America or certificates of deposit issued by any bank, savings and bank or national banking association if qualified to serve as a depository for public funds under the provisions of the Governmental Unit Depository Protection Act.

The Town of Westfield Board of Education had the following depository accounts. All deposits are carried at cost plus accrued interest. The government does not have a deposit policy.

<u>Depository Account</u>	<u>Bank Balance</u>
Insured--FDIC	\$ 627,637.27
Insured—NJGUDPA (N.J.S.A. 17:941)	<u>14,244,230.46</u>
Total	\$ <u>14,871,867.73</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the board's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2016, based upon the insured balances as provided by FDIC and NJGUDPA coverage, none of the Board's bank balance of \$14,871,867.73 was considered exposed to custodial risk. (See Note 1-H relating to statutory mitigations of custodial risk in the event of a bank failure.)

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CON'D)

**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 indicated above, the District had \$80,903.97 on deposit with the New Jersey Cash Management Fund at June 30, 2016.



NOTES TO FINANCIAL STATEMENTS

**NOTE 3 - DISCLOSURE OF INFORMATION ABOUT CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016 was as follows:

	<b>Restated Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 4,488,200.00	\$	\$	\$ 4,488,200.00
Construction in Progress	<u>1,808,507.00</u>	<u>1,020,839.00</u>	<u>                    </u>	<u>2,829,346.00</u>
Total Capital Assets Not Being Depreciated	<u>6,296,707.00</u>	<u>1,020,839.00</u>	<u>                    </u>	<u>7,317,546.00</u>
Building and Building Improvements	60,204,836.00	1,543,179.00	<u>                    </u>	61,748,015.00
Machinery, Equipment, Furniture & Vehicles	<u>12,615,999.00</u>	<u>679,830.00</u>	<u>                    </u>	<u>13,295,829.00</u>
Totals at Historical Cost	<u>72,820,835.00</u>	<u>2,223,009.00</u>	<u>                    </u>	<u>75,043,844.00</u>
Less Accumulated Depreciation For:				
Building and Building Improvements	(27,590,926.00)	(1,602,422.00)	<u>                    </u>	(29,193,276.00)
Equipment, Furniture, and Vehicles	<u>(11,455,717.00)</u>	<u>(168,823.00)</u>	<u>                    </u>	<u>(11,624,612.00)</u>
Total Accumulated Depreciation	<u>(39,046,643.00)</u>	<u>(1,771,245.00)</u>	<u>                    </u>	<u>(40,817,888.00)</u>
<b>Government Activities Capital Assets, Net</b>	<b>\$ <u>40,070,899.00</u></b>	<b>\$ <u>1,472,603.00</u></b>	<b>\$ <u>                    </u></b>	<b>\$ <u>41,543,502.00</u></b>
<b>Business-type Activities</b>				
Equipment	428,577.00	<u>                    </u>	<u>                    </u>	428,577.00
Less Accumulated Depreciation for:				
Equipment	<u>(403,961.00)</u>	<u>(6,339.00)</u>	<u>                    </u>	<u>(410,300.00)</u>
<b>Business-type Activities Capital Assets, Net</b>	<b>\$ <u>30,955.00</u></b>	<b>\$ <u>(6,339.00)</u></b>	<b>\$ <u>                    </u></b>	<b>\$ <u>18,277.00</u></b>

\* Depreciation expense was charged to governmental functions as follows:

Unallocated	\$ <u>1,771,245.00</u>
Total depreciation expense	\$ <u>1,771,245.00</u>

**NOTE 4 - DISCLOSURE OF INFORMATION ABOUT LONG TERM LIABILITIES**

Long-term debt liability activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Debt	\$ 26,507,000.00	\$ _____	\$ 2,585,000.00	\$ 23,922,000.00	\$ 2,750,000.00
Total Bonds Payable	<u>26,507,000.00</u>	<u>-</u>	<u>2,585,000.00</u>	<u>23,922,000.00</u>	<u>2,750,000.00</u>
Other Liabilities:					
Compensated Absences Payable	<u>767,858.00</u>	<u>25,023.00</u>	<u>_____</u>	<u>792,881.00</u>	<u>_____</u>
Total Other Liabilities	<u>767,858.00</u>	<u>25,023.00</u>	<u>-</u>	<u>792,881.00</u>	<u>_____</u>
Net Pension Liability (PERS)	<u>23,355,249.00</u>	<u>5,633,110.00</u>	<u>_____</u>	<u>28,988,359.00</u>	<u>_____</u>
<b>Total Liabilities</b>	<b>\$ <u>50,630,107.00</u></b>	<b>\$ <u>5,658,133.00</u></b>	<b>\$ <u>2,585,000.00</u></b>	<b>\$ <u>53,703,240.00</u></b>	<b>\$ <u>2,750,000.00</u></b>

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

Principal and interest due on bonds outstanding is as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 2,750,000	\$ 734,653	\$ 3,484,653
2018	2,816,000	644,070	3,460,070
2019	2,910,000	547,738	3,457,738
2020	3,005,000	445,738	3,450,738
2021	2,206,000	362,523	2,568,523
2022	2,210,000	294,570	2,504,570
2023	1,400,000	236,558	1,636,558
2024	1,425,000	192,370	1,617,370
2025	1,450,000	145,376	1,595,376
2026	1,100,000	101,820	1,201,820
2027	1,100,000	62,420	1,162,420
2028	1,090,000	28,260	1,118,260
2029	<u>460,000</u>	<u>6,900</u>	<u>466,900</u>
<b>Totals</b>	<b>\$ <u>23,922,000</u></b>	<b>\$ <u>3,802,994</u></b>	<b>\$ <u>27,724,994</u></b>

B. Bonds Authorized But Not Issued

For the school year ended June 30, 2016, the District had authorized but not issued bonds in the amount of \$3,484,000, as a result of the total amount approved by the voters at a special election held December 2012 that have not been financed through the issuance of bonds.

School Bonds have been authorized by majority of legal voters at the school district election held on January 26, 2016 and by resolution of the Board of Education on June 14, 2016 in the amount of \$12,600,000.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. PENSION PLANS

**Description of Plans** – The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan’s designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the Public Employees Retirement System (PERS) and the Teachers Pension and Annuity Fund (TPAF), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions.

However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions), or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

#### A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

The Public Employee Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

*Plan Membership and Contributing Employers-* Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction’s pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2015:

Inactive plan members or beneficiaries currently receiving benefits	166,637
Inactive plan members entitled to but not yet receiving benefits	703
Active plan members	<u>259,161</u>
Total	<u>426,501</u>

Contributing Employers – 1,710.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. PENSION PLANS (CONT'D)

#### Description of Plans (Cont'd)

##### A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D)

###### Significant Legislation

Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer 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 PERS, 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. Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

For the year ended June 30, 2016 the Board's total payroll for all employees was \$58,327,490. Total PERS covered payroll was \$8,296,182. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan.

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.92% in State fiscal year 2015. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. Employers contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The School Board's cash basis contributions to the Plan for the years ended June 30, 2015 and 2016 were \$224,096 and \$238,896, respectively. School Board Contributions are due and payable in the fiscal period subsequent to the plan year for which the contributions requirements were calculated.

The vesting and benefit provisions are set by N.J.S.A. 43:15. 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:

<u>Tier</u>	<u>Definition</u>
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 8, 2008
3	Members who were eligible 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

**NOTE 5. PENSION PLANS (CONT'D)**

**Description of Plans (Cont'd)**

**A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D)**

A service retirement benefit of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 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 tier 1 and 2 members before reaching age 60, to tier 3 and 4 members before age 62 with 25 or more years of service credit and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with his/her 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.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – At June 30, 2016, the School Board reported a liability of \$28,988,359 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 that date. The Board's proportion of the net pension liability was based on a projection of the Boards long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2015, the Boards proportion was 0.1291356205%, which was an increase of 0.0043928995% from its proportion measure as of June 30, 2014.

For the year ended June 30, 2016, the Board recognized pension expenses of \$1,143,072. At June 30, 2016 the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Changes in assumptions	\$3,113,118	\$
Net difference between projected and actual earnings on Plan investments		466,077
Difference Expected vs. Actual	691,500	
Board contributions and proportionate share of contributions	1,602,579	
Board contributions subsequent to the measurement date	<u>1,166,083</u>	
Total	<u>\$5,882,471.50</u>	<u>\$466,077</u>

The \$ 1,166,083 of deferred outflows of resources resulting from the Boards contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending June 30,	
2017	\$(7,809.06)
2018	\$(7,809.06)
2019	\$(7,809.06)
2020	\$(7,809.06)
2021	\$(7,809.06)
Thereafter	\$(412,096.70)

NOTES TO FINANCIAL STATEMENTS

**NOTE 5. PENSION PLANS (CONT'D)**

**Description of Plans (Cont'd)**

**A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D)**

*Actuarial Assumptions-* The collective total pension liability in the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

Inflation	3.04%
Salary Increases (2012-2021)	2.15-4.40% Based on age
Thereafter	3.15-5.40% Based on age
Investment rate of return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on the future PERS financial statements.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

*Discount Rate* – The discount rate used to measure the pension liabilities of PERS was 4.90%

**NOTE 5. PENSION PLANS (CONT'D):**

**Description of Plans (Cont'd)**

**A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D)**

*Sensitivity of Net Pension Liability* – the following presents the net pension liability of PERS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	<u>At 1% Decrease</u>	<u>At current discount rate</u>	<u>At 1% increase</u>
PERS			
State of New Jersey	\$27,802,122,942	\$23,722,135,537	\$20,314,768,782
Local Units	<u>27,900,112,533</u>	<u>22,447,996,119</u>	<u>17,876,981,108</u>
	<u>\$55,702,235,475</u>	<u>\$46,170,131,656</u>	<u>\$38,191,749,890</u>

*Plan Fiduciary Net Position* – The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2015 was \$28,553,566,906 and net pension liability was \$ 74,723,698,562, resulting in a Net Pension liability in the amount of \$46,170,161,656 (State - \$23,722,135,537, Local - \$22,447,996,119).

**B. TEACHERS PENSION AND ANNUITY FUND**

The Teachers Pension and Annuity Fund is a cost-sharing, multiple employer defined benefit pension plan with a special funding situation as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the TPAF Plan are as follows:

*Plan Membership and Contributing Employers*- Substantially all teachers or members of the professional staff of Local Education Agencies that are certified by the State Board of Examiners, and Employees of the Department of Education who have titles that are unclassified, professional and certified are enrolled in the TPAF. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2015:

Inactive plan members or beneficiaries currently receiving benefits	98,230
Inactive plan members entitled to but not yet receiving benefits	210
Active plan members	<u>153,452</u>
Total	<u>251,892</u>

In addition to the State, who is the sole payer of regular employer contributions to the fund, TPAF's contributing employers include boards of education who elected to participate in the Early Retirement Incentive Program (ERIP) and are legally responsible to continue to pay towards their incurred liability. The current number of ERIP Contributing Employers is 26.

*Significant Legislation* – Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of TPAF.

*Covered Payroll* - For the year ended June 30, 2016 the Board's total payroll for all employees was \$58,327,490. Total TPAF covered payroll was \$46,438,429. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan.

**NOTE 5. PENSION PLANS (CONT'D):**

**B. TEACHERS PENSION AND ANNUITY FUND (CONT'D)**

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.92% in State fiscal year 2015. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State of New Jersey contribution amount is based on an actuarially determined amount which includes the employer portion of normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory insurance is based on actual claims paid and a “pay-as-you-go” basis.

The vesting and benefit provisions 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 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.

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
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 8, 2008
3	Members who were eligible 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 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 before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of 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.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The State of New Jersey is solely responsible for funding the normal pension obligations of the TPAF, including 100% of the obligations of LEAs within the State. Accordingly, the District does not report TPAF pension liabilities or deferred inflows and outflows of financial resources in its financial statements. Payments made by the State to the TPAF “on-behalf” of the LEAs are reported to the LEAs and reported as TPAF pension expenditures/expenses as made.

**Three-Year Trend Information for TPAF (Paid on-behalf of the District, excluding post-retirement medical benefits which are reported in Note 6)**

<u>Year</u> <u>Funding</u>		<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>		<u>Net Local</u> <u>Pension</u> <u>Obligation</u>
6/30/16	\$	3,595,667	Unknown %	\$	0
6/30/15		2,470,489	Unknown %		0
6/30/14		1,905,150	Unknown %		0



**NOTE 5. PENSION PLANS (CONT'D):**

**B. TEACHERS PENSION AND ANNUITY FUND (CONT'D)**

At June 30, 2015, the TPAF reported a net pension liability of \$63,204,270,305 for its Non-State Employer Member Group. The proportionate share of the State of New Jersey's the net pension liability for the Non-State Employer Member Group that is attributable to the District was \$174,034,492, or 0.275%.

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015.

*Actuarial Assumptions-* The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation		2.50%
Salary Increases (2012-2021)	Varies based on experience	
Thereafter	Varies based on experience	
Investment rate of return		7.90%

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Cash	5.00%	0.53%
U.S. Government Bonds	1.75%	1.39%
U.S. Credit Bonds	13.50%	2.72%
U.S. Mortgages	2.10%	2.54%
U.S. High Yield Bonds	2.00%	4.57%
U.S. Inflation-Indexed Bonds	1.50%	1.47%
U.S. Equities	27.25%	5.63%
Developed Foreign Equities	12.00%	6.22%
Emerging Market Equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. PENSION PLANS (CONT'D):

#### B. TEACHERS PENSION AND ANNUITY FUND (CONT'D)

*Discount Rate* – The discount rate used to measure the pension liabilities of TPAF was 4.13% as of June 30, 2015.

*Sensitivity of Net Pension Liability* – the following presents the net pension liability of TPAF calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	<u>At 1% Decrease</u>	<u>At current discount rate</u>	<u>At 1% increase</u>
TPAF	\$75,559,915,440	\$63,577,864,440	\$53,254,610,440

*Plan Fiduciary Net Position* – The plan fiduciary net position for TPAF at June 30, 2015 was \$25,604,797,560, and the total net pension liability in the amount of \$89,182,662,000, resulting in a net pension liability of \$63,577,864,440.

#### C: DEFINED CONTRIBUTION RETIREMENT PLAN

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

*Plan Membership and Contributing Employers*- Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in TPAF or PERS on or after July 1, 2007, 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 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 tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. At June 30, 2015, the membership in the DCRP, based on the information within the Division’s database, was 36,808.

*Contribution Requirement and Benefit Provisions* - State and local government employers contribute 3% of the employees base salary. Active members contribute 5.5% of base salary.

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 non forfeitable. A participant’s interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non forfeitable 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.

For the year ended June 30, 2016 the Board’s total payroll for all employees was \$58,327,490. Total DCRP covered payroll was \$1,242,166.93. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan. Board and employee contributions to the DCRP for the year ended June 30, 2016 were \$43,475.84 and \$89,814.33, respectively.

**NOTE 6. POST-EMPLOYMENT BENEFITS**

The State of New Jersey sponsors and administers the post-employment health benefits program for school districts. Coverage is provided at no cost to members of the TPAF who retire after accumulating 25 years of credited service or on a disability retirement. The State is also responsible for the costs attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Pursuant to P.L 2007, c.103, separate funds outside the pension plans were established for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees.

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 Division of Pensions and Benefits issues a publicly available financial report that includes the financial statements and required supplementary information for the SEHBP. This report may be accessed via the Division of Pensions and Benefits website, at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions), or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

P.L. 1987, c.384 and P.L. 1990, c.6 required the TPAF and 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 the pension plans, but under the umbrella of the New Jersey Division of Pensions and Benefits, for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees.

At June 30, 2015, there were approximately 107,314 retirees receiving State paid post retirement health benefits (an increase of 3,882 from the prior period), and the State contributed \$1.25 billion (an increase of \$0.21 billion) on their behalf. The cost of these benefits is funded through contributions by the state in accordance with P.L. 1994, c.62. Funding of post retirement medical benefits was changed from a pre-funding basis to a pay-as-you-go basis in Fiscal Year 1994.

The State is also responsible for the costs attributable to Chapter 126, P.L. 1992, which provides health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service at no cost to the member. The State paid \$214.1 million (an increase of \$48.3 million from Fiscal Year 2014) toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The State's contributions to the Health Benefits Program Fund on-behalf of the District for retiree health benefits, for the last three years, is as follows:

<b><u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u></b>				
<b><u>Year</u></b>		<b><u>Annual Post Retirement Medical Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
6/30/16	\$	4,281,446	100 %	\$ -0-
6/30/15		3,921,904	100	-0-
6/30/14		3,123,731	100	-0-

The amounts of State contributions to the Health Benefits Program Fund on-behalf of the District for PERS retiree health benefits has not been made available.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 7. OPERATING LEASES**

The District reported the following lease purchase agreement payment for the acquisition of computer equipment and networking as at June 30, 2016, as follows:

<u>June 30</u>	<u>Amount</u>
2017	\$563,176.51
2018	<u>193,666.67</u>
Total	<u>\$756,843.18</u>

### **NOTE 8. COMPENSATED ABSENCES**

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and accumulate for use in future years. Upon the attainment of specified years of service or upon reaching normal retirement age, employees become eligible to receive compensation for unused accumulated sick leave. The specific terms for eligibility and compensation are governed by the various collective bargaining agreements and employment contracts.

In the district-wide Statement of Net Assets, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. The District has contracted with a private management company to provide food services. Personnel involved in cafeteria operations are employees of the management company and, accordingly, the District has no liability for vested compensated absences in its proprietary fund.

Statement No. 16 of the Governmental Accounting Standards Board (GASB 16) establishes the specific standards for the recognition of liabilities for compensated absences. GASB 16 establishes the following recognition and measurement criteria:

Vacation Leave - Vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered, and
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

The above criteria were utilized by the Board in the determination of the reported liability for compensated absences relating to vacation leave.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 8. COMPENSATED ABSENCES (CONT'D)**

Sick Leave - A liability should be accrued for sick leave and other compensated absences with similar characteristics using one of the following termination approaches:

- a. A liability should be accrued as the benefits are earned by employees if it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' termination or retirement (the Termination Payment Method), or
- b. A liability should be accrued based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments, as well as other employees who are expected to become eligible in the future to receive such payments (the Vesting Method).

Under either of the above methods, payment "caps" or reduced pay rates would be factored into the liability calculation.

The amount of \$792,881 presented in the District-wide financial statements as compensated absences payable reflects accruals utilizing the Vesting Method and includes amounts for each employee eligible for a termination payment currently and those who will become eligible within the next five years. Employees who separate from service prior to attaining eligibility are not entitled to termination payments. Accrued vacations are negligible and were not included in calculations of the total value of compensated absences payable.

### **NOTE 9. DEFERRED COMPENSATION**

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by third parties who are authorized by the Board and selected by each participant individually, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

### **NOTE 10. 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 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. During the school year ended June 30, 2016, the District continued to transfer all insurable risks through the purchase of commercial insurance policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage during each of the past three fiscal years. During the year ended June 30, 2016, there were no significant reductions in coverages from those provided in the previous year.

**Employee Health Benefit/Prescription** - During the school year ended June 30, 2016, the District implemented a self-insurance program for health and prescription coverage's. For the year ended June 30, 2016, the Board has incurred cost totaling \$10,936,482.23 for health and prescription benefits for all employees. In addition, the Board has provided for IBNR as calculated in the amount of \$762,800 for the year ended June 30, 2016.

In addition, the District reports cash held by the fiscal agent in the amount of \$84,337.77 as at June 30, 2016.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11. NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE**

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

Due to legal restrictions imposed by the State of New Jersey on the accumulated balance in the District's Unemployment Compensation Insurance Fund, the District has elected to treat this fund as an expendable trust fund for the purpose of financial reporting. Information relating to this fund for the years ended June 30, 2016 and the previous two years is as follows:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-2016	\$75,000.00	\$145,782.79	\$153,806.93	\$177,147.54
2014-2015	95,381.00	148,571.51	202,293.07	109,661.37
2013-2014	20,000.00	108,062.66	176,795.51	67,734.80

**NOTE 12. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2016:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 930,989.11	\$ 8,982.83
Food Service Fund	8,982.83	
Capital Projects Fund	8,010.68	938,999.79
<b>Total</b>	<b>\$ 947,982.62</b>	<b>\$ 947,982.62</b>

**NOTE 13. FUND BALANCE APPROPRIATED**

**General Fund (Exhibit B-1)** - Of the \$10,205,015.83 General Fund fund balance at June 30, 2016, \$520,250.83 is reserved for encumbrances; \$750,000.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2017; \$2,000,000.00 has been reserved as "Excess Surplus N.J.S.A. 18A:7F-7; \$614,323.07 has been reserved for the Maintenance Reserve Account; \$4,843,159.21 has been reserved for the Capital Reserve Account; \$500,000 for Emergency Reserve; and \$653,438.74 is unassigned.

**Capital Projects Fund (Exhibit B-1)** - Of the deficit amount of \$1,147,567.08 Capital Projects Fund fund balance at June 30, 2016, the entire amount of is assigned for Capital Projects Expenditures.

**Debt Service Fund (Exhibit B-1)** - Of the \$24,297.04 Debt Service Fund fund balance at June 30, 2016, the amount of \$24,297.04 is assigned for Debt Service Expenditures.

**NOTE 14. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), 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. Based upon the reduction in the maximum undesignated surplus permitted as a result of the enactment of S1701, the District had excess surplus at June 30, 2016 in the amount of \$2,000,000.00. This amount will be utilized as tax relief in the 2017-2018 school budget.

**NOTE 15. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the School District of Westfield Board of Education by inclusion of \$1.00 on October 3, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1 (d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted projects in its approved LRFP.

The activity of the capital reserve for July 1, 2015 to June 30, 2016 school year is as follows:

Beginning Balance, July 1, 2015	\$1,996,414.50
Transferred to Capital Projects	<u>(341,140.00)</u>
Deposits per Board Approval	<u>3,187,884.71</u>
Ending Balance June 30, 2016	<u>\$4,843,159.21</u>

**NOTE 16. MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account was established through a Board resolution by the School District of Westfield Board of Education in the amount of \$2,200,000.00 in the 2010-2011 school year for the accumulation of funds for the required maintenance of a facility in accordance with N.J.S.A. 18A:7G-9 as amended by P.L. 2004, c. 73 (S1701).

The activity of the maintenance reserve for July 1, 2015 to June 30, 2016 school year is as follows:

Beginning Balance, July 1, 2015	\$614,323.07
Appropriated 2015-2016	<u>(372,168.02)</u>
Deposits per Board Approval	<u>706,012.00</u>
Ending Balance June 30, 2016	<u>\$948,167.05</u>

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 17. EMERGENCY RESERVE ACCOUNT**

A maintenance reserve account was established through a Board resolution by the School District of Westfield Board of Education in the amount of \$500,000 in the 2015-2016 school year.

The activity of the emergency reserve for July 1, 2015 to June 30, 2016 school year is as follows:

Deposits per Board Approval	<u>\$500,000</u>
Ending Balance June 30, 2016	<u>\$500,000</u>

**NOTE 18. DEFICIT FUND BALANCES**

The District did not have a deficit fund balances at June 30, 2016, that would have been reported in the fund statements (modified accrual basis). P.L. 2003 c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the District is not recording the last state aid payment on the GAAP financial statements until the year the State records the payable, it is possible that a positive fund balance could be reported on a mandated budgetary basis while a deficit is reported on a GAAP basis based upon nonrecognition of revenue on the GAAP basis for the final state aid payment.

Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action.

As at June 30, 2016, the Capital Projects Fund reports a deficit in the total amount of \$(1,147,567.08). This is a direct result of Capital Project Fund expenditures prior to the issuance of permanent financing on approved projects.

**NOTE 19. RESTATEMENT OF GOVERNMENTAL ACTIVITIES NET POSITION**

A restatement of the June 30, 2015 Governmental Activities Net Position was required as follows:

Governmental Activities Net Position as Reported 6-30-15	\$(3,325,14.00)
Adjustment of Capital Assets - Depreciation	<u>(659,462.37)</u>
Governmental Activities Net Position 6-30-15 Restated	<u>\$(3,984,626.37)</u>

**NOTE 20. PENDING LITIGATION AND CONTINGENT LIABILITIES**

**PENDING LITIGATION** - At June 30, 2016, there was no litigation pending for which an unfavorable outcome with a material adverse impact on the net position of the District was anticipated.



**NOTES TO FINANCIAL STATEMENTS**

**NOTE 21. SUBSEQUENT EVENTS**

The District Authorized and Issued the following as detailed in the Official Statement dated July 13, 2016:

\$6,675,000 Refunding School Bonds, Series 2016 – The bonds were issued to refund a portion of the callable 2006 school Bonds outstanding.

The Refunding Bonds mature in amounts ranging between \$1,670,000 - \$870,000 in the years 2017 – 2021, bearing a 1.50% rate of interest.

\$12,600,000 School Bonds, Series 2016 - The bonds have been issued pursuant to a school election passed by a majority of the voters on January 26, 2016 and resolution adopted by the Board of Education on June 14, 2016.

The School Bonds mature in amounts ranging between \$500,000 - \$900,000 in the years 2017 – 2031, bearing a 2.00% rate of interest.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**PART II**

**BUDGETARY COMPARISON SCHEDULES**

**SECTION – C**

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 91,791,272.00	\$	\$ 91,791,272.00	\$ 91,791,272.00	\$
Tuition	70,000.00		70,000.00	162,071.45	92,071.45
Transportation - Other LEA's With State	10,000.00		10,000.00	30,343.62	20,343.62
Miscellaneous	400,000.00		400,000.00	649,913.78	249,913.78
<b>Total - Local Sources</b>	<b>92,271,272.00</b>		<b>92,271,272.00</b>	<b>92,633,600.85</b>	<b>362,328.85</b>
State Sources:					
Extraordinary Aid	975,000.00		975,000.00	1,219,198.00	244,198.00
Categorical Special Ed. Aid	2,614,018.00		2,614,018.00	2,614,018.00	
Categorical Security Aid	96,745.00		96,745.00	96,745.00	
Categorical Transportation Aid	121,554.00		121,554.00	121,554.00	
Other State Aid - Per Pupil Growth Aid	62,000.00		62,000.00	62,000.00	
Other State Aid - PARCC	62,000.00		62,000.00	62,000.00	
Non-Public Transportation Aid				52,374.00	52,374.00
On-behalf TPAF Pension Contrib. (non-budgeted)				3,595,667.00	3,595,667.00
On-behalf TPAF Post Retirement Med. Contrib. (non-budgeted)				4,281,446.00	4,281,446.00
On-behalf TPAF Employer FICA Contrib. (non-budgeted)				3,332,646.45	3,332,646.45
<b>Total - State Sources</b>	<b>3,931,317.00</b>		<b>3,931,317.00</b>	<b>15,437,648.45</b>	<b>11,506,331.45</b>
Federal Sources:					
Medicaid Reimbursement	31,474.00		31,474.00	77,597.07	46,123.07
<b>Total - Federal Sources</b>	<b>31,474.00</b>		<b>31,474.00</b>	<b>77,597.07</b>	<b>46,123.07</b>
<b>Total Revenues</b>	<b>96,234,063.00</b>		<b>96,234,063.00</b>	<b>108,148,846.37</b>	<b>11,914,783.37</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	384,887.00	34,981.00	419,868.00	418,250.35	1,617.65
Grades 1- 5	12,532,985.00	(401,215.51)	12,131,769.49	12,131,382.65	386.84
Grades 6- 8	8,125,566.00	20,387.51	8,145,953.51	8,145,390.82	562.69
Grades 9-12	9,660,762.00	(139,898.00)	9,520,864.00	9,520,150.55	713.45
Unused Sick/Vacation		29,300.00	29,300.00	29,300.00	
Regular Programs - Home Instr.:					
Salaries of Teachers	140,578.00	(25,810.00)	114,768.00	114,767.21	0.79
Purchased Prof./Educational Services	60,000.00	72,728.00	132,728.00	106,571.61	26,156.39
Regular Programs - Undistrib. Instr.:					
Purchased Prof./Educational Services	47,640.00	13,639.00	61,279.00	61,096.55	182.45
Purchased Technical Services	176,566.00	(70,031.00)	106,535.00	82,937.59	23,597.41
Other Purchased Services	923,562.00	735,390.68	1,658,952.68	1,581,958.03	76,994.65
General Supplies	1,083,430.00	312,623.09	1,396,053.09	1,255,789.27	140,263.82
Textbooks	161,683.00	(3,526.46)	158,156.54	145,314.63	12,841.91
Other Objects	2,200.00	125.00	2,325.00	1,801.00	524.00
<b>Total Regular Programs - Instruction</b>	<b>33,299,859.00</b>	<b>578,693.31</b>	<b>33,878,552.31</b>	<b>33,594,710.26</b>	<b>283,842.05</b>
Learning/Language Disabilities:					
Salaries of Teachers	508,599.00	7,017.50	515,616.50	515,502.94	113.56
Other Salaries for Instruction	284,155.00	(49,498.00)	234,657.00	234,125.53	531.47
Purchased Prof./Educational Services	12,091.00	(2,500.00)	9,591.00	9,541.80	49.20
General Supplies	38,277.00	(3,870.00)	34,407.00	24,629.30	9,777.70
Textbooks	2,369.00		2,369.00	246.30	2,122.70
<b>Total Learning/Language Disabilities</b>	<b>845,491.00</b>	<b>(48,850.50)</b>	<b>796,640.50</b>	<b>784,045.87</b>	<b>12,594.63</b>
Resource Room/Resource Center:					
Salaries of Teachers	5,644,627.00	139,761.50	5,784,388.50	5,761,134.31	23,254.19
Unused Sick/Vacation		11,720.00	11,720.00	11,720.00	
Other Salaries for Instruction	253,395.00	(25,711.25)	227,683.75	225,897.43	1,786.32
General Supplies	33,253.00	(1,318.00)	31,935.00	23,092.68	8,842.32
Textbooks	1,442.00	2,456.00	3,898.00	3,823.44	74.56
Misc Exp	300.00		300.00	300.00	
<b>Total Resource Room/Resource Center</b>	<b>5,933,017.00</b>	<b>126,908.25</b>	<b>6,059,925.25</b>	<b>6,025,967.86</b>	<b>33,957.39</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Autism:					
Salaries of Teachers	229,314.00	2,695.00	232,009.00	228,021.64	3,987.36
Other Salaries for Instruction	73,759.00	(28,443.00)	45,316.00	44,694.70	621.30
General Supplies	6,250.00	(3,000.00)	3,250.00	3,101.07	148.93
<b>Total Autism</b>	<b>309,323.00</b>	<b>(28,748.00)</b>	<b>280,575.00</b>	<b>275,817.41</b>	<b>4,757.59</b>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	225,601.00	(36,164.00)	189,437.00	189,374.20	62.80
Other Salaries for Instruction	100,898.00	3,353.91	104,251.91	103,960.02	291.89
General Supplies	5,541.00	(2,898.00)	2,643.00	2,380.06	262.94
<b>Total Preschool Disabilities - Part-Time</b>	<b>332,040.00</b>	<b>(35,708.09)</b>	<b>296,331.91</b>	<b>295,714.28</b>	<b>617.63</b>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	142,249.00	(1,810.00)	140,439.00	131,897.60	8,541.40
Other Salaries for Instruction	71,375.00	2,991.34	74,366.34	74,365.65	0.69
<b>Total Preschool Disabilities - Full-Time</b>	<b>213,624.00</b>	<b>1,181.34</b>	<b>214,805.34</b>	<b>206,263.25</b>	<b>8,542.09</b>
<b>Total Special Education</b>	<b>7,633,495.00</b>	<b>14,783.00</b>	<b>7,648,278.00</b>	<b>7,587,808.67</b>	<b>60,469.33</b>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	911,785.00	31,222.00	943,007.00	919,211.69	23,795.31
General Supplies	6,500.00	12,238.00	18,738.00	5,718.36	13,019.64
Textbooks	200.00		200.00	185.00	15.00
<b>Total Basic Skills/Remedial - Instruction</b>	<b>918,485.00</b>	<b>43,460.00</b>	<b>961,945.00</b>	<b>925,115.05</b>	<b>36,829.95</b>
Bilingual Education - Instruction:					
Salaries of Teachers	152,260.00	874.00	153,134.00	152,771.61	362.39
General Supplies	1,500.00	991.00	2,491.00	2,441.50	49.50
Textbooks	1,500.00		1,500.00	1,148.78	351.22
Other Objects	1,000.00	(991.00)	9.00		9.00
<b>Total Bilingual Education - Instruction</b>	<b>156,260.00</b>	<b>874.00</b>	<b>157,134.00</b>	<b>156,361.89</b>	<b>772.11</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School - Sponsored Cocurricular & Extra Curric. - Instr. Activities:					
Salaries	371,812.00	30,113.00	401,925.00	388,204.79	13,720.21
Purchased Services	24,925.00	2,655.00	27,580.00	21,137.16	6,442.84
Supplies and Materials	10,100.00	(1,922.00)	8,178.00	7,751.38	426.62
Other Objects	4,700.00	3,898.00	8,598.00	7,323.69	1,274.31
<b>Total School - Sponsored Cocurricular Activities &amp; Extra Curric. - Instr.</b>	<b>411,537.00</b>	<b>34,744.00</b>	<b>446,281.00</b>	<b>424,417.02</b>	<b>21,863.98</b>
School - Sponsored Athletics:					
Salaries	898,524.00	(16,808.00)	881,716.00	859,075.05	22,640.95
Purchased Services	90,600.00	(18,609.00)	71,991.00	62,230.81	9,760.19
Supplies and Materials	89,650.00	(2,226.00)	87,424.00	84,861.04	2,562.96
Other Objects	118,279.00	17,938.00	136,217.00	131,268.78	4,948.22
<b>Total School - Sponsored Athletics</b>	<b>1,197,053.00</b>	<b>(19,705.00)</b>	<b>1,177,348.00</b>	<b>1,137,435.68</b>	<b>39,912.32</b>
Other Instructional Programs - Instruction					
Salaries	32,096.00	(32,096.00)			
Purchased Services	5,919.00	(5,919.00)			
Supplies and Materials	6,464.00	(6,464.00)			
<b>Total Other Instructional Programs - Instructions</b>	<b>44,479.00</b>	<b>(44,479.00)</b>			
STEM Summer Program					
Supplies and Materials					
<b>Total - STEM Summer Program</b>					
Summer School					
Salaries	5,670.00		5,670.00	4,880.00	790.00
Supplies and Materials	800.00		800.00	296.46	503.54
<b>Total - Summer School</b>	<b>6,470.00</b>		<b>6,470.00</b>	<b>5,176.46</b>	<b>1,293.54</b>
<b>Total Instruction</b>	<b>43,667,638.00</b>	<b>608,370.31</b>	<b>44,276,008.31</b>	<b>43,831,025.03</b>	<b>444,983.28</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	1,415,895.00	143,365.00	1,559,260.00	1,533,489.04	25,770.96
Tuition to County Vocational School Dist. - Regular	500,000.00	(31,000.00)	469,000.00	442,530.00	26,470.00
Tuition to County Vocational School Dist. - Special	40,000.00	(14,000.00)	26,000.00	16,000.00	10,000.00
Tuition to Private Schools for the Disabled - Within State	3,315,821.00	(158,707.00)	3,157,114.00	3,115,249.25	41,864.75
Tuition to Private Schools for the Disabled and Other LEAs-Special, Outside the State	175,560.00	3,000.00	178,560.00	175,222.20	3,337.80
Tuition - State Facilities	36,806.00		36,806.00	36,806.00	
Tuition - Other	375,270.00	(175,010.00)	200,260.00	194,818.52	5,441.48
<b>Total Undistrib. Expend. - Instruc.</b>	<b>5,859,352.00</b>	<b>(232,352.00)</b>	<b>5,627,000.00</b>	<b>5,514,115.01</b>	<b>112,884.99</b>
Attendance and Social Work Services:					
Salaries	33,964.00		33,964.00	30,969.85	2,994.15
<b>Total Attendance and Social Work Serv.</b>	<b>33,964.00</b>		<b>33,964.00</b>	<b>30,969.85</b>	<b>2,994.15</b>
Health Services:					
Salaries	1,146,569.00	(33,467.53)	1,113,101.47	1,064,714.07	48,387.40
Purchased Professional and Technical Services	194,915.00	(21,919.00)	172,996.00	92,571.47	80,424.53
Supplies and Materials	21,350.00	(4,945.00)	16,405.00	13,984.57	2,420.43
Other Objects	765.00		765.00		765.00
<b>Total Health Services</b>	<b>1,363,599.00</b>	<b>(60,331.53)</b>	<b>1,303,267.47</b>	<b>1,171,270.11</b>	<b>131,997.36</b>
Speech, OT, PT & Related Services					
Salaries	1,815,079.00	5,357.00	1,820,436.00	1,819,317.11	1,118.89
Purchased Professional/Educational Services	1,370,034.00	(305,246.00)	1,064,788.00	989,528.51	75,259.49
Supplies and Materials	20,937.00		20,937.00	20,075.01	861.99
<b>Total Other Support Services-Student Related</b>	<b>3,206,050.00</b>	<b>(299,889.00)</b>	<b>2,906,161.00</b>	<b>2,828,920.63</b>	<b>77,240.37</b>
Other Support Services-Student Extra Salaries	1,434,793.00	(60,000.00)	1,374,793.00	1,360,720.51	14,072.49



**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unused Sick/Vacation	30,804.00	2,000.00	2,000.00	2,000.00	
Purchased Professional/Educational Services	4,295.00	325,552.00	356,356.00	332,793.88	23,562.12
Other Objects			4,295.00	115.00	4,180.00
<b>Total Other Support Services- Student Extra</b>	<b>1,469,892.00</b>	<b>267,552.00</b>	<b>1,737,444.00</b>	<b>1,695,629.39</b>	<b>41,814.61</b>
<b>Other Support Services - Guidance</b>	<b>1,807,016.00</b>	<b>29,502.00</b>	<b>1,836,518.00</b>	<b>1,834,176.59</b>	<b>2,341.41</b>
Salaries of Other Professional Staff	223,981.00	(2,337.01)	221,643.99	216,858.08	4,785.91
Salaries of Secret. & Clerical Assts.	2,520.00		2,520.00	725.00	1,795.00
Other Salaries	20,500.00	(15,490.00)	5,010.00	3,575.00	1,435.00
Purchased Professional/Educational Services	9,320.00	(148.00)	9,172.00	4,395.62	4,776.38
Other Purchased Services	18,138.00	(2,031.00)	16,107.00	14,523.65	1,583.35
Supplies and Materials	6,575.00	1,485.00	8,060.00	8,008.10	51.90
Other Objects					
<b>Total Other Support Services - Students - Regular</b>	<b>2,088,050.00</b>	<b>10,980.99</b>	<b>2,099,030.99</b>	<b>2,082,262.04</b>	<b>16,768.95</b>
<b>Other Support Services - Child Study Teams</b>	<b>1,477,483.00</b>	<b>(35,209.00)</b>	<b>1,442,274.00</b>	<b>1,435,819.78</b>	<b>6,454.22</b>
Salaries of Other Professional Staff	266,648.00	(21,896.46)	244,751.54	244,751.49	0.05
Salaries of Secr. & Clerical Assts.		12,317.32	12,317.32	12,317.32	
Unused Sick/Vacation	69,792.00		69,792.00	26,796.00	42,996.00
Purchased Professional/Educational Services	97,249.00	(97,249.00)			
Residential Costs	7,214.00	2,515.31	9,729.31	8,884.31	845.00
Other Purchased Services	16,158.00		16,158.00	15,475.80	682.20
Supplies and Materials					
<b>Total Other Support Services - Students - Child Study Teams</b>	<b>1,934,544.00</b>	<b>(139,521.83)</b>	<b>1,795,022.17</b>	<b>1,744,044.70</b>	<b>50,977.47</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Improv. of Instruction Services/Other Support Services - Instruct. Staff:					
Salaries of Supervisors of Instruc.	1,070,353.00	(22,000.00)	1,048,353.00	1,031,860.68	16,492.32
Salaries of Secr. and Clerical Assts.	177,731.00	1,060.00	178,791.00	176,167.27	2,623.73
Other Salaries	12,959.00	47,497.25	60,456.25	47,497.25	12,959.00
Unused Sick/Vacation					
Sal. of Facilitators, Math Camp, Literary Coaches	3,000.00	30,000.00	33,000.00	26,604.00	6,396.00
Purchased Professional/Educational Services	32,314.00	3,714.37	36,028.37	16,497.24	19,531.13
Other Purchased Services	91,660.00	7,370.00	99,030.00	94,503.41	4,526.59
Supplies and Materials	13,837.00	(5,000.00)	8,837.00	8,539.20	297.80
Other Objects					
<b>Total Improv. of Instruction Services/Other Support Serv. - Instruct. Staff</b>	<b>1,401,854.00</b>	<b>62,641.62</b>	<b>1,464,495.62</b>	<b>1,405,711.55</b>	<b>58,784.07</b>
Educational Media Serv./School Library:					
Salaries	889,671.00	(728.00)	888,943.00	887,971.59	971.41
Salaries - Technology Coordinators	159,875.00	(29,926.00)	129,949.00	129,866.20	82.80
Unused Sick/Vacation		14,144.96	14,144.96	14,144.96	
Purch. Profess. and Tech. Serv.	55,047.00	(4,523.00)	50,524.00	47,886.90	2,637.10
Other Purchased Services	5,380.00	4,614.76	9,994.76	7,523.28	2,471.48
Supplies and Materials	29,735.00	2,107.00	31,842.00	31,037.65	804.35
<b>Total Educa. Media Serv./School Library</b>	<b>1,139,708.00</b>	<b>(14,310.28)</b>	<b>1,125,397.72</b>	<b>1,118,430.58</b>	<b>6,967.14</b>
Instructional Staff Training Services:					
Other Salaries	56,770.00	5,692.00	62,462.00	56,857.14	5,604.86
Purchased Professional/Educational Services	2,198.00	13,305.00	15,503.00	12,806.66	2,696.34
Other Purchased Services	10,075.00	1,075.00	11,150.00	6,325.85	4,824.15
Supplies and Materials	5,000.00	(4,586.00)	414.00	190.80	223.20
Other Objects					
<b>Total Instr. Staff Training Serv.</b>	<b>74,043.00</b>	<b>15,486.00</b>	<b>89,529.00</b>	<b>76,180.45</b>	<b>13,348.55</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Serv. General Administration:					
Salaries	735,251.00		735,251.00	717,828.99	17,422.01
Legal Services	216,072.00	117,640.51	333,712.51	216,066.66	117,645.85
Audit Fees	38,250.00		38,250.00	34,526.00	3,724.00
Architectural/Engineering Services	20,000.00	9,340.00	29,340.00	26,709.00	2,631.00
Other Purch. Professional Services	15,000.00	(7,000.00)	8,000.00		8,000.00
Purchased Prof Educ Services					
Purchased Technical Services	3,000.00		3,000.00		3,000.00
Communications/Telephone	349,784.00	(81,042.00)	268,742.00	251,540.29	17,201.71
BOE Other Purchased Services	2,000.00	(225.00)	1,775.00	709.08	1,065.92
Misc. Purch Serv	517,517.00	19,969.00	537,486.00	510,860.28	26,625.72
General Supplies	21,200.00	(484.00)	20,716.00	9,727.56	10,988.44
Judgements Against School District	120,000.00	(97,670.00)	22,330.00		22,330.00
Misc. Expenditures	55,691.00	(751.00)	54,940.00	50,206.64	4,733.36
BOE Membership Dues and Fees	27,000.00		27,000.00	26,662.70	337.30
<b>Total Support Serv. General Administration</b>	<b>2,120,765.00</b>	<b>(40,222.49)</b>	<b>2,080,542.51</b>	<b>1,844,837.20</b>	<b>235,705.31</b>
Support Serv. School Administration:					
Salaries of Principals/Asst. Principals	2,257,271.00	(22,840.00)	2,234,431.00	2,232,719.36	1,711.64
Salaries of Sec. and Clerical Assts.	1,094,062.00	(18,629.00)	1,075,433.00	1,050,190.65	25,242.35
Unused Sick/Vacation - General Admin.		60,886.57	60,886.57	60,886.57	
Purch. Professional & Technical Serv.	3,900.00	(244.00)	3,656.00	3,656.00	
Other Purchased Services	64,574.00	6,056.72	70,630.72	35,323.41	35,307.31
Supplies and Materials	88,305.00	3,257.00	91,562.00	67,046.28	24,515.72
Other Objects	24,085.00	188.00	24,273.00	22,716.76	1,556.24
<b>Total Support Serv. School Admin.</b>	<b>3,532,197.00</b>	<b>28,675.29</b>	<b>3,560,872.29</b>	<b>3,472,539.03</b>	<b>88,333.26</b>
Central Services:					
Salaries	1,045,050.00	57,260.00	1,102,310.00	1,068,627.58	33,682.42
Unused Sick/Vacation - Central Services		16,526.45	16,526.45	16,526.45	
Purch. Professional Services	10,600.00	2,075.00	12,675.00	12,675.00	
Purch. Technical Serv.	52,355.00	4,946.00	57,301.00	47,547.50	9,753.50
Misc. Purchased Services	70,738.00	4,712.16	75,450.16	43,243.48	32,206.68
Supplies and Materials	47,475.00	5,793.80	53,268.80	49,481.12	3,787.68
Miscellaneous Expenditures	24,263.00	(6,752.00)	17,511.00	8,129.00	9,382.00
<b>Total Central Services</b>	<b>1,250,481.00</b>	<b>84,561.41</b>	<b>1,335,042.41</b>	<b>1,246,230.13</b>	<b>88,812.28</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Admin. Info Technology					
Salaries	630,884.00	(28,191.00)	602,693.00	587,072.91	15,620.09
Purch. Technical Serv.	151,114.00	25,946.00	177,060.00	168,742.90	8,317.10
Other Purchased Services	3,500.00		3,500.00	2,463.64	1,036.36
Supplies and Materials	18,589.00	69,755.00	88,344.00	83,535.29	4,808.71
<b>Total Admin Info Technology</b>	<b>804,087.00</b>	<b>67,510.00</b>	<b>871,597.00</b>	<b>841,814.74</b>	<b>29,782.26</b>
Required Maint for School Facilities:					
Salaries	592,071.00	5,391.00	597,462.00	590,248.14	7,213.86
Purchased Tech Services					
Cleaning, Repair & Maint. Services	323,025.00	36,691.22	359,716.22	299,084.32	60,631.90
General Supplies	143,106.00	(3,153.00)	139,953.00	130,672.14	9,280.86
Other Objects	7,807.00	4,354.00	12,161.00	11,797.00	364.00
<b>Total Required Maint for School Facilities</b>	<b>1,066,009.00</b>	<b>43,283.22</b>	<b>1,109,292.22</b>	<b>1,031,801.60</b>	<b>77,490.62</b>
Custodial Services:					
Salaries	2,817,375.00	(62,946.04)	2,754,428.96	2,689,162.03	65,266.93
Salaries Non-Instructional Aides	243,147.00	32,555.04	275,702.04	274,474.54	1,227.50
Unused Sick/Vacation		49,789.41	49,789.41	49,789.41	
Purch. Professional & Technical Serv.	44,310.00	(2,455.00)	41,855.00	33,525.00	8,330.00
Cleaning, Repair & Maint. Services	135,560.00	(19,177.00)	116,383.00	87,580.30	28,802.70
Rental of Land & Bldg. other than Lease Purch.	2,410.00		2,410.00	864.26	1,545.74
Other Purchased Property Services	128,183.00	46,277.73	174,460.73	166,311.70	8,149.03
Insurance	174,424.00	(39,672.00)	134,752.00	133,335.00	1,417.00
Miscellaneous Purchased Services					
General Supplies	287,265.00	(4,817.00)	282,448.00	281,129.59	1,318.41
Energy (Natural Gas)	426,747.00	(160,194.00)	266,553.00	233,327.81	33,225.19
Energy (Electricity)	712,430.00	(25,015.00)	687,415.00	687,415.00	
Other Objects	1,700.00		1,700.00	60.00	1,640.00
<b>Total Custodial Services</b>	<b>4,973,551.00</b>	<b>(185,653.86)</b>	<b>4,787,897.14</b>	<b>4,636,974.64</b>	<b>150,922.50</b>
Care & Upkeep Grounds					
Salaries	129,282.00		129,282.00	127,782.00	1,500.00
Cleaning, Repair, and Maintenance Services	54,000.00	(37,259.00)	16,741.00	12,485.75	4,255.25
Travel Exp					
General Supplies	30,400.00	6,499.00	36,899.00	32,075.93	4,823.07
<b>Total Care &amp; Upkeep Grounds</b>	<b>213,682.00</b>	<b>(30,760.00)</b>	<b>182,922.00</b>	<b>172,343.68</b>	<b>10,578.32</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Security					
Salaries	71,181.00		71,181.00	70,845.05	335.95
Purchased Professional/Technical Services	16,340.00	22,500.00	38,840.00	31,945.76	6,894.24
General Supplies	220.00		220.00		220.00
<b>Total Security</b>	<b>87,741.00</b>	<b>22,500.00</b>	<b>110,241.00</b>	<b>102,790.81</b>	<b>7,450.19</b>
<b>Total Operation &amp; Maint. Of Plant Serv.</b>	<b>6,340,983.00</b>	<b>(150,630.64)</b>	<b>6,190,352.36</b>	<b>5,943,910.73</b>	<b>246,441.63</b>
Student Transportation Services:					
Contracted Services (Between Home & School) - Vendors	245,859.00	64,138.00	309,997.00	309,996.89	0.11
Contracted Services (Other Than Between Home & School) - Vendors	259,290.00	(817.00)	258,473.00	243,403.81	15,069.19
Contracted Services (Special Ed. Students) - Vendors	536,312.00	(45,946.00)	490,366.00	490,365.75	0.25
Contracted Services (Regular Students) - ESCs & CTSA's	93,097.00	(26,497.00)	66,600.00	50,062.22	16,537.78
Contracted Services (Special Ed. Students) - ESCs & CTSA's	1,291,820.00	(52,905.00)	1,238,915.00	1,213,581.95	25,333.05
Contracted Services - Aid in Lieu of Payments - NonPublic Schools	243,100.00	11,873.00	254,973.00	243,492.85	11,480.15
<b>Total Student Transportation Services</b>	<b>2,669,478.00</b>	<b>(50,154.00)</b>	<b>2,619,324.00</b>	<b>2,550,903.47</b>	<b>68,420.53</b>
Unallocated Employee Benefits:					
Group Insurance	214,794.00	(61,302.00)	153,492.00	148,493.27	4,998.73
Social Security Contributions	908,295.00	12,368.00	920,663.00	920,661.89	1.11
Other Retirement Contributions - Regular	1,250,000.00	(30,388.00)	1,219,612.00	1,216,950.52	2,661.48
Unemployment Contributions - PERS	95,381.00	(20,381.00)	75,000.00	75,000.00	
Workmen's Compensation	492,378.00	(28,678.00)	463,700.00	455,096.35	8,603.65
Health Benefits	14,742,218.00	(215,580.00)	14,526,638.00	10,936,482.23	3,590,155.77
Tuition Reimbursements	164,000.00	1,208.00	165,208.00	154,788.22	10,419.78
Other Employee Benefits	349,300.00	(243,208.96)	106,091.04	83,593.00	22,498.04
<b>Total Unallocated Employee Benefits:</b>	<b>18,216,366.00</b>	<b>(585,961.96)</b>	<b>17,630,404.04</b>	<b>13,991,065.48</b>	<b>3,639,338.56</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
On-behalf TPAF Pension Contrib. (non-budgeted)	53,505,413.00	(1,035,966.42)	52,469,446.58	3,595,667.00	(3,595,667.00)
On-behalf TPAF Post Retirement Med. Contrib. (non-budgeted)				4,281,446.00	(4,281,446.00)
On-behalf TPAF Employer FICA Contrib. (non-budgeted)				3,332,646.45	(3,332,646.45)
<b>Total Undistributed Expenditures</b>	<b>97,173,051.00</b>	<b>(427,596.11)</b>	<b>96,745,454.89</b>	<b>102,599,619.57</b>	<b>(5,854,164.68)</b>
<b>CAPITAL OUTLAY:</b>					
Regular Programs - Instruction:					
Kindergarten		9,476.46	9,476.46	9,476.46	
Grades 1-5		7,236.95	7,236.95	950.00	6,286.95
Grades 6-8		6,863.00	6,863.00	6,861.54	1.46
Grades 9-12	12,996.00	7,096.10	20,092.10	20,092.10	
Support Services					
Health Department		2,785.00	2,785.00	1,784.15	1,000.85
Fine Arts		2,299.00	2,299.00	2,299.00	
EIS		4,080.00	4,080.00	4,079.97	0.03
Central office		2,487.00	2,487.00	2,486.25	0.75
Information Technology		263,736.01	263,736.01	199,412.51	64,323.50
Buildings & Grounds Required Maint.		14,153.00	14,153.00	14,153.00	
Buildings & Grounds		31,185.00	31,185.00	25,445.10	5,739.90
Security		9,000.00	9,000.00	8,776.00	224.00
<b>Total Equipment</b>	<b>12,996.00</b>	<b>360,397.52</b>	<b>373,393.52</b>	<b>295,816.08</b>	<b>77,577.44</b>
Facilities Acquis. & Constr. Services:					
Architectural/Engineering Services		2,440.00	2,440.00	2,440.00	
Other Purch. Profess. and Tech. Serv.		265,884.82	265,884.82	265,864.97	19.85
Construction Services		893,064.25	893,064.25	627,449.98	265,614.27
Assessment for Debt Service on SDA Funding	48,016.00		48,016.00	48,016.00	
<b>Total Facil. Acquis. &amp; Constr. Services</b>	<b>48,016.00</b>	<b>1,161,389.07</b>	<b>1,209,405.07</b>	<b>943,770.95</b>	<b>265,634.12</b>
<b>Total Capital Outlay</b>	<b>61,012.00</b>	<b>1,521,786.59</b>	<b>1,582,798.59</b>	<b>1,239,587.03</b>	<b>343,211.56</b>
<b>Total Expenditures</b>	<b>97,234,063.00</b>	<b>1,094,190.48</b>	<b>98,328,253.48</b>	<b>103,839,206.60</b>	<b>(5,510,953.12)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,000,000.00)	(1,094,190.48)	(2,094,190.48)	4,309,639.77	6,403,830.25

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Financing Sources (Uses)					
Operating Transfers In (Out)		(341,140.00)	(341,140.00)	(341,140.00)	
Transfer Capital Outlay to Capital Projects Fund		(341,140.00)	(341,140.00)	(341,140.00)	
Total Other Financing Sources (Uses)		(341,140.00)	(341,140.00)	(341,140.00)	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,000,000.00)	(1,435,330.48)	(2,435,330.48)	3,968,499.77	6,403,830.25
Fund Balances, July 1	7,739,061.06		7,739,061.06	7,739,061.06	
<b>Fund Balances, June 30</b>	<b>\$ 6,739,061.06</b>	<b>\$ (1,435,330.48)</b>	<b>\$ 5,303,730.58</b>	<b>\$ 11,707,560.83</b>	<b>\$ 6,403,830.25</b>

Recapitulation:

Restricted Fund Balance:	\$
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	750,000.00
Reserve for Excess Surplus	2,000,000.00
Emergency Reserve	500,000.00
Maintenance Reserve	948,167.05
Capital Reserve	4,843,159.21
Committed Fund Balance:	
Year-end Encumbrances	510,250.83
Unassigned Fund Balance	<u>2,155,983.74</u>
	<b>\$ 11,707,560.83</b>

Reconciliation to Governmental Funds Statements (GAAP):  
 Delayed State Aid Payment not recognized on GAAP basis  
 Extraordinary Aid Payment not recognized on GAAP basis.

**Fund Balance per Governmental Funds (GAAP)**

**\$ 10,205,015.83**

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	\$ 192,383.00	\$ 69,627.00	\$ 262,010.00	\$ 197,128.06	(64,881.94)
Federal Sources	1,658,107.00	167,362.10	1,825,469.10	1,592,238.79	(233,230.31)
Local Sources		330,420.47	330,420.47	247,138.01	(83,282.46)
<b>Total Revenues</b>	<b>1,850,490.00</b>	<b>567,409.57</b>	<b>2,417,899.57</b>	<b>2,036,504.86</b>	<b>(381,394.71)</b>
<b>EXPENDITURES:</b>					
Instruction					
Personal Services - Salaries	178,956.00	51,433.00	230,389.00	186,250.19	44,138.81
Purchased Professional/Education & Technical Services		6,999.00	6,999.00	4,285.00	2,714.00
Other Purchased Services		169.00	169.00		169.00
Tuition	1,328,311.00	(27,375.00)	1,300,936.00	1,174,535.17	126,400.83
General Supplies	37,462.00	226,130.38	263,592.38	184,138.34	79,454.04
Textbooks	26,132.00	10,882.00	37,014.00	22,216.75	14,797.25
Other Objects		1,074.00	1,074.00	636.29	437.71
<b>Total Instruction</b>	<b>1,570,861.00</b>	<b>269,312.38</b>	<b>1,840,173.38</b>	<b>1,572,061.74</b>	<b>268,111.64</b>
Support Services					
Personal Services - Salaries	77,103.00	172,772.00	249,875.00	215,028.80	34,846.20
Personal Services - Employee Benefits	35,849.00	(1,051.46)	34,797.54	34,633.84	163.70
Purchased Professional/Technical Services		3,347.00	3,347.00		3,347.00
Purchased Professional/Educational Services	48,633.00	32,418.60	81,051.60	51,951.00	29,100.60
Other Purchased Professional Services	41,602.00	2,543.27	44,145.27	39,473.76	4,671.51



**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Support Services					
Purchased Technical Services		1,250.00	\$ 1,250.00		1,250.00
Other Purchased Services	\$ 38,389.00	2,526.50	40,915.50	\$ 40,749.13	166.37
Supplies and Materials	36,778.00	(9,005.77)	27,772.23	10,708.17	17,064.06
Other Objects	1,275.00	1,484.28	2,759.28	66.68	2,692.60
<b>Total Support Services</b>	<b>279,629.00</b>	<b>206,284.42</b>	<b>485,913.42</b>	<b>392,611.38</b>	<b>93,302.04</b>
Facilities Acquisition and Construction Services:					
Buildings		37,019.00	37,019.00	22,468.00	14,551.00
Instructional Equipment		38,562.88	38,562.88	38,559.65	3.23
Non-Instructional Equipment		16,230.89	16,230.89	10,804.09	5,426.80
<b>Total Facilities Acquisition and Construction Services</b>		<b>91,812.77</b>	<b>91,812.77</b>	<b>71,831.74</b>	<b>19,981.03</b>
<b>Total Expenditures</b>	<b>1,850,490.00</b>	<b>567,409.57</b>	<b>2,417,899.57</b>	<b>2,036,504.86</b>	<b>381,394.71</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
<b>Expenditures and Other Financing Sources (Uses)</b>					

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

**WESTFIELD SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1)	\$ 108,148,846.37	(C-2)	\$ 2,036,504.86
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized (Net)				-62,841.20
State aid payment recognized for budgetary purposes, not recognized for GAAP statements (Net)		<u>49,158.00</u>		
<b>Total revenues as reported on the statement of revenues, expenditures and change in fund balances - governmental funds</b>	<b>(B-2)</b>	<b><u>\$ 108,198,004.37</u></b>	<b>(B-2)</b>	<b><u>\$ 1,973,663.66</u></b>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	\$ 103,839,206.60	(C-2)	\$ 2,036,504.86
Difference - 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 reporting purposes.				-62,841.20
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<b>(B-2)</b>	<b><u>\$ 103,839,206.60</u></b>	<b>(B-2)</b>	<b><u>\$ 1,973,663.66</u></b>

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**PART III**

**SCHEDULES RELATED TO ACCOUNTING AND  
REPORTING FOR PENSIONS (GASB 68)**

**SECTION – L**

**(Section numbering as per N.J. Department of Education  
2014-2015 Audit Program)**

WESTFIELD SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)

Last 10 Fiscal Years\*

	<u>2013</u>	<u>2014</u>	<u>2015</u>
District's Proportion of the Net Pension Liability	0.117876054	0.124742721	0.129135621
District's Proportionate Share of the Net Pension Liability	\$22,528,456	\$23,355,249	\$28,988,359
District's Covered-Employee Payroll	\$8,635,918	\$8,812,161	\$8,296,182
District's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	260.87%	265.03%	349.42%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	48.72%	52.08%	47.93%

\* Amounts presented for each fiscal year were determined as of June 30.

WESTFIELD SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)

	<u>Last 10 Fiscal Years*</u>		
	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually Required Contribution	\$ 888,172	\$ 1,110,220	\$ 1,166,083
Contribution in Relation to Contractually Required Contribution	<u>\$ (888,172)</u>	<u>\$ (1,110,220)</u>	<u>\$ (1,166,083)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's Proportionate Share of the Payroll	\$ 8,133,443	\$ 9,313,926	\$ 9,358,612
Contributions as a percentage of Covered Employee Payroll	10.92%	11.92%	12.46%

\* Amounts presented for each fiscal year were determined as of June 30.

WESTFIELD SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S SHARE OF THE NET PENSION LIABILITY  
TEACHERS PENSION AND ANNUITY FUND ( Non-State Employer Group)

	<u>Last 10 Fiscal Years*</u>		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
Proportion of the Non-State Employer Group Net Pension Liability attributable to the District	0.4289118351%	0.4503467692%	0.4569592579%
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State Employer Group	\$216,768,668	\$240,695,691	\$323,678,183
District's Covered-Employee Payroll	\$45,133,056	\$46,054,139	\$46,438,429
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State Employer Group as a percentage of the District's Covered-Employee Payroll	480.29%	522.64%	697.01%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability (See Note Below)	33.76%	33.64%	28.71%

\* Amounts presented for each fiscal year were determined as of June 30.

Note: Percentages shown are Plan-wide, and include NPL and PFPN data that include employees of the State of New Jersey.



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

**WESTFIELD SCHOOL DISTRICT  
COUNTY OF UNION, NEW JERSEY**

**NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION  
JUNE 30, 2016**

**NOTE 1. CHANGES IN ASSUMPTIONS**

Net pension liabilities for the years ended June 30, 2015 were based on RP-2000 mortality tables utilizing actuarial experience studies covering the following periods:

TPAF: July 1, 2009 to June 30, 2012

PERS: July 1, 2008 to June 30, 2011

**OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL LEVEL SCHEDULES**

**SECTION – D**

**SPECIAL REVENUE FUND**

**SECTION – E**

**WESTFIELD SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit - E-1  
Page 1 of 2

	TOTAL BROUGHT FORWARD (EX. E-1b)	TITLE I PART A REGULAR 2015-2016	TITLE I PART A REGULAR 2014-2015	I.D.E.A. PART B BASIC 2015-2016	I.D.E.A. PART B BASIC 2014-2015
State Sources	\$ 187,437.06	\$ 133,544.54	\$ 13,770.29	\$ 1,375,429.24	17,123.92
Federal Sources					
Local Sources	247,138.01				
<b>Total Revenues</b>	<b>434,575.07</b>	<b>133,544.54</b>	<b>13,770.29</b>	<b>1,375,429.24</b>	<b>17,123.92</b>

**EXPENDITURES**

Instruction:					
Salaries of Teachers	51,245.04	105,007.80			
Other Salaries for Instruc.					
Purchased Prof. - Educational Services	3,300.00				
Purch. Prof. & Tech. Services					
Other Purch. Services (400-500 series)	159,198.84	2,856.07	8,692.39		
General Supplies					
Textbooks	22,216.75				
Other Objects					
<b>Total Instruction</b>	<b>175,960.63</b>	<b>107,863.87</b>	<b>8,692.39</b>		
Support Services:					
Salaries of Supervisors Instr				140,000.00	
Salaries of Other Prof. Staff	55,028.80			20,000.00	
Salaries of Sec & Cler Assis					
Other Salaries				7,483.98	
Personal Services - Empl. Benefits		24,957.04			
Purch. Prof. - Tech. Services					
Purch. Prof. - Educ. Services	12,153.71	530.00	4,470.00		13,509.42
Other Purch. Prof. Services	39,473.76				
Purch. Technical Services					
Rentals					
Contract Serv. - Trans. (Special Education)	7,319.00				
Contract Serv. - Trans. (Field Trips)				1,174,535.17	
Tuition				9,860.19	3,614.50
Travel		330.00			
Other Purch. Services (400-500 series)		18,988.44			
Supplies and Materials		126.95	607.90	8,321.32	
Other Objects		66.68			
<b>Total Support Services</b>	<b>113,975.27</b>	<b>25,680.67</b>	<b>5,077.90</b>	<b>1,375,429.24</b>	<b>17,123.92</b>
Facilities Acquis. & Const. Serv.:					
Buildings		22,468.00			
Instructional Equipment		38,559.65			
Non-instructional Equipment		3,838.09			
<b>Total Facil. Acquis. &amp; Const. Serv.</b>		<b>64,865.74</b>			
<b>Total Expenditures</b>	<b>434,575.07</b>	<b>133,544.54</b>	<b>13,770.29</b>	<b>1,375,429.24</b>	<b>17,123.92</b>
Excess (Deficiency) of Revenues Over Expenditures					
Other Financing Sources (Uses):					
Operating Transfer - General Fund					

**WESTFIELD SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	TITLE II PART A 2015-2016	TITLE II PART A 2014-2015	TITLE III 2015-2016	NONPUBLIC SECURITY	TOTALS 2015-2016
<b>REVENUES</b>					
State Sources	\$ 40,271.62	\$ 620.32	\$ 11,478.86	\$ 9,691.00	\$ 197,128.06
Federal Sources					1,592,238.79
Local Sources					247,138.01
<b>Total Revenues</b>	<b>40,271.62</b>	<b>620.32</b>	<b>11,478.86</b>	<b>9,691.00</b>	<b>2,036,504.86</b>
<b>EXPENDITURES</b>					
Instruction:					
Salaries of Teachers	28,412.35		1,330.00		186,250.19
Other Salaries for Instruc:					3,300.00
Purchased Prof. - Educational Services					985.00
Purch. Prof. & Tech. Services	985.00				
Other Purch. Services (400-500 series)	4,884.43	603.32	7,903.29		184,138.34
General Supplies					22,216.75
Textbooks					636.29
Other Objects					
Total Instruction	34,281.78	603.32	9,869.58		397,526.57
Support Services:					
Salaries of Supervisors Instr					195,028.80
Salaries of Other Prof. Staff					20,000.00
Salaries of Sec & Cler Assts					
Other Salaries					34,633.84
Personal Services - Empl. Benefits	2,173.54		19.28		
Purch. Prof. & Tech. Services					51,951.00
Purch. Prof. - Educ. Services	3,734.30			2,125.00	39,473.76
Other Purch. Prof. Services					
Purch. Technical Services					
Rentals					
Contract Serv. - Trans. (Special Education)					7,319.00
Contract Serv. - Trans. (Field Trips)					
Tuition					
Travel	82.00	17.00	538.00		1,174,555.17
Other Purch. Services					14,441.69
Supplies and Materials			1,052.00	600.00	18,988.44
Other Objects					10,708.17
					66.68
Total Support Services	5,989.84	17.00	1,609.28	2,725.00	1,567,146.55
Facilities Acquis. & Const. Serv.:					
Buildings					22,468.00
Instructional Equipment				6,966.00	38,559.65
Non-instructional Equipment					10,804.09
Total Facil. Acquis. & Const. Serv.				6,966.00	71,831.74
<b>Total Expenditures</b>	<b>40,271.62</b>	<b>620.32</b>	<b>11,478.86</b>	<b>9,691.00</b>	<b>2,036,504.86</b>
Excess (Deficiency) of Revenues Over Expenditures					
Other Financing Sources (Uses):					
Operating Transfer - General Fund					

**WESTFIELD SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	NONPUBLIC TEXTBOOKS	NONPUBLIC NURSING	NONPUBLIC TECHNOLOGY	ESL	N.J. NONPUBLIC AUXILIARY SERV. CH 192 TRANS- PORTATION	COMP EDUCATION	INT. EXAM AND CLASS	HANDICAPPED SERV. CH. 193 SUPPL. INST.	EXAM. AND CLASS	CORR. SPEECH	TOTAL CARRIED FORWARD
<b>REVENUES</b>											
State Sources	\$ 22,216.75	\$ 39,473.76	\$ 12,153.71	\$	\$ 7,319.00	\$ 31,640.40	\$ 25,036.83	\$ 19,604.64	\$ 6,832.00	\$ 23,159.97	\$ 187,437.06
Federal Sources											
Local Sources											
<b>Total Revenues</b>	<b>22,216.75</b>	<b>39,473.76</b>	<b>12,153.71</b>		<b>7,319.00</b>	<b>31,640.40</b>	<b>25,036.83</b>	<b>19,604.64</b>	<b>6,832.00</b>	<b>23,159.97</b>	<b>187,437.06</b>
<b>EXPENDITURES</b>											
Instruction:											
Salaries of Teachers											
Other Salaries for Instruc.						31,640.40		19,604.64			51,245.04
Purchased Prof. - Educational Service											
Purch. Prof. & Tech. Services											
Other Purch. Services											
General Supplies	22,216.75										22,216.75
Textbooks											
Other Objects											
<b>Total Instruction</b>	<b>22,216.75</b>					<b>31,640.40</b>		<b>19,604.64</b>			<b>73,461.79</b>
Support Services:											
Salaries of Other Prof. Staff											
Other Salaries											
Personal Services - Empl. Benefits							25,036.83		6,832.00	23,159.97	55,028.80
Purch. Prof. - Educ. Services			12,153.71								12,153.71
Other Purch. Prof. Services		39,473.76									39,473.76
Purch. Technical Services											
Rentals											
Contract Serv. - Trans. (Special Education)					7,319.00						7,319.00
Contract Serv. - Trans. (Field Trips)											
Tuition											
Travel											
Other Purch. Services											
Supplies and Materials											
Other Objects											
<b>Total Support Services</b>		<b>39,473.76</b>	<b>12,153.71</b>		<b>7,319.00</b>		<b>25,036.83</b>		<b>6,832.00</b>	<b>23,159.97</b>	<b>113,975.27</b>
Facilities Acquis. & Const. Serv.:											
Buildings											
Instructional Equipment											
Non-instructional Equipment											
<b>Total Facil. Acquis. &amp; Const. Serv.</b>											
<b>Total Expenditures</b>	<b>22,216.75</b>	<b>39,473.76</b>	<b>12,153.71</b>		<b>7,319.00</b>	<b>31,640.40</b>	<b>25,036.83</b>	<b>19,604.64</b>	<b>6,832.00</b>	<b>23,159.97</b>	<b>187,437.06</b>
Excess (Deficiency) of Revenues Over Expenditures											
Other Financing Sources (Uses):											
Operating Transfer - General Fund											



WESTFIELD SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Exhibit - E-1b  
Page 1 of 1

	VARIOUS GRANTS	TOTAL CARRIED FORWARD
<b>REVENUES</b>		
State Sources	\$	
Federal Sources	247,138.01	247,138.01
Local Sources	247,138.01	247,138.01
<b>Total Revenues</b>	<b>247,138.01</b>	<b>247,138.01</b>
<b>EXPENDITURES</b>		
Instruction:		
Salaries of Teachers	255.00	255.00
Other Salaries for Instruc.		
Purchased Prof. - Educational Services	3,300.00	3,300.00
Purch. Prof. & Tech. Services		
Other Purch. Services		
General Supplies	159,198.84	159,198.84
Textbooks		
Other Objects		
<b>Total Instruction</b>	<b>162,753.84</b>	<b>162,753.84</b>
Support Services:		
Salaries of Other Prof. Staff		
Other Salaries		
Personal Services - Empl. Benefits	199.99	199.99
Purch. Prof. - Educ. Services		
Other Purch. Prof. Services		
Purch. Technical Services		
Rentals		
Contract Serv. - Trans. (Special Education)		
Contract Serv. - Trans. (Field Trips)		
Tuition		
Travel	330.00	330.00
Other Purch. Services		
Supplies and Materials	18,988.44	18,988.44
Other Objects		
<b>Total Support Services</b>	<b>19,518.43</b>	<b>19,518.43</b>
Facilities Acquis. & Const. Serv.:		
Buildings	22,468.00	22,468.00
Instructional Equipment	38,559.65	38,559.65
Non-instructional Equipment	3,838.09	3,838.09
<b>Total Facil. Acquis. &amp; Const. Serv.</b>	<b>64,865.74</b>	<b>64,865.74</b>
<b>Total Expenditures</b>	<b>247,138.01</b>	<b>247,138.01</b>
Excess (Deficiency) of Revenues Over Expenditures		
Other Financing Sources (Uses):		
Operating Transfer - General Fund		
	\$	\$

**CAPITAL PROJECTS FUND**

**SECTION – F**

**WESTFIELD SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
YEAR ENDED JUNE 30, 2016**

<u>ISSUE/PROJECT TITLE</u>	<u>APPROPRIATION</u>	<u>EXPENDITURES/CANCELED TO DATE</u>	<u>UNEXPENDED</u>
	<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	<u>BALANCE</u>
Replacement and/or Restoration of Roofs at Westfield H.S., Edison Intermediate, Roosevelt Intermediate, Franklin Elementary Jefferson Elementary, Lincoln Early Childhood Learning Center, McKinley Elementary, Tamaques Elementary, Washington Elementary, Wilson Elementary, Kehler Field House, Board of Education Offices, including Incidental and Related Equipment and Work.	13,655,385.00	9,751,077.72	3,877,919.31
Replacement Boiler/ Security Various Schools SDA Grants	1,680,402.50	733,784.50	485,638.88
Replacement Fire Alarms, Emergency Comm. Equipment/Public Address Systems, Switches and WI-FI Upgrades, Gym/Multi-Purpose Room Floors, 8 Boilers, Retractable Gym Door, and Handicapped Accessibility.	8,600,000.00	1,433,368.40	7,166,631.60
Replacement Seats, Handicapped Accessible Seats, Sound System, Acoustical Treatments, Accessible Stage Access, Lighting Upgrades Flooring, and Air Conditioning.	4,000,000.00	108,117.99	3,891,882.01
<b>Total</b>	<b>\$ 27,935,787.50</b>	<b>\$ 10,484,862.22</b>	<b>\$ 15,422,071.80</b>
<b>Reconciliation of Unexpended Capital Project Balances to Fund Balance - GAAP Basis as at June 30, 2016</b>			
Unexpended Project Balances June 30, 2016 (As Above)		\$	15,422,071.80
Less: State Grant/Aid and/or Capital Reserve not Recognized			485,638.88
Less: SY 2015/2016 Appropriations Authorized But Not Issued			12,600,000.00
Less: SY 2014/2015 Appropriations Authorized But Not Issued			3,484,000.00
<b>Total Fund Balance (GAAP Basis) - June 30, 2016</b>		<b>\$</b>	<b>(1,147,567.08)</b>
<b>Analysis of Fund Balance - June 30, 2016:</b>			
Restricted for Capital Projects			\$ (1,147,567.08)
<b>Total Fund Balance (GAAP Basis) - June 30, 2016</b>			<b>\$ (1,147,567.08)</b>

**WESTFIELD SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE  
IN FUND BALANCE - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2016**

Revenues and Other Financing Sources	
State Sources - SCC Grant	\$ 186,513.62
Bond proceeds and transfers	
Contribution from private source	
Transfer from capital reserve	341,140.00
Transfer from capital outlay	
Total revenues	<u>527,653.62</u>
Expenditures and Other Financing Uses	
Purchased professional and technical services	420,308.92
Construction services	
Equipment purchases	
Transfer to debt service fund	1,608,544.56
Total expenditures	<u>2,028,853.48</u>
Excess (deficiency) of revenues over (under) expenditures	(1,501,199.86)
Fund balance - beginning	<u>353,632.78</u>
<b>Fund balance - ending</b>	<b>\$ <u>(1,147,567.08)</u></b>
<u>Analysis of Fund Balance - June 30, 2016:</u>	
Restricted for Capital Projects	\$ (1,147,567.08)
Unassigned	
<b>Fund balance (GAAP Basis) - June 30, 2016</b>	<b>\$ <u>(1,147,567.08)</u></b>

**WESTFIELD SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
DISTRICT ROOF REPLACEMENT PROGRAM  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$	\$	\$	\$
Bond proceeds and transfers	13,600,000.00		13,600,000.00	13,600,000.00
Contribution from private source				
Transfer from capital reserve	55,385.00		55,385.00	55,385.00
Transfer from capital outlay				
Total revenues	<u>13,655,385.00</u>	<u>0.00</u>	<u>13,655,385.00</u>	<u>13,655,385.00</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	931,069.83	29.91	931,099.74	931,099.74
Other salaries				
Land and Improvements				
Construction services	8,820,007.89	26,358.06	8,846,365.95	8,846,365.95
Rental service				
Equipment purchases				
Total expenditures	<u>9,751,077.72</u>	<u>26,387.97</u>	<u>9,777,465.69</u>	<u>9,777,465.69</u>
<b>Excess (deficiency) of revenues over (under) expenditures \$</b>	<b><u>3,904,307.28</u></b>	<b><u>-26,387.97</u></b>	<b><u>3,877,919.31</u></b>	<b><u>3,877,919.31</u></b>

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	12/01/012
Bonds Authorized	\$13,600,000
Bonds Issued	\$10,116,000
Original Authorized Cost	\$13,600,000
Additional Authorized Cost	\$55,385
Revised Authorized Cost	\$13,655,385

Percentage Increase over Original Authorized Cost	\$0.00
Percentage completion	0%
Original target completion date	2014
Revised target completions date	2016

**WESTFIELD SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
REPLACEMENT BOILER/ SECURITY VARIOUS SCHOOLS  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 645,212.50	\$	\$ 645,212.50	\$ 645,212.50
Bond proceeds and transfers				
Contribution from private source				
Transfer from capital reserve	694,050.00	341,140.00	1,035,190.00	1,035,190.00
Transfer from capital outlay				
Total revenues	<u>1,339,262.50</u>	<u>341,140.00</u>	<u>1,680,402.50</u>	<u>1,680,402.50</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	105,588.50	22,730.00	128,318.50	128,318.50
Other salaries				
Land and Improvements				
Construction services	628,196.00	438,249.12	1,066,445.12	1,066,445.12
Rental service				
Equipment purchases				
Total expenditures	<u>733,784.50</u>	<u>460,979.12</u>	<u>1,194,763.62</u>	<u>1,194,763.62</u>
<b>Excess (deficiency) of revenues over (under) expenditures \$</b>	<b><u>605,478.00</u></b>	<b><u>-119,839.12</u></b>	<b><u>485,638.88</u></b>	<b><u>485,638.88</u></b>

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	N/A
Additional Authorized Cost	N/A
Revised Authorized Cost	1680402.5

Percentage Increase over Original Authorized Cost	#VALUE!
Percentage completion	ON GOING
Original target completion date	2016
Revised target completions date	2017

**WESTFIELD SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
2016 REFERENDUM QESTION NO. 1 - IMPROVEMENTS TO VARIOUS SCHOOLS  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$	\$	\$	\$
Bond proceeds and transfers		8,600,000.00	8,600,000.00	8,600,000.00
Contribution from private source				
Transfer from capital reserve			0.00	0.00
Transfer from capital outlay				
Total revenues	0.00	8,600,000.00	8,600,000.00	8,600,000.00
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services			0.00	0.00
Other salaries				
Land and Improvements				
Construction services		1,433,368.40	1,433,368.40	1,433,368.40
Rental service				
Equipment purchases				
Total expenditures	0.00	1,433,368.40	1,433,368.40	1,433,368.40
<b>Excess (deficiency) of revenues over (under) expenditures \$</b>	<b>0.00</b>	<b>\$ 7,166,631.60</b>	<b>\$ 7,166,631.60</b>	<b>\$ 7,166,631.60</b>

Additional project information:

Project Number	N/A	
Grant Date	N/A	
Bond Authorization Date	01/01/16	
Bonds Authorized	\$8,600,000	
Bonds Issued	\$0	
Original Authorized Cost	\$8,600,000	
Additional Authorized Cost	\$0	
Revised Authorized Cost	\$8,600,000	
Percentage Increase over Original Authorized Cost	\$0.00	
Percentage completion	0%	
Original target completion date	2016	
Revised target completions date	2018	

**WESTFIELD SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
2016 REFERENDUM QUESTION NO. 2 - IMPROVEMENTS TO VARIOUS SCHOOLS  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$	\$	\$	\$
Bond proceeds and transfers		4,000,000.00	4,000,000.00	4,000,000.00
Contribution from private source				
Transfer from capital reserve			0.00	0.00
Transfer from capital outlay				
<b>Total revenues</b>	<u>0.00</u>	<u>4,000,000.00</u>	<u>4,000,000.00</u>	<u>4,000,000.00</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		108,117.99	108,117.99	108,117.99
Other salaries				
Land and Improvements				
Construction services				0.00
Rental service				
Equipment purchases				
<b>Total expenditures</b>	<u>0.00</u>	<u>108,117.99</u>	<u>108,117.99</u>	<u>108,117.99</u>
<b>Excess (deficiency) of revenues over (under) expenditures \$</b>	<u><u>0.00</u></u>	<u><u>3,891,882.01</u></u>	<u><u>3,891,882.01</u></u>	<u><u>3,891,882.01</u></u>

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	01/01/16
Bonds Authorized	\$4,000,000
Bonds Issued	\$0
Original Authorized Cost	\$4,000,000
Additional Authorized Cost	\$0
Revised Authorized Cost	\$4,000,000

Percentage Increase over Original	
Authorized Cost	\$0.00
Percentage completion	0%
Original target completion date	2016
Revised target completions date	2018



**PROPRIETARY FUNDS**

**SECTION – G**

**ENTERPRISE FUND**

**WESTFIELD SCHOOL DISTRICT**  
**COMBINING STATEMENT OF NET POSITION**  
**ENTERPRISE FUND**  
**AS OF JUNE 30, 2016**

<u>ASSETS</u>	<u>FOOD SERVICE</u>	<u>WRAP PROGRAM</u>	<u>TOTALS</u>
Current Assets:			
Cash and Cash Equivalents	\$ 631,272.95	\$ 179,366.86	\$ 810,639.81
Accounts Receivable:			
State	368.93		368.93
Federal	5,602.90		5,602.90
Other	1,472.40		1,472.40
Interfund Receivable	<u>8,982.83</u>		<u>8,982.83</u>
Total Current Assets	<u>647,700.01</u>	<u>179,366.86</u>	<u>827,066.87</u>
Noncurrent Assets:			
Fixed Assets:			
Equipment	428,577.00		428,577.00
Accumulated Depreciation	<u>-410,300.00</u>		<u>-410,300.00</u>
Total Noncurrent Assets	<u>18,277.00</u>		<u>18,277.00</u>
<b>Total Assets</b>	<b>\$ <u>665,977.01</u></b>	<b>\$ <u>179,366.86</u></b>	<b>\$ <u>845,343.87</u></b>
<b><u>LIABILITIES AND NET POSITION</u></b>			
Current Liabilities:			
Accounts Payable	\$ 94,693.35	\$	\$ 94,693.35
Deferred Revenue	<u>32,924.85</u>	<u>106,185.00</u>	<u>139,109.85</u>
Total Current Liabilities	<u>127,618.20</u>	<u>106,185.00</u>	<u>233,803.20</u>
Net Position:			
Invested in Capital Assets Net of Related Debt	18,277.00		18,277.00
Unrestricted (Deficit)	<u>520,081.81</u>	<u>73,181.86</u>	<u>593,263.67</u>
Total Net Position	<u>538,358.81</u>	<u>73,181.86</u>	<u>611,540.67</u>
<b>Total Liabilities and Net Position</b>	<b>\$ <u>665,977.01</u></b>	<b>\$ <u>179,366.86</u></b>	<b>\$ <u>845,343.87</u></b>

**WESTFIELD SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**ENTERPRISE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>FOOD SERVICE</u>	<u>WRAP PROGRAM</u>	<u>TOTAL</u>
<u>OPERATING REVENUES</u>			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 443,299.00	\$	\$ 443,299.00
Daily Sales - Non-Reimbursable Programs	<u>871,283.94</u>	<u>                    </u>	<u>871,283.94</u>
Total Daily Sales	1,314,582.94		1,314,582.94
Program Fees	<u>                    </u>	<u>430,003.00</u>	<u>430,003.00</u>
Total Operating Revenues	<u>1,314,582.94</u>	<u>430,003.00</u>	<u>1,744,585.94</u>
<u>OPERATING EXPENSES</u>			
Food	494,644.99		494,644.99
Labor	504,621.50	459,149.26	963,770.76
Supplies	70,698.27	26,422.09	97,120.36
Management Fees	112,819.61		112,819.61
Depreciation	<u>6,339.00</u>	<u>                    </u>	<u>6,339.00</u>
Total Operating Expenses	<u>1,189,123.37</u>	<u>485,571.35</u>	<u>1,674,694.72</u>
Operating Income (Loss)	<u>125,459.57</u>	<u>(55,568.35)</u>	<u>69,891.22</u>
Non-Operating Revenues:			
State Sources:			
State School Lunch Program	4,019.53		4,019.53
Federal Sources:			
U.S.D.A. Commodities	36,020.12		36,020.12
National School Lunch Program	59,491.45		59,491.45
Interest on Deposits	<u>2,699.83</u>	<u>                    </u>	<u>2,699.83</u>
Total Non-Operating Revenues	<u>102,230.93</u>	<u>                    </u>	<u>102,230.93</u>
Change in Net Position	227,690.50	(55,568.35)	172,122.15
Total Net Position Beginning	<u>310,668.31</u>	<u>128,750.21</u>	<u>439,418.52</u>
<b>Total Net Position Ending</b>	<b>\$ <u>538,358.81</u></b>	<b>\$ <u>73,181.86</u></b>	<b>\$ <u>611,540.67</u></b>

**WESTFIELD SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>FOOD SERVICE</u>	<u>WRAP PROGRAM</u>	<u>TOTAL</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 1,320,221.26	485,683.00	\$ 1,805,904.26
Payments to Suppliers	<u>(1,134,078.34)</u>	<u>(485,985.93)</u>	<u>(1,620,064.27)</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b><u>186,142.92</u></b>	<b><u>(302.93)</u></b>	<b><u>185,839.99</u></b>
Cash Flows from Non-Capital Financing Activities			
State Sources	3,976.86		3,976.86
Federal Sources	58,984.01		58,984.01
Interfund Loan Received	<u>550.11</u>		<u>550.11</u>
<b>Net Cash Provided by (Used for) Non-Capital     Financing Activities</b>	<b><u>63,510.98</u></b>		<b><u>63,510.98</u></b>
Cash Flows from Investing Activities			
Interest on Deposits	<u>2,699.83</u>		<u>615.60</u>
<b>Net Cash Provided by (Used for) Investing Activities</b>	<b><u>2,699.83</u></b>		<b><u>615.60</u></b>
Net Increase (Decrease) in Cash and Cash Equivalents	252,353.73	(302.93)	249,966.57
Cash and Cash Equivalents, July 1	<u>378,919.22</u>	<u>179,669.79</u>	<u>558,589.01</u>
<b>Cash and Cash Equivalents, June 30</b>	<b><u>\$ 631,272.95</u></b>	<b><u>179,366.86</u></b>	<b><u>\$ 810,639.81</u></b>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 125,459.57	(55,568.35)	\$ 69,891.22
Adjust. to Reconcile Operating Income (Loss) to Cash Provided (Used) by Oper. Activities:			0.00
Depreciation	6,339.00		6,339.00
Federal Commodities	36,020.12		36,020.12
(Increase) Decrease in Accounts Receivable	(412.01)		(412.01)
(Increase) Decrease in Interfund Loans	(4,117.14)		(4,117.14)
(Increase) Decrease in Inventory	12,405.64		12,405.64
Increase (Decrease) in Deferred Revenue	6,050.33	55,680.00	61,730.33
Increase (Decrease) in Accounts Payable	<u>4,397.41</u>	<u>(414.58)</u>	<u>3,982.83</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b><u>\$ 186,142.92</u></b>	<b><u>(302.93)</u></b>	<b><u>\$ 185,839.99</u></b>

**INTERNAL SERVICE FUND**

**FIDUCIARY FUNDS**

**SECTION - H**

**WESTFIELD SCHOOL DISTRICT  
COMBINING STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2016**

		<b>AGENCY</b>			<b>TOTALS</b>
	<b>UNEMPLOYMENT COMPENSATION</b>	<b>STUDENT ACTIVITY</b>	<b>PAYROLL</b>		<b>2016</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 207,147.54	\$ 590,829.80	\$ 512,792.81	\$	1,310,770.15
<b>Total Assets</b>	<b>\$ 207,147.54</b>	<b>\$ 590,829.80</b>	<b>\$ 512,792.81</b>	<b>\$</b>	<b>1,310,770.15</b>
<b>LIABILITIES AND NET POSITION</b>					
Liabilities:					
Payroll Deductions and Withholdings	\$	\$	\$ 512,792.81	\$	512,792.81
Accounts Payable	30,000.00				30,000.00
Due to Student Groups		590,829.80			590,829.80
Total Liabilities	30,000.00	590,829.80	512,792.81		1,133,622.61
Net Position:					
Unreserved	177,147.54				177,147.54
Total Net Position	177,147.54				177,147.54
<b>Total Liabilities and Net Position</b>	<b>\$ 207,147.54</b>	<b>\$ 590,829.80</b>	<b>\$ 512,792.81</b>	<b>\$</b>	<b>1,310,770.15</b>



**WESTFIELD SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS</b>	
Contributions:	
Dedicated Payroll Withholdings	\$ 145,782.79
Board Contribution	75,000.00
Total Contributions	<u>220,782.79</u>
Investment Earnings:	
Interest On Deposits	<u>510.31</u>
Net Investment Earnings	<u>510.31</u>
Total Additions	<u>221,293.10</u>
<b>DEDUCTIONS</b>	
Quarterly contribution reports	<u>153,806.93</u>
Total Deductions	<u>153,806.93</u>
Change in Net Position	<u>67,486.17</u>
Net Position - beginning of the year	<u>109,661.37</u>
<b>Net Position - end of the year</b>	<b>\$ <u><u>177,147.54</u></u></b>

**WESTFIELD SCHOOL DISTRICT  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
STUDENT ACTIVITY AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	BALANCE JUNE 30, 2015	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2016
<u>ELEMENTARY SCHOOLS</u>				
Franklin	\$ 5,372.57	\$ 34,406.84	\$ 36,041.54	\$ 3,737.87
Jefferson	2,835.56	23,763.60	23,641.48	2,957.68
Lincoln	2,227.88	2,499.05	2,430.00	2,296.93
McKinley	4,464.19	19,981.34	18,118.67	6,326.86
Tamaques	5,115.62	23,898.10	23,264.42	5,749.30
Washington	3,626.31	22,373.41	22,834.14	3,165.58
Wilson	7,031.16	35,096.64	32,244.37	9,883.43
<b>Total Elementary Schools</b>	<b>\$ 30,673.29</b>	<b>\$ 162,018.98</b>	<b>\$ 158,574.62</b>	<b>\$ 34,117.65</b>
<u>INTERMEDIATE SCHOOLS</u>				
Edison	\$ 67,027.87	\$ 83,951.68	\$ 83,161.49	\$ 67,818.06
Roosevelt	146,195.24	83,990.20	71,496.63	158,688.81
<b>Total Intermediate Schools</b>	<b>\$ 213,223.11</b>	<b>\$ 167,941.88</b>	<b>\$ 154,658.12</b>	<b>\$ 226,506.87</b>
<u>SENIOR HIGH SCHOOLS</u>				
Westfield H.S.	\$ 246,947.38	\$ 502,485.13	\$ 483,743.12	\$ 265,689.39
Westfield H.S Music Account	7,551.99	165,500.14	108,536.24	64,515.89
<b>Total Senior High Schools</b>	<b>\$ 254,499.37</b>	<b>\$ 667,985.27</b>	<b>\$ 592,279.36</b>	<b>\$ 330,205.28</b>
<b>Total All Schools</b>	<b>\$ 498,395.77</b>	<b>\$ 997,946.13</b>	<b>\$ 905,512.10</b>	<b>\$ 590,829.80</b>

**WESTFIELD SCHOOL DISTRICT  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
PAYROLL AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>BALANCE JUNE 30, 2015</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>	<u>BALANCE JUNE 30, 2016</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 494,094.73	\$ 66,848,737.63	\$ (66,830,039.55)	\$ 512,792.81
<b>Total Assets</b>	<b>\$ 494,094.73</b>	<b>\$ 66,848,737.63</b>	<b>\$ (66,830,039.55)</b>	<b>\$ 512,792.81</b>
<u>LIABILITIES</u>				
Payroll Deductions and Withholdings	\$ 494,094.73	\$ 66,848,737.63	\$ (66,830,039.55)	\$ 512,792.81
<b>Total Liabilities</b>	<b>\$ 494,094.73</b>	<b>\$ 66,848,737.63</b>	<b>\$ (66,830,039.55)</b>	<b>\$ 512,792.81</b>

**LONG-TERM DEBT**

**SECTION - I**

WESTFIELD SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2016

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	ANNUAL MATURITIES AMOUNT	INTEREST RATE	BALANCE JUNE 30, 2015	ISSUED	RETIRED	BALANCE JUNE 30, 2016
Refunding School Bonds	9/1/2006	\$ 9,195,000	8/1/2016	\$ 1,585,000	4.000%	\$ 8,885,000.00	\$	610,000.00	\$ 8,275,000.00
	8/1/2017		8/1/2017	1,605,000	4.000%				
	8/1/2018		8/1/2018	1,600,000	4.000%				
	8/1/2019		8/1/2019	1,615,000	4.000%				
	8/1/2020		8/1/2020	940,000	4.000%				
	8/1/2021		8/1/2021	930,000	4.000%				
Renovations and alterations at Lincoln School, additions renovations and alterations at Roosevelt Intermediate School and replacement of windows at Thomas Edison Intermediate School	10/1/2007	\$ 9,396,000	10/1/2016	\$ 350,000	4.000%	1,075,000.00		325,000.00	750,000.00
			10/1/2017	400,000	4.000%				
Refunding School Bonds	8/1/2010	\$ 3,830,000				935,000.00		935,000.00	
School Bonds	8/1/2013	\$ 6,916,000	8/1/2016	\$ 465,000	1.000%	6,451,000.00		465,000.00	5,986,000.00
			8/1/2017	461,000	1.500%				
			8/1/2018	460,000	1.750%				
			8/1/2019	460,000	2.000%				
			8/1/2020	460,000	2.000%				
			8/1/2021	460,000	2.375%				
			8/1/2022	460,000	2.500%				
			8/1/2023	460,000	3.000%				
			8/1/2024	460,000	3.000%				
			8/1/2025	460,000	3.000%				
			8/1/2026	460,000	3.000%				
			8/1/2027	460,000	3.000%				
			8/1/2028	460,000	3.000%				
School Bonds	7/10/2014	\$ 3,200,000	8/1/2016	\$ 300,000	1.500%	3,200,000.00		250,000.00	2,950,000.00
			8/1/2017	300,000	1.500%				
			8/1/2018	300,000	2.000%				
			8/1/2019	300,000	2.000%				
			8/1/2020	350,000	2.000%				
			8/1/2021	350,000	2.000%				
		8/1/2022	350,000	2.000%					
		8/1/2023	350,000	2.250%					
		8/1/2024	350,000	2.375%					

WESTFIELD SCHOOL DISTRICT  
 LONG-TERM DEBT  
 SCHEDULE OF SERIAL BONDS  
 JUNE 30, 2016

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	ANNUAL MATURITIES AMOUNT	INTEREST RATE	BALANCE JUNE 30, 2015	ISSUED	RETIRED	BALANCE JUNE 30, 2016
Refunding School Bonds, Series 2015 A			10/1/2018	\$ 500,000	4.000%				
			10/1/2019	575,000	4.000%				
		5,700,000	10/1/2020	400,000	1.625%				
			10/1/2021	470,000	4.000%				
			10/1/2022	590,000	4.000%				
			10/1/2023	615,000	4.000%				
			10/1/2024	640,000	4.000%				
			10/1/2025	640,000	4.000%				
			10/1/2026	640,000	4.000%				
			10/1/2027	630,000	2.400%	5,700,000.00			5,700,000.00
School Bonds, Series 2015 B			10/1/2016	\$ 50,000	3.000%				
			10/1/2017	50,000	3.000%				
		261,000	10/1/2018	50,000	3.000%				
			10/1/2019	55,000	3.000%				
			10/1/2020	56,000	3.000%	261,000.00			261,000.00
<b>Total</b>						<b>\$ 26,507,000.00</b>	<b>\$</b>	<b>\$ 2,585,000.00</b>	<b>\$ 23,922,000.00</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
LONG-TERM DEBT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 3,201,836.25		\$ 3,201,836.25	\$ 3,201,836.00	\$ (0)
Total Local Sources:	3,201,836.25	-	3,201,836.25	3,201,836.00	(0.25)
State Aid - Debt Service	245,926.00		245,926.00	245,926.00	-
Total Revenues	3,447,762.25	-	3,447,762.25	3,447,762.00	(0.25)
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Redemption of Bond Principal	2,585,000.00		2,585,000.00	2,585,000.00	-
Bond Interest	862,762.25		862,762.25	838,466.52	24,295.73
Costs of Issuance					-
Total Regular Debt Service	3,447,762.25	-	3,447,762.25	3,423,466.52	24,295.73
Total expenditures	3,447,762.25	-	3,447,762.25	3,423,466.52	24,295.73
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	24,295.48	24,295.48
Other Financing Sources/ (Uses):					
Refunding bonds issued/ Premium Payment to bond refunding escrow agent	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	24,295.48	24,295.48
Fund Balance, July 1	1.56	1.56	1.56	1.56	1.56
<b>Fund Balance, June 30</b>	<b>1.56</b>	<b>1.56</b>	<b>1.56</b>	<b>24,297.04</b>	<b>24,297.04</b>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ -	\$ -	\$ -	\$ 1.56	\$ 1.56

**STATISTICAL SECTION**

**SECTION – J**



## Financial Trends

WESTFIELD BOARD OF EDUCATION  
NET ASSETS/POSITION BY COMPONENTS  
LAST TEN FISCAL YEARS

Exhibit J-1  
GASB B-1

Fiscal Year Ending June 30,

	2007	2008	2009	2010	2011	Restated 2012	Restated 2013	GASB #68 Restated 2014	2015	2016
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 20,198,603	\$ 16,197,054	\$ 20,633,404	\$ 21,718,368	\$ 22,470,195	\$ 6,299,851	\$ 10,724,623	\$ 11,658,528	\$ 14,113,937	\$ 17,621,502
Restricted	4,882,153	7,214,246	2,264,758	2,299,089	5,437,164	5,859,508	3,525,144	5,732,998	5,886,394	8,428,307
Unrestricted	(437,487)	85,055	213,871	(44,533)	(937,855)	798,409	618,078	(22,651,303)	(23,325,485)	(24,717,778)
<b>Total governmental activities net assets</b>	<b>\$ 24,643,269</b>	<b>\$ 23,496,356</b>	<b>\$ 23,112,033</b>	<b>\$ 23,972,924</b>	<b>\$ 26,969,504</b>	<b>\$ 12,857,767</b>	<b>\$ 14,867,845</b>	<b>\$ (6,259,776)</b>	<b>\$ (3,325,164)</b>	<b>\$ 1,332,031</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 70,960	\$ 66,283	\$ 62,229	\$ 57,481	\$ 69,825	\$ 43,630	\$ 37,294	\$ 30,955	\$ 24,616	\$ 18,277
Restricted	47,873	46,811	40,358	98,742	123,239	77,624	114,071	181,308	414,803	593,263
Unrestricted	(118,833)	113,094	102,887	156,223	193,064	121,254	151,365	212,263	439,419	611,540
<b>Total business-type activities net assets</b>	<b>\$ 118,833</b>	<b>\$ 113,094</b>	<b>\$ 102,887</b>	<b>\$ 156,223</b>	<b>\$ 193,064</b>	<b>\$ 121,254</b>	<b>\$ 151,365</b>	<b>\$ 212,263</b>	<b>\$ 439,419</b>	<b>\$ 611,540</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 20,269,563	\$ 16,263,337	\$ 20,695,633	\$ 21,775,849	\$ 22,540,020	\$ 6,343,481	\$ 10,761,917	\$ 11,689,483	\$ 14,138,553	\$ 17,639,779
Restricted	4,882,153	7,214,246	2,264,758	2,299,089	5,437,164	5,859,508	3,525,144	5,732,998	5,886,394	8,428,307
Unrestricted	(389,614)	131,866	254,229	(54,209)	(814,616)	876,033	732,149	(22,469,995)	(22,910,692)	(24,124,515)
<b>Total district net assets/position</b>	<b>\$ 24,762,102</b>	<b>\$ 23,609,450</b>	<b>\$ 23,214,620</b>	<b>\$ 24,129,147</b>	<b>\$ 27,162,568</b>	<b>\$ 13,079,021</b>	<b>\$ 15,019,210</b>	<b>\$ (5,047,515)</b>	<b>\$ (2,885,745)</b>	<b>\$ 1,943,571</b>

Source: CAFR Schedule A-1.

**WESTFIELD BOARD OF EDUCATION  
CHANGES IN NET ASSETS/POSITION  
LAST TEN FISCAL YEARS**

**Exhibit J-2  
GASB B-2**

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>EXPENSES</b>										
Governmental Activities										
Instruction										
Regular	\$ 27,118,231	\$ 27,666,559	\$ 28,237,946	\$ 28,144,634	\$ 28,032,789	\$ 30,085,810	\$ 33,216,431	\$ 33,171,669	\$ 32,170,882	\$ 33,945,264
Special Education	4,859,988	5,151,380	5,478,684	6,309,395	6,908,780	6,858,573	7,347,902	8,076,449	8,152,638	7,980,420
Other Special Instruction	1,043,750	1,036,011	1,021,996	1,095,682	944,665	895,340	984,132	1,024,005	2,155,957	1,081,477
Other Instruction	1,383,903	1,583,581	1,605,920	1,366,711	1,276,895	1,409,614	1,537,375	1,567,943	1,675,043	1,567,029
Support Services										
Tuition	5,415,837	5,634,370	6,072,048	5,746,043	6,403,845	6,253,142	5,997,483	5,839,281	6,686,758	6,686,650
Student & Instruction Related Services	10,056,783	10,838,549	11,180,709	11,339,433	11,641,513	12,372,419	11,303,844	11,450,450	11,684,484	12,153,419
School Administrative Services	2,784,382	3,057,743	3,124,291	3,308,431	3,232,862	3,360,307	3,354,346	3,485,703	3,575,510	3,472,539
General & Business Administrative Services	4,123,988	3,556,545	3,503,649	3,811,433	3,613,287	3,841,033	3,577,560	3,708,227	3,689,079	4,013,438
Plant Operations and Maintenance	5,591,627	5,788,221	6,059,785	5,582,678	6,081,557	5,879,272	5,762,483	5,878,848	5,954,354	5,943,911
Pupil Transportation	2,706,037	2,569,663	2,803,755	2,372,524	2,284,653	2,496,987	2,456,187	2,744,174	2,505,294	2,550,903
Unallocated Benefits	19,848,340	21,538,306	19,493,166	21,070,275	19,928,808	21,474,960	24,322,921	24,007,770	26,417,254	26,368,820
Charter Schools	-	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	939,220	1,172,845	1,173,489	1,077,696	942,306	859,740	813,870	889,586	808,442	952,171
Unallocated Depreciation & Amortization	1,497,052	1,509,995	1,582,203	2,004,307	1,526,942	1,961,528	1,316,041	1,201,462	1,255,944	1,771,245
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	<u>87,369,038</u>	<u>91,103,769</u>	<u>91,337,542</u>	<u>93,229,242</u>	<u>92,858,881</u>	<u>97,875,924</u>	<u>101,990,575</u>	<u>103,055,566</u>	<u>106,731,639</u>	<u>108,489,286</u>
Business-Type Activities:										
Food Service	1,054,833	1,142,450	1,117,357	1,046,291	1,072,591	1,090,730	1,158,886	1,242,856	1,161,518	1,189,123
Child Care	1,054,833	1,142,450	1,117,357	1,046,291	1,072,591	1,090,730	1,158,886	1,242,856	1,161,518	1,189,123
Total Business-Type Activities	<u>2,109,666</u>	<u>2,284,900</u>	<u>2,234,714</u>	<u>2,092,582</u>	<u>2,145,182</u>	<u>2,181,460</u>	<u>2,317,772</u>	<u>2,485,712</u>	<u>2,323,036</u>	<u>2,378,246</u>
Total Primary Government Expenses	<u>\$ 89,478,704</u>	<u>\$ 93,388,669</u>	<u>\$ 93,572,256</u>	<u>\$ 95,321,824</u>	<u>\$ 95,004,063</u>	<u>\$ 99,057,384</u>	<u>\$ 104,308,147</u>	<u>\$ 105,541,278</u>	<u>\$ 109,054,675</u>	<u>\$ 110,867,532</u>
<b>Program Revenues</b>										
Governmental Activities										
Charges for Services										
Instruction (tuition)										
Pupil Transportation										
Business and Other Support Services										
Operating Grants and Contributions	8,611,686	8,754,459	5,698,789	5,889,877	5,901,907	7,192,491	9,269,748	8,415,719	9,210,875	11,209,759
Interest on Long-Term Debt	256,997	262,893	457,378	503,884	402,020	342,105	353,654	363,541	306,218	245,926
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	<u>\$ 8,868,683</u>	<u>\$ 9,017,352</u>	<u>\$ 6,156,167</u>	<u>\$ 6,393,761</u>	<u>\$ 6,303,927</u>	<u>\$ 7,534,596</u>	<u>\$ 9,623,402</u>	<u>\$ 8,779,260</u>	<u>\$ 9,517,093</u>	<u>\$ 11,455,685</u>

WESTFIELD BOARD OF EDUCATION  
CHANGES IN NET ASSETS/POSITION  
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Business-Type Activities</b>										
Charges for Services	980,051	1,046,190	1,033,776	1,014,112	1,022,678	1,044,113	1,109,513	1,164,484	1,226,149	1,314,583
Food Service	-	-	-	-	-	-	-	138,600	278,053	430,003
Child Care	61,768	72,935	65,346	85,815	86,753	87,346	79,054	89,977	80,768	99,531
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	1,041,819	1,119,126	1,099,122	1,099,927	1,109,432	1,131,458	1,188,567	1,393,061	1,584,970	1,844,117
Total District Program Revenues	\$ 9,910,502	\$ 10,126,478	\$ 7,255,289	\$ 7,493,688	\$ 7,413,358	\$ 8,666,054	\$ 10,811,969	\$ 10,172,321	\$ 11,102,052	\$ 13,299,802
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (78,500,355)	\$ (82,096,417)	\$ (85,181,375)	\$ (86,835,481)	\$ (86,554,955)	\$ (90,341,328)	\$ (92,957,173)	\$ (94,276,307)	\$ (97,214,546)	\$ (97,033,601)
Business-Type Activities	(13,014)	(23,324)	(18,235)	53,636	36,841	40,729	29,681	60,283	225,471	169,422
Total District-Wide Net Expense	\$ (78,513,369)	\$ (82,119,741)	\$ (85,199,611)	\$ (86,781,845)	\$ (86,518,114)	\$ (90,300,600)	\$ (92,337,492)	\$ (94,216,024)	\$ (96,989,075)	\$ (96,864,179)
<b>General Revenues and Other Changes in Net Assets/Position</b>										
Governmental Activities	\$ 68,227,778	\$ 71,096,796	\$ 75,086,661	\$ 78,195,764	\$ 81,379,595	\$ 83,007,187	\$ 84,667,331	\$ 86,360,677	\$ 88,967,333	\$ 91,791,272
Property Taxes, Levied for General Purposes, Net	1,992,911	2,019,180	2,231,527	2,152,919	2,534,127	2,537,247	2,527,277	2,551,925	2,846,413	3,201,636
Taxes Levied for Debt Service	4,802,251	5,048,711	5,055,022	4,484,666	1,805,121	3,506,246	4,194,340	4,115,308	4,180,857	4,354,644
Unrestricted Grants and Contributions	2,114,750	2,045,006	2,101,165	2,383,944	2,653,090	2,492,779	2,172,729	1,906,840	2,212,314	2,163,177
Restricted Grants and Contributions	46,969	65,835	41,593	115,759	99,326	159,866	135,874	138,397	210,478	162,071
Tuition Received	644,906	632,761	115,631	125,780	85,201	65,400	29,515	29,129	41,146	58,023
Investment earnings	395,304	58,800	173,181	237,541	995,074	530,961	550,740	411,212	688,620	619,234
Miscellaneous Income	(31,220)	-	-	-	-	-	-	-	-	-
Cancellation of Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Cancellation of Accrued Liability	(12,758)	(17,585)	(7,728)	87,696,372	89,551,635	(9,873)	(557)	9,135	99,149,160	102,350,258
Transfers	78,180,891	80,949,503	84,797,053	87,696,372	89,551,635	92,289,814	94,277,249	95,522,623	99,149,160	102,350,258
Total Governmental Activities	12,758	17,585	7,728	-	-	-	430	616	1,684	2,700
Business-Type Activities	12,758	17,585	7,728	-	-	-	430	616	1,684	2,700
Miscellaneous Income	78,193,649	80,967,088	84,804,781	87,696,372	89,551,635	92,289,814	94,277,679	95,523,239	99,150,844	102,352,958
Total Business-Type Activities	\$ 78,193,649	\$ 80,967,088	\$ 84,804,781	\$ 87,696,372	\$ 89,551,635	\$ 92,289,814	\$ 94,277,679	\$ 95,523,239	\$ 99,150,844	\$ 102,352,958
Total Primary Government	\$ 78,193,649	\$ 80,967,088	\$ 84,804,781	\$ 87,696,372	\$ 89,551,635	\$ 92,289,814	\$ 94,277,679	\$ 95,523,239	\$ 99,150,844	\$ 102,352,958
<b>Change in Net Assets/Net Position</b>										
Governmental Activities	\$ (319,464)	\$ (1,146,914)	\$ (384,322)	\$ 860,891	\$ 2,996,580	\$ 1,948,485	\$ 1,910,076	\$ 1,246,316	\$ 1,934,614	\$ 5,316,657
Business-Type Activities	(256)	(5,739)	(10,508)	53,636	36,841	40,729	30,111	60,898	227,155	172,122
Total District	\$ (319,720)	\$ (1,152,653)	\$ (394,830)	\$ 914,527	\$ 3,033,421	\$ 1,989,214	\$ 1,940,187	\$ 1,307,214	\$ 2,161,769	\$ 5,488,779

Source: CAFR Schedule A-2.

**WESTFIELD BOARD OF EDUCATION  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**  
*(modified accrual basis of accounting)*

**Exhibit J-3  
GASB B-3**

Fiscal Year Ending June 30,

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Restricted:										
Committed:	\$ 1,074,573	\$ 1,426,032	\$ 751,686	\$ 1,772,008	\$ 4,107,527	\$ 4,006,555	\$ 5,022,670	\$ 4,468,499	\$ 4,807,697	\$ 9,041,326
Assigned:					952,984	1,537,139	1,154,265	880,573	722,022	510,251
Unassigned:	3,577,772	2,397,430	2,353,924	2,002,994	350,088	1,106,658	587,609	308,774	3,041	653,439
Total General Fund	<u>\$ 4,652,345</u>	<u>\$ 3,823,463</u>	<u>\$ 3,105,609</u>	<u>\$ 3,775,002</u>	<u>\$ 6,221,190</u>	<u>\$ 7,508,934</u>	<u>\$ 6,764,543</u>	<u>\$ 6,316,999</u>	<u>\$ 6,187,358</u>	<u>\$ 10,205,016</u>
All Other Governmental Funds										
Restricted:	\$ 696,178	\$ 4,071,775	\$ 878,233	\$ 274,664						
Assigned, Reported In:										
Special Revenue Fund						272,720	(1,527,195)	658,442	353,633	(1,147,567)
Capital Projects Fund	814,212	1,332,452	354,342	250,807	331,982					
Debt Service Fund	221,810	383,987	280,497	1,610	44,671	43,095	1	2	2	24,297
Unassigned							29,669	(274,517)		
Total All Other Governmental Funds	<u>\$ 1,732,200</u>	<u>\$ 5,788,214</u>	<u>\$ 1,513,072</u>	<u>\$ 527,081</u>	<u>\$ 376,653</u>	<u>\$ 315,815</u>	<u>\$ (1,497,526)</u>	<u>\$ 383,927</u>	<u>\$ 353,634</u>	<u>\$ (1,123,270)</u>

Source: CAFR Schedule B-1.

**WESTFIELD BOARD OF EDUCATION  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

Exhibit J-4  
GASB B-4

Fiscal Year Ending June 30,

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Tax levy	\$ 70,220,689	\$ 73,115,976	\$ 77,318,188	\$ 80,348,683	\$ 83,913,722	\$ 85,544,434	\$ 87,194,608	\$ 88,912,602	\$ 91,815,746	\$ 94,993,108
Tuition charges	46,970	63,835	41,593	115,759	99,326	159,866	135,874	138,397	210,478	162,071
Miscellaneous	1,145,285	778,224	346,487	363,321	1,080,276	586,361	580,255	580,277	729,765	864,564
State sources	14,051,672	14,321,950	11,695,883	11,301,842	8,337,913	11,108,358	14,155,460	12,845,146	14,270,874	16,116,374
Federal sources	1,628,936	1,692,456	1,558,796	1,960,528	2,424,224	2,425,263	1,835,010	1,816,326	2,196,857	1,669,836
Total revenue	87,093,552	89,974,441	90,960,947	94,090,133	95,855,461	99,834,282	103,901,208	104,292,747	109,223,720	113,805,944
<b>Expenditures</b>										
Instruction										
Regular instruction	27,194,253	27,658,651	28,227,790	28,243,334	28,028,953	30,076,015	33,216,431	33,171,669	32,170,882	33,945,264
Special education instruction	4,867,750	5,130,827	5,469,359	6,318,663	6,858,506	6,954,087	7,347,902	8,076,449	8,152,638	7,980,420
Other special instruction	1,054,410	1,036,011	1,021,996	1,095,682	944,665	895,340	984,132	1,024,005	2,155,957	1,081,477
Other instruction	1,383,903	1,583,581	1,605,820	1,366,711	1,276,895	1,409,614	1,537,375	1,567,943	1,675,043	1,567,029
Support Services:										
Tuition	5,415,837	5,634,370	6,072,048	5,746,043	6,403,845	6,253,142	5,997,483	5,899,281	6,686,758	6,688,650
Student & inst. related services	10,076,246	10,814,687	11,161,627	11,366,482	11,606,752	12,384,045	11,303,844	11,450,450	11,694,484	12,153,419
General administration	1,734,286	1,267,341	1,301,004	1,677,350	1,674,901	1,941,964	3,354,346	3,495,703	3,575,510	3,472,539
School administrative services	2,778,235	3,057,529	3,123,940	3,266,095	3,220,902	3,402,281	3,577,560	3,708,227	3,689,079	3,932,882
Central services	1,062,189	1,031,740	1,038,582	1,082,127	1,063,510	1,126,129	1,126,129	1,126,129	1,126,129	1,126,129
Admin. information technology	1,349,481	1,228,255	1,165,669	1,029,346	886,613	747,482	747,482	747,482	747,482	747,482
Plant operations and maintenance	5,658,581	5,790,086	6,051,861	5,575,561	6,108,845	5,879,522	5,762,483	5,878,848	5,954,354	5,943,911
Pupil transportation	2,706,037	2,569,663	2,803,755	2,372,524	2,264,653	2,496,987	2,456,187	2,744,174	2,505,294	2,550,903
Other Support Services	19,848,340	21,538,306	19,493,166	21,070,275	19,928,808	21,474,960	24,350,801	23,663,574	26,389,347	25,200,825
Employee benefits	1,223,444	5,365,498	4,509,549	1,199,271	378,789	674,987	3,645,813	6,248,288	5,155,835	3,324,404
Capital outlay	1,355,000	1,485,000	1,485,000	1,890,000	1,900,000	1,985,000	2,095,000	2,150,000	2,286,000	2,565,000
Debt service:	968,890	914,179	1,415,048	1,087,267	993,086	895,929	829,025	765,465	918,631	838,467
Principal	88,686,882	96,125,724	95,946,215	94,406,731	93,559,703	98,597,503	106,458,383	109,784,075	112,949,812	111,265,190
Interest and other charges	(1,593,330)	(6,151,283)	(4,985,267)	(316,598)	2,295,758	1,236,779	(2,557,175)	(5,491,327)	(3,726,093)	2,540,753
Excess (Deficiency) of revenues over (under) expenditures	-	9,396,000	3,247,187	(3,247,187)	4,038,132	(4,038,132)	6,916,000	6,331,360	3,474,143	(6,239,243)
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing	-	-	31,220	508,041	(525,625)	(9,873)	9,477	9,135	522,017	341,140
Payments to escrow agent	-	-	(43,978)	(12,758)	(30,328)	(7,726)	(10,034)	(522,017)	(622,017)	(341,140)
Transfers in	-	-	-	-	-	-	(557)	6,925,135	3,566,260	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	31,220	508,041	(525,625)	(9,873)	9,477	9,135	522,017	341,140
<b>Special Item</b>										
Cancellation of Accrued Liability	(31,220)	-	-	-	-	-	-	-	-	-
Total special item	(31,220)	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ (1,637,308)	\$ 3,227,132	\$ (4,992,995)	\$ (316,598)	\$ 2,295,758	\$ 1,226,906	\$ (2,557,792)	\$ 1,433,808	\$ (159,833)	\$ 2,540,753
Debt service as a percentage of noncapital expenditures	2.66%	2.64%	3.17%	3.19%	3.10%	2.94%	2.84%	2.82%	2.93%	3.17%

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.

**WESTFIELD BOARD OF EDUCATION  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED**

Exhibit J-5

*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,	Gate Receipts	Student Activities	Rentals	Interest on Deposits	Sale and Leaseback of Textbooks	Miscellaneous	Annual Totals
2007	\$ 0	\$ 0	194,760	\$ 0	\$ 0	678,640	873,400
2008	0	0	0	0	0	444,466	444,466
2009	0	0	0	0	0	203,760	203,760
2010	0	0	0	0	0	268,569	268,569
2011	0	0	0	0	0	936,833	936,833
2012	0	0	0	0	0	401,122	401,122
2013	0	0	0	0	0	403,936	403,936
2014	16,004	153,466	0	29,129	0	241,742	440,341
2015	12,654	145,874	0	41,146	0	225,219	424,893
2016	30,876	152,063	143,262	58,023	0	296,034	680,257

Source: District records.

## Revenue Capacity



WESTFIELD BOARD OF EDUCATION  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS

Exhibit J-6  
 GASB C-11

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Req.	Charm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities*	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value) <sup>c</sup>
2007	13,582,300	1,649,131,600	0	4,200	176,017,200	1,988,100	21,679,100	1,862,402,500	0	1,736,953	1,864,139,453	3.922	7,084,129,209
2008	11,548,700	1,670,669,600	0	4,200	176,297,300	1,988,100	21,679,100	1,882,187,000	0	2,575,778	1,884,762,778	4.103	7,533,990,696
2009	12,364,500	1,684,714,100	0	4,200	175,356,700	1,988,100	21,339,100	1,895,766,700	0	2,710,382	1,898,477,082	4.233	7,716,156,926
2010	8,838,700	1,697,417,200	0	4,200	174,633,900	1,988,100	21,339,100	1,904,221,200	0	1,927,282	1,906,148,482	4.403	7,619,290,133
2011	8,138,300	1,686,710,100	0	4,200	173,055,900	1,988,100	21,156,200	1,891,052,800	0	1,944,916	1,892,997,716	4.519	7,303,231,929
2012	8,234,800	1,673,159,900	0	4,200	170,812,600	1,988,100	20,980,600	1,875,180,200	0	1,835,609	1,877,015,809	4.646	7,235,990,001
2013	9,606,800	1,658,496,600	0	4,200	166,000,400	1,988,100	20,257,900	1,856,354,000	0	1,956,540	1,858,310,540	4.785	7,109,068,630
2014	10,233,800	1,650,848,800	0	4,200	165,809,000	1,458,500	19,074,100	1,847,428,400	0	1,620,019	1,849,048,419	4.966	7,222,845,387
2015	12,119,800	1,647,855,600	0	4,200	164,116,600	1,341,600	19,074,100	1,844,511,900	0	1,505,114	1,846,017,014	5.146	7,256,875,671
2016	13,468,700	1,652,471,400	0	4,200	162,612,000	1,341,600	19,074,100	1,848,980,000	0	1,598,256	1,850,588,256	5.235	7,526,933,842

Source: District records Tax list summary & 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 ordered by the County Board of Taxation

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

b Tax rates are per \$100

c Town of Westfield Annual Debt Statement

N/A - Not Available.

**WESTFIELD BOARD OF EDUCATION  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS**

**Exhibit J-7  
GASB C-2**

*(rate per \$100 of assessed value)*

<u>Year Ended Dec.</u> <u>30</u>	<u>Total Direct School</u> <u>Tax Rate</u>	<u>Town of Westfield</u>	<u>Union County</u>	<u>Total Tax Rate**</u>
2007	0.000	1.083	1.323	2.406
2008	0.000	1.172	1.394	2.566
2009	0.000	1.234	1.447	2.681
2010	0.000	1.329	1.540	2.869
2011	0.000	1.403	1.641	3.044
2012	0.000	1.459	1.757	3.216
2013	4.785	1.505	1.893	8.183
2014	4.966	1.548	2.043	8.557
2015	5.146	1.577	2.126	8.849
2016	5.235	1.604	2.190	9.029

\*\*Excludes Special Improvement District Taxes which are levied against properties situated within this district.

Union County - Includes County Open Space Recreation & Historic Preservation for years 2004 and subsequent.

Source(s): District Records, Municipal Tax Collector and the Abstract of Ratables - Union County.

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 calculation.

WESTFIELD BOARD OF EDUCATION  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT AND TEN YEARS AGO

Exhibit J-8  
 GASB C-3

Taxpayer	YEAR ENDED DEC. 31, 2015				YEAR ENDED DEC. 31, 2005			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	
WYCHWOOD GARDENS	\$ 7,500,000.00		0.41%		\$			
ECHO LAKE COUNTRY CLUB	6,031,000.00		0.33%					
WEILL, MAURICE	4,792,800.00		0.26%					
EAST COAST DUNCAN HILL, LLC	4,377,300.00		0.24%					
SUNRISE ASSISTED LIVING	4,176,700.00		0.23%		N/A			
WESTFIELD MERDIAN LLP	4,004,000.00		0.22%					
LT PROPCO LLC	3,773,400.00		0.20%					
ERNSTOFF, ROBERT	3,325,000.00		0.18%					
ACL REAL ESTAT LLC	2,638,000.00		0.14%					
CARDINAL DRIVE PARTNERS	250,000.00		0.01%					
<b>TOTAL</b>	<b>\$ 40,868,200.00</b>		<b>2.21%</b>		<b>\$ -</b>		<b>0.00%</b>	

SOURCE(S): DISTRICT CAFR, MUNICIPAL TAX ASSESSOR, AND OFFICIAL STATEMENT DATED JULY 13, 2016.

N/A - Not Available.

**WESTFIELD BOARD OF EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS,  
LAST TEN FISCAL YEARS**

**Exhibit J-9  
GASB C-4**

<u>Fiscal Year Ended Dec. 31,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the</u>		<u>Collections in Subsequent Years</u>
		<u>Levy</u>	<u>Levy</u>	
2006	\$ 114,061,861	\$ 112,786,758	98.88%	N/A
2007	119,456,100	118,144,562	98.90%	N/A
2008	126,926,806	125,314,414	98.73%	N/A
2009	132,675,758	130,576,319	98.42%	N/A
2010	139,574,683	137,028,887	98.18%	N/A
2011	143,975,849	141,106,079	98.01%	N/A
2012	148,525,823	146,458,309	98.61%	N/A
2013	153,284,331	151,287,227	98.70%	N/A
2014	159,490,268	157,581,190	98.80%	N/A
2015	164,966,697	163,344,970	99.02%	N/A

Source(s): Tax Collector, Town of Westfield And Annual Reports of Audit.

N/A - Not Available.

## Debt Capacity

WESTFIELD BOARD OF EDUCATION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2006	\$ 23,014,000	\$ -	\$ -	\$ -	\$ -	23,014,000	1.543%	\$ 784
2007	21,986,000		303,174			22,289,174	1.480%	761
2008	29,897,000		269,004			30,166,004	1.941%	1,026
2009	28,427,000					28,427,000	2.121%	1,066
2010	26,537,000					26,537,000	1.700%	874
2011	24,667,000					24,667,000	1.514%	810
2012	22,682,000					22,682,000	1.360%	743
2013	20,587,000					20,587,000	0.122%	671
2014	25,353,000					25,353,000	1.444%	827
2015	26,507,000					26,507,000	1.514%	868
2016	23,922,000					23,922,000	1.367%	783

Source: District CAFR Schedule I-1.

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

**WESTFIELD BOARD OF EDUCATION  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

**Exhibit J-11  
GASB D-2**

GENERAL BONDED DEBT OUTSTANDING

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
2006	23,014,000		23,014,000	1.24%	784.07
2007	21,986,000		21,986,000	1.18%	559.43
2008	29,897,000		29,897,000	1.59%	1,017.01
2009	28,427,000		28,427,000	1.50%	957.85
2010	26,537,000		26,537,000	1.39%	873.59
2011	24,667,000		24,667,000	1.30%	810.29
2012	22,682,000		22,682,000	1.20%	742.99
2013	20,587,000		20,587,000	1.09%	671.37
2014	25,353,000		25,353,000	1.34%	827.31
2015	26,507,000		26,507,000	0.22%	867.72
2016	23,922,000		23,922,000	0.20%	783.10

Source(s): Town of Westfield Tax Assessor.  
District Records.

- a See Exhibit J-6 for property tax data
- b See Exhibit J-14 for Population Data

**WESTFIELD BOARD OF EDUCATION  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2015**

**Exhibit J-12  
GASB D-3**

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property Taxes</b> Town of Westfield	\$24,923,585	100.00%	\$24,923,585
<b>Other Debt</b> County of Union - Town's Share Rahway Valley Sewerage Authority - Town's Share	570,348,112 158,989,175	11.460% 14.000%	65,362,802 22,258,485
<b>Subtotal Overlapping Debt</b>			112,544,872
<b>Net Direct Debt of School District as at June 30, 2016.</b>			<u>40,006,000</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$152,550,872</u></u>

**Source(s):** Town of Westfield, Chief Financial Officer.  
Union County Treasurer's Office.  
Rahway Valley Sewerage Authority.  
Westfield School District, Official Statement dated July 13, 2016.

**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 the businesses of Westfield. 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, of each overlapping government.

**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.



WESTFIELD BOARD OF EDUCATION  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS

Exhibit J-13  
 GASB D-4

Legal Debt Margin Calculation for Calendar Year 2015

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Equalized Valuation Basis
Debt Limit	\$ 251,633,366	\$ 277,143,315	\$ 296,828,654	\$ 304,859,355	\$ 302,359,911	\$ 296,709,540	\$ 290,803,202	\$ 289,534,541	\$ 290,575,027	\$ 294,519,299	2013 7,251,392,813 2014 7,345,639,761 2015 7,431,924,858 [A] \$ 22,088,947,432
Total Net Debt Applicable to Limit	21,986,000	29,897,000	28,427,000	27,087,000	24,667,000	22,682,000	20,587,000	25,353,000	26,507,000	40,006,000	[A/3] \$ 7,362,962,477
Legal Debt Margin	\$ 229,647,366	\$ 247,246,315	\$ 268,401,654	\$ 277,772,355	\$ 277,692,911	\$ 274,027,540	\$ 270,216,202	\$ 264,181,541	\$ 264,068,027	\$ 254,513,299	[B] 294,519,299 [C] 27,406,000 [B-C] \$ 267,113,299
Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit	8.74%	10.79%	9.58%	8.89%	8.16%	7.64%	7.08%	8.76%	9.12%	13.58%	

Source(s): Town of Westfield Annual Debt Statement - Town of Westfield Finance Director.  
 Westfield School District, Official Statement dated July 13, 2016.

## Demographic and Economic Information

**WESTFIELD BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

**Exhibit J-14  
GASB E-1**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2006	29,352	\$ 1,491,257,712	\$ 50,806	2.70%
2007	29,301	1,505,866,293	51,393	2.40%
2008	29,397	1,554,248,787	52,871	3.20%
2009	26,678	1,340,249,364	50,238	5.70%
2010	30,377	1,561,013,276	51,388	5.70%
2011	30,442	1,628,829,652	53,506	5.50%
2012	30,528	1,668,324,672	54,649	5.60%
2013	30,664	1,683,116,296	54,889	4.70%
2014	30,645	1,756,142,370	57,306	4.20%
2015	30,548	1,750,583,688	57,306	3.50%

**Source(s):**

- <sup>a</sup> State of New Jersey, Department of labor and Workforce Development (Release Date 2016).
- <sup>b</sup> Personal income has been estimated based upon the municipal population and the personal income presented.
- <sup>c</sup> Per Capita Data represents County of Union available through 2032, estimated at 2014 levels for 2015.
- <sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development.

WESTFIELD BOARD OF EDUCATION  
 PRINCIPAL EMPLOYERS  
 CURRENT AND TEN YEARS AGO

Exhibit J-15  
 GASB E-2

Employer	2016			2007		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
	UNAVAILABLE	1	0.00%	UNAVAILABLE	UNAVAILABLE	0.00%
	UNAVAILABLE	2	0.00%	UNAVAILABLE	UNAVAILABLE	0.00%
	UNAVAILABLE	3	0.00%	UNAVAILABLE	UNAVAILABLE	0.00%
	UNAVAILABLE	4	0.00%	UNAVAILABLE	UNAVAILABLE	0.00%
	UNAVAILABLE	5	0.00%	UNAVAILABLE	UNAVAILABLE	0.00%
	UNAVAILABLE	6	0.00%	UNAVAILABLE	UNAVAILABLE	0.00%
	UNAVAILABLE	7	0.00%	UNAVAILABLE	UNAVAILABLE	0.00%
	UNAVAILABLE	8	0.00%	UNAVAILABLE	UNAVAILABLE	0.00%
	UNAVAILABLE	9	0.00%	UNAVAILABLE	UNAVAILABLE	0.00%
	UNAVAILABLE	10	0.00%	UNAVAILABLE	UNAVAILABLE	0.00%
	-		0.00%	-		0.00%

## Operating Information

WESTFIELD BOARD OF EDUCATION  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

Exhibit J-16  
 GASB F-1

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction										
Teachers	462	462	452	445	460	475	475	478	475	480
Classroom Aides	23	27	31	31	12	12	14	38	31	26
Vocational	-	-	-	-	-	-	-	-	-	-
Other Instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic School Programs	-	-	-	-	-	-	-	-	-	-
Adult/Continuing Education Programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & Instruction Related Services	152	160	163	161	178	194	197	191	189	194
General Administrative Services	3	3	3	3	7	7	7	6	6	6
School Administrative Services	42	41	41	41	39	40	40	41	41	39
Business Administrative Services	14	14	14	14	14	14	15	15	15	14
Admin Info Technology Services	9	9	6	6	7	9	9	9	8	8
Plant Operations and Maintenance	57	57	56	55	58	61	61	61	61	61
Pupil Transportation	-	-	-	-	-	-	-	-	-	-
Total	762	773	766	756	775	812	816	839	826	828

Source(s): District Personnel Records.  
 Annual Budget Supporting Documentation.

WESTFIELD BOARD OF EDUCATION  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS

Exhibit J-17  
 GASB F-6

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2006-07	6,086	85,139,548	13,989	7.18%	462	6,061	5,783	0.5%	95.4%
2007-08	6,166	88,341,047	14,327	2.41%	462	6,152	5,922	1.5%	96.3%
2008-09	6,232	88,536,618	14,207	-0.84%	452	6,219	5,964	1.1%	95.9%
2009-10	6,270	90,230,194	14,391	1.30%	445	6,255	6,020	0.6%	96.2%
2010-11	6,293	90,287,847	14,347	-0.30%	460	6,224	6,004	-0.5%	96.5%
2011-12	6,296	95,041,577	15,096	5.21%	475	6,272	6,063	0.8%	96.7%
2012-13	6,286	99,888,545	15,891	5.27%	475	6,286	6,040	0.2%	96.1%
2013-14	6,255	101,695,121	16,258	2.31%	478	6,193	5,973	-1.5%	96.4%
2014-15	6,266	105,676,238	16,865	3.73%	475	6,256	6,039	1.0%	96.5%
2015-16	6,320	105,812,870	16,743	-0.73%	480	6,272	6,061	0.3%	96.6%

Source(s): 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 certificated staff obtained from Budget Supporting Documentation.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

WESTFIELD BOARD OF EDUCATION  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<b>BUILDING</b>										
<b>ELEMENTARY</b>										
FRANKLIN [1929] [1956] [2000]	65,814	65,814	65,814	65,814	65,814	65,814	65,814	65,814	65,814	65,814
SQUARE FEET	550	550	550	550	550	550	550	550	550	550
CAPACITY - STATE MODEL - STUDENTS	600	634	608	629	642	636	636	570	575	569
ENROLLMENT										
JEFFERSON [1953] [1955] [1996]	47,849	47,849	47,849	47,849	47,849	47,849	47,849	47,849	47,849	47,849
SQUARE FEET	431	431	431	431	431	431	431	431	431	431
CAPACITY - STATE MODEL - STUDENTS	470	452	421	444	468	469	483	502	496	489
ENROLLMENT										
MCKINLEY [1906] [1931] [2000]	61,140	61,140	61,140	61,140	61,140	61,140	61,140	61,140	61,140	61,140
SQUARE FEET	337	337	337	337	337	337	337	337	337	337
CAPACITY - STATE MODEL - STUDENTS	387	367	331	348	368	355	349	344	350	353
ENROLLMENT										
TAMAQUES [1961]	48,350	48,350	48,350	48,350	48,350	48,350	48,350	48,350	48,350	48,350
SQUARE FEET	430	430	430	430	430	430	430	430	430	430
CAPACITY - STATE MODEL - STUDENTS	465	486	435	426	437	431	441	439	439	438
ENROLLMENT										
WASHINGTON [1954] [1992]	36,700	36,700	36,700	36,700	36,700	36,700	36,700	36,700	36,700	36,700
SQUARE FEET	332	332	332	332	332	332	332	332	332	332
CAPACITY - STATE MODEL - STUDENTS	337	366	330	329	333	325	319	330	326	320
ENROLLMENT										
WILSON [1935] [1963] [1996] [2000]	45,595	45,595	45,595	45,595	45,595	45,595	45,595	45,595	45,595	45,595
SQUARE FEET	449	449	449	449	449	449	449	449	449	449
CAPACITY - STATE MODEL - STUDENTS	559	548	478	468	412	393	389	385	387	394
ENROLLMENT										
LINCOLN SCHOOL [1922] [2008]	26,980	26,980	26,980	26,980	26,980	26,980	26,980	26,980	26,980	26,980
SQUARE FEET	N/A	N/A	465	465	465	465	465	465	465	465
CAPACITY - STATE MODEL - STUDENTS	N/A	N/A	323	285	257	260	283	234	313	315
ENROLLMENT										
<b>INTERMEDIATE</b>										
EDISON [1958] [1964]	124,998	124,998	124,998	124,998	124,998	124,998	124,998	124,998	124,998	124,998
SQUARE FEET	768	768	768	768	768	768	768	768	768	768
CAPACITY - STATE MODEL - STUDENTS	748	777	724	759	767	828	826	808	811	831
ENROLLMENT										
ROOSEVELT [1926] [1964]	112,890	112,890	112,890	112,890	112,890	112,890	112,890	112,890	112,890	112,890
SQUARE FEET	683	683	683	683	683	683	683	683	683	683
CAPACITY - STATE MODEL - STUDENTS	712	756	774	780	739	731	717	731	729	734
ENROLLMENT										
<b>HIGH SCHOOL</b>										
WESTFIELD HIGH SCHOOL [1950] [1906] [2002]	303,320	303,320	303,320	303,320	303,320	303,320	303,320	303,320	303,320	303,320
SQUARE FEET	1,713	1,713	1,713	1,713	1,713	1,713	1,713	1,713	1,713	1,713
CAPACITY - STATE MODEL - STUDENTS	1,762	1,780	1,788	1,799	1,844	1,838	1,844	1,853	1,852	1,863
ENROLLMENT										
<b>OTHER</b>										
ADMINISTRATION [1914]	29,410	29,410	29,410	29,410	29,410	29,410	29,410	29,410	29,410	29,410
SQUARE FEET										

SOURCE: DISTRICT RECORDS  
NOTE: YEAR OF ORIGINAL CONSTRUCTION IS SHOWN IN PARENTHESES FOLLOWING THE NAME OF THE BUILDING. DATES: IF ANY FOR A SUBSEQUENT ADDITION ALSO FOLLOWS IN PARENTHESES.  
NOTE: LINCOLN SCHOOL RENOVATED TO EARLY CHILDHOOD CENTER. ALL KINDERGARTEN STUDENTS RELOCATED FROM ELEMENTARY SCHOOLS TO LINCOLN FOR SEPTEMBER 2008.  
NOTE: PRE-SCHOOL DISABLED STUDENTS RELOCATED FROM EDISON SCHOOL TO LINCOLN SCHOOL FOR SEPTEMBER 2008.



WESTFIELD BOARD OF EDUCATION  
 GENERAL FUND  
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 LAST TEN FISCAL YEARS  
 UNAUDITED

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

School Facilities	Project # (s)	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
FRANKLIN ELEMENTARY SCHOOL	N/A	\$ 64,378	\$ 78,663	\$ 80,717	\$ 84,358	\$ 92,283	\$ 82,291	\$ 86,730	\$ 112,585	\$ 69,067	\$ 86,791
JEFFERSON ELEMENTARY SCHOOL	N/A	72,977	57,191	58,685	61,332	64,611	57,615	61,984	81,243	61,250	65,177
LINCOLN ELEMENTARY SCHOOL	N/A	30,190	32,248	33,089	34,582	29,298	26,126	30,782	34,711	-	26,582
MCKINLEY ELEMENTARY SCHOOL	N/A	66,222	73,077	74,986	78,366	94,148	83,954	78,026	98,216	66,772	83,162
TAMAQUES ELEMENTARY SCHOOL	N/A	47,277	57,790	59,299	61,973	74,817	66,716	61,099	64,206	46,628	54,873
WASHINGTON ELEMENTARY SCHOOL	N/A	38,639	43,864	45,010	47,041	71,123	63,422	47,234	59,841	39,050	48,077
WILSON ELEMENTARY SCHOOL	N/A	88,365	95,475	55,921	58,443	79,118	70,551	67,173	89,165	53,397	74,356
EDISON INTERMEDIATE SCHOOL	N/A	129,150	144,118	153,305	160,218	134,436	119,879	148,111	197,184	185,834	197,060
ROOSEVELT INTERMEDIATE SCHOOL	N/A	124,232	134,930	138,453	144,698	146,200	130,370	158,919	175,527	171,297	177,539
WESTFIELD HIGH SCHOOL	N/A	324,952	359,594	400,056	362,503	577,055	514,572	363,350	473,885	371,331	396,744
ADMINISTRATION BUILDING	N/A	45,420									
<b>GRAND TOTAL</b>		<b>\$ 1,031,802</b>	<b>\$ 1,076,950</b>	<b>\$ 1,099,521</b>	<b>\$ 1,093,514</b>	<b>\$ 1,363,090</b>	<b>\$ 1,215,496</b>	<b>\$ 1,103,408</b>	<b>\$ 1,386,563</b>	<b>\$ 1,064,626</b>	<b>\$ 1,210,361</b>

SOURCE: DISTRICT RECORDS.

WESTFIELD TOWNSHIP BOARD OF EDUCATION  
INSURANCE SCHEDULE  
6/30/2017  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy - NJ Schools Insurance Group (NJSIG):		
<u>PROPERTY SECTION:</u>		
Blanket Building and Contents (fund limit)	\$ 450,000,000	\$ 5,000
Accounts Receivable	250,000	\$ 5,000
Automobile Physical Damage	In Blanket Limit	\$ 1,000
Electronic Data Processing Equipment	1,000,000	\$ 1,000
<u>LIABILITY SECTION:</u>		
Comprehensive General Liability	11,000,000	
Automobile Liability	11,000,000	
Employee Benefit Liability	11,000,000	1,000
<u>CRIME:</u>		
Blanket Employee Dishonesty	1,000,000	1,000
Forgery	1,000,000	1,000
Theft/Disappearance/Destruction:		
Inside	50,000	500
Outside	50,000	500
Computer Fraud	100,000	1,000
<u>SCHOOL BOARD LEGAL LIABILITY - NJSIG</u>	11,000,000	25,000
<u>ENVIRONMENTAL IMPAIRMENT LIABILITY:</u>		
Zurich Insurance Company (NJSIG):		
Limit of Liability:		
Incident	1,000,000	10,000
Fund Annual Aggregate	25,000,000	
<u>WORKERS' COMPENSATION (NJSIG):</u>		
(a) Statutory Benefits	Included	
(a) Employer's Liability	5,000,000	
<u>SUPPLEMENTAL WORKERS' COMPENSATION:</u>		
Chubb	Statutory	
<u>Public Employees' Faithful Performance Blanket Position Bond -</u>		
<u>Selective Insurance Company</u>		
Business Administrator - D. Sullivan	\$200,000	
<u>Environmental Impairment (Mold)</u>		
Philadelphia Ins Co	1,000,000	10,000

**SINGLE AUDIT SECTION**

**SECTION – K**

**HODULIK & MORRISON, P.A.**  
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MEMBERS OF:  
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REGISTERED MUNICIPAL ACCOUNTANTS OF N

**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Westfield School District  
Westfield, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements as prescribed by the 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 the Westfield School District, in the County of Union, State of New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 7, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Westfield 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Westfield School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Westfield 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 a 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 weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

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

We also noted other matters that we reported to the Board of Education of the Westfield School District in a separate report entitled, Auditors Management Report on Administrative Findings dated November 7, 2016.

#### **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 in considering the entity's internal control and compliance, Accordingly, this communication is not suitable for any other purpose.



HODULIK & MORRISON, P.A.  
Certified Public Accountants  
Registered Municipal Accountants  
Public School Accountants

Highland Park, New Jersey  
November 7, 2016

**HODULIK & MORRISON, P.A.**

**HODULIK & MORRISON, P.A.**  
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REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
REQUIRED BY OMB UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Westfield School District  
Westfield, New Jersey

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

We have audited the Westfield School District, County of Union, New Jersey compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey Compliance Manual "State Grant Compliance Supplement" that could have a direct and material effect on each of the Westfield School District's major federal and state programs for the year ended June 30, 2016. The Westfield School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Westfield School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; The audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants and State Aid. Those standards, OMB 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 federal and state program occurred. An audit includes examining, on a test basis, evidence about the Westfield School District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

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

In our opinion, the Westfield School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016.

### **Report on Internal Control Over Compliance**

Management of the Westfield 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 Westfield School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Uniform Guidance and NJ OMB 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 Westfield School District's internal control over compliance.

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

Our consideration of the 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.

**HODULIK & MORRISON, P.A.**

**Purpose of this Report**

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

*Hodulik & Morrison, P.A.*

HODULIK & MORRISON, P.A.  
Certified Public Accountants  
Registered Municipal Accountants  
Public School Accountants

Highland Park, New Jersey  
November 7, 2016

HODULIK & MORRISON, P.A.



WESTFIELD SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period		Program or Award Amount	Due to Grantor	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Balances	Balance at June 30, 2016		
				From	To							(Accounts Receivable)	Deferred Revenue	
<b>Enterprise Fund:</b>														
U.S. Department of Agriculture														
Passed through State Department of Education:														
Child Nutrition Cluster:														
Federal Food Distribution Program	10.555	1616NJ304N1099	N/A	7/1/15	6/30/16	\$ 36,020	\$	\$ 36,020.12			\$	\$		
National School Lunch Program	10.555	1616NJ304N1099	N/A	7/1/15	6/30/16	59,491	(5,095.46)	51,888.55			(5,602.90)			
National School Lunch Program	10.555	1616NJ304N1099	N/A	7/1/14	6/30/15			5,095.46						
Total Child Nutrition Cluster														
Total Enterprise Fund														
<b>General Fund:</b>														
U.S. Department of Education														
Passed through State Department of Education:														
Medical Assistance Program (SEMI)														
93.778	160SNJSMAP		N/A	7/1/15	6/30/16	77,597		77,597.07						
Total General Fund														
<b>Special Revenue Fund:</b>														
U.S. Department of Education														
Passed through State Department of Education:														
Special Education Cluster:														
84.027	H027A150100		IDEA-16	7/1/15	6/30/16	1,497,182	(1,683,790.17)	2,913,458.00	0.17		(162,885.16)			
84.173	H173A150114		IDEA-16	7/1/15	6/30/16	65,903	(68,266.00)	68,266.00						
Total Special Education Cluster														
No Child Left Behind (NCLB):														
84.010A	S010A150030		NCLB-16	7/1/15	6/30/16	159,471	(150,272.41)	205,022.00	0.41		(92,564.83)			
84.367A	S367A150029		NCLB-16	7/1/15	6/30/16	89,166	(86,647.05)	106,995.00	0.05		(20,343.94)			
84.365A	S365A150030		NCLB-16	7/1/15	6/30/16	12,265	(11,796.50)	22,719.00	(0.50)		(556.86)			
84.365A	S365A150030		NCLB-16	7/1/15	6/30/16		(5,769.33)	5,769.00	0.33					
Total Special Revenue Fund														
TOTAL FEDERAL AWARDS														
							\$ (2,011,636.92)	\$ 3,494,830.20	(1,765,347.43)	0.46	\$	(282,153.69)	\$	

Footnote(s):  
N/A - Not Available

NOTE: SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS.

WESTFIELD SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDING JUNE 30, 2016

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NO.	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2015		CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAY OF PR. YRS. BALANCES	BALANCE AT JUNE 30, 2016		MEMO
				DEFERRED (ACCTS REC.)	DUE TO GRANTOR				(ACCTS REC.)	DUE TO GRANTOR	
<b>General Fund</b>											
State Department of Education:											
Special Education Instructional	16-495-034-5120-089	2,614,018	7/1/15-6/30/16	\$	\$	2,614,018.00	(2,614,018.00)		\$	\$	(2,614,018.00)
Special Education Instructional	15-495-034-5120-089		7/1/14-6/30/15	(252,763.28)							
Special Education Instructional	16-495-034-5120-014	121,554	7/1/15-6/30/16	(1,489.24)		121,554.00	(1,489.24)				(121,554.00)
Special Education Instructional	15-495-034-5120-014		7/1/14-6/30/15	11,489.24							
Special Education Instructional	16-495-034-5120-084	96,745	7/1/15-6/30/16	(8,616.93)		96,745.00	(8,616.93)				(96,745.00)
Special Education Instructional	15-495-034-5120-084		7/1/14-6/30/15	8,616.93							
Special Education Instructional	16-495-034-5120-075	1,219,198	7/1/15-6/30/16	(1,264,472.00)		1,264,472.00	(1,264,472.00)				(1,219,198.00)
Special Education Instructional	15-495-034-5120-075		7/1/14-6/30/15	1,264,472.00							
Special Education Instructional	16-495-034-5120-014	52,374	7/1/15-6/30/16	(65,567.00)		52,374.00	(65,567.00)				(52,374.00)
Special Education Instructional	15-495-034-5120-014		7/1/14-6/30/15	65,567.00							
Special Education Instructional	16-498-034-5120-097	62,000	7/1/15-6/30/16	(7,180.78)		62,000.00	(7,180.78)				(62,000.00)
Special Education Instructional	15-498-034-5120-097		7/1/14-6/30/15	7,180.78							
Special Education Instructional	16-498-034-5120-097	62,000	7/1/15-6/30/16	(7,180.77)		62,000.00	(7,180.77)				(62,000.00)
Special Education Instructional	15-498-034-5120-098		7/1/14-6/30/15	7,180.77							
Special Education Instructional	16-498-034-5120-098	3,232,646	7/1/15-6/30/16	(1,663,313.40)		3,114,567.00	(1,663,313.40)				(3,332,646.45)
Special Education Instructional	15-498-034-5120-098		7/1/14-6/30/15	1,663,313.40							
Special Education Instructional	16-495-034-5095-002	3,595,667	7/1/15-6/30/16			3,595,667.00	(3,595,667.00)				(3,595,667.00)
Special Education Instructional	15-495-034-5095-002		7/1/14-6/30/15								
Special Education Instructional	16-495-034-5095-006	4,281,446	7/1/15-6/30/16			4,281,446.00	(4,281,446.00)				(4,281,446.00)
Special Education Instructional	15-495-034-5095-006		7/1/14-6/30/15								
<b>Total General Fund</b>				<b>(1,781,583.40)</b>		<b>15,782,911.05</b>	<b>(15,437,648.45)</b>		<b>(1,502,545.00)</b>		<b>(15,437,648.45)</b>
<b>Special Revenue Fund</b>											
State Department of Education:											
Textbook Aid	16-100-034-5120-064	27,979.00	7/1/15-6/30/16			27,979.00	(27,979.00)				(27,979.00)
Textbook Aid	15-100-034-5120-064		7/1/14-6/30/15	2,379.70							
Auxiliary Services:											
Compensatory Education	16-100-034-5120-067	36,379.00	7/1/15-6/30/16			36,379.00	(36,379.00)				(36,379.00)
Compensatory Education	15-100-034-5120-067		7/1/14-6/30/15	8,577.80							
English As A Second Language	16-100-034-5120-067	863.00	7/1/15-6/30/16			863.00	(863.00)				(863.00)
English As A Second Language	15-100-034-5120-067		7/1/14-6/30/15	535.40							
Transportation	16-100-034-5120-067	7,319.00	7/1/15-6/30/16			7,319.00	(7,319.00)				(7,319.00)
Transportation	15-100-034-5120-067		7/1/14-6/30/15								
Handicapped Services:											
Supplementary Instruction	16-100-034-5120-066	24,505.00	7/1/15-6/30/16			24,505.00	(24,505.00)				(24,505.00)
Supplementary Instruction	15-100-034-5120-066		7/1/14-6/30/15	7,028.56							
Enrichment & Classification	16-100-034-5120-066	6,832.00	7/1/15-6/30/16			6,832.00	(6,832.00)				(6,832.00)
Enrichment & Classification	15-100-034-5120-066		7/1/14-6/30/15	36,853.00							
Corrective Speech	16-100-034-5120-066	56,853.00	7/1/15-6/30/16			56,853.00	(56,853.00)				(56,853.00)
Corrective Speech	15-100-034-5120-066		7/1/14-6/30/15	32,190.00							
Initial Exam & Classification	16-100-034-5120-066	32,190.00	7/1/15-6/30/16			32,190.00	(32,190.00)				(32,190.00)
Initial Exam & Classification	15-100-034-5120-066		7/1/14-6/30/15	44,100.00							
Nursing Services	16-100-034-5120-070	44,100.00	7/1/15-6/30/16			44,100.00	(44,100.00)				(44,100.00)
Nursing Services	15-100-034-5120-070		7/1/14-6/30/15	1,268.47							
Technology Initiative	16-100-034-5120-373	12,740.00	7/1/15-6/30/16			12,740.00	(12,740.00)				(12,740.00)
Technology Initiative	15-100-034-5120-373		7/1/14-6/30/15	771.87							
Nonpublic Security	16-100-034-5120-373	12,268.00	7/1/15-6/30/16			12,268.00	(12,268.00)				(12,268.00)
Nonpublic Security	15-100-034-5120-373		7/1/14-6/30/15								
<b>Total Special Revenue Fund</b>				<b>20,561.80</b>		<b>262,010.00</b>	<b>(197,128.06)</b>	<b>(20,561.80)</b>	<b>64,881.94</b>		<b>(197,128.06)</b>
<b>Debt Service Fund</b>											
State Department of Education:											
Debt Service Aid	15-495-034-5120-075	245,926	7/1/15-6/30/16			245,926.00	(245,926.00)				(245,926.00)
Debt Service Aid	15-495-034-5120-075		7/1/14-6/30/15								
<b>Total Debt Service Fund</b>						<b>245,926.00</b>	<b>(245,926.00)</b>				<b>(245,926.00)</b>
<b>Capital Projects Fund</b>											
State Department of Education:											
Additional State School Building Aid - ED A Grants	16-495-034-5120-017	672,153	Indefinite						(186,513.62)		(186,513.62)
Additional State School Building Aid - ED A Grants	16-495-034-5120-017		Indefinite						(186,513.62)		(186,513.62)
<b>Total Capital Projects Fund</b>									<b>(368.93)</b>		<b>(368.93)</b>
<b>Enterprise Fund</b>											
State Department of Education:											
National School Lunch Prog. (State Share)	15-100-010-3350-023	3,751	7/1/15-6/30/16			3,650.00	(3,650.00)				(4,019.53)
National School Lunch Prog. (State Share)	15-100-010-3350-023		7/1/14-6/30/15	(326.26)							
National School Lunch Prog. (State Share)	14-100-010-3350-023		7/1/14-6/30/15	(326.26)							
National School Lunch Prog. (State Share)	14-100-010-3350-023		7/1/13-6/30/14								
<b>Total Enterprise Fund</b>				<b>(652.52)</b>		<b>3,376.86</b>	<b>(4,019.53)</b>				<b>(4,019.53)</b>
<b>Total State Financial Assistance</b>				<b>(1,781,909.60)</b>		<b>16,294,823.91</b>	<b>(16,071,235.66)</b>	<b>(20,561.80)</b>	<b>(404,065.35)</b>		<b>(16,071,235.66)</b>

Pursuant to the directive of the New Jersey State Department of Education, on-behalf payments for T.P.A.F. Pensions, Post-Retirement Medical and Non-Contributory Insurance are excluded from the scope of the State Single Audit and are not considered when determining Type A or Major Programs under NJOOMB Circular 04-04.

Reconciliation:  
Budgetary Expenditures  
Less:  
T.P.A.F. - Post Retirement Medical  
T.P.A.F. Pension Contributions  
Amount Subject to State Single Audit

**TOWN OF WESTFIELD SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE**  
**JUNE 30, 2016**

NOTE 1. GENERAL

The accompanying schedules of expenditures of awards and financial assistance include federal and state award activity of the Board of Education, Town of Westfield School District. All federal and state awards received directly from federal and state agencies, as well as federal awards and state 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 Notes 1(C) and 1(D) to the Board's general-purpose financial statements (GASB 34 – Model - basic financial statements). The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance, *Uniform Administrative Requirements, Cost Principle, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District did not allocate any indirect costs to any of its federal and/or state financial awards/assistance programs during the 2015-2016 school year.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE 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 last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A: 22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund accompanying schedules agree with amounts reported in the Board's general-purpose financial statements. The general-purpose financial statements present the special revenue fund on both a GAAP basis and a budgetary basis. 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 last state aid payment in the current budget year, consistent with N.J.S.A. 18A: 22-44.2.

See Note 1(D) for a reconciliation of the budgetary basis to the GAAP basis of accounting for the special revenue fund. Award and financial assistance revenues are reported in the Board's general-purpose financial statements on a GAAP basis as presented on the following page:

**TOWN OF WESTFIELD SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
JUNE 30, 2016**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$77,597.07	\$15,486,806.45	\$15,564,403.52
Special Revenue Fund	1,592,238.79	197,128.06	1,789,366.85
Capital Projects Fund	0.00	186,513.62	186,513.62
Debt Service Fund	0.00	245,926.00	245,926.00
Food Service Fund	<u>95,511.57</u>	<u>4,019.53</u>	<u>99,531.10</u>
Total Assistance	<u>\$1,765,347.43</u>	<u>\$16,120,393.66</u>	<u>\$17,885,741.09</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Pensions Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. 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, 2016.

**WESTFIELD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section 1 – Summary of Auditor’s Results

**Financial Statements**

Type of auditor’s report issued: Unmodified

Internal Control over financial reporting:

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

2) Significant Deficiency(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  No

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

**Federal Awards**

Internal Control over major programs:

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

2) Significant Deficiency(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with OMB Uniform Guidance, 2 CFR 200 section .516(a)? \_\_\_\_\_ Yes  X  No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A150100</u>	<u>Special Education Cluster (IDEA): I.D.E.A. Part B, Regular</u>

**WESTFIELD SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**  
**(continued)**

Section 1 – Summary of Auditor’s Results (cont’d.)

**Federal Awards (cont’d.)**

Dollar threshold used to distinguish between type A and B programs: \$750,000.00

Auditee qualified as low-risk auditee?              X   Yes           No

**State Awards**

Dollar threshold used to distinguish between type A and B programs: \$750,000.00

Auditee qualified as low-risk auditee?              X   Yes           No

Type of auditor’s report issued on compliance for major programs: Unmodified

Internal Control over major Programs:

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

2) Significant Deficiency(s) identified that  
are not considered to be material  
weaknesses?           Yes      X   None reported

Any audit findings disclosed that are required to be reported  
in accordance with NJOMB Circular Letter 15-08?           Yes      X   No

Identification of major programs:

GMIS Number(s)

Name of State Program(s)

16-495-034-5095-089  
16-495-034-5120-085  
16-495-034-5120-014  
16-495-034-5120-097  
16-495-034-5120-098

State Aid Program Cluster:  
Special Education Categorical Aid  
Security Aid  
Transportation Aid  
Per Pupil Growth Aid  
PARCC Readiness

WESTFIELD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(continued)

Section II – Financial Statement Finding(s)

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance related to the general-purpose financial statements that are required to be reported in accordance with chapter 5.18 of *Governmental Auditing Standards*.

**Significant Deficiency(s)**

Current Fiscal Year - NONE

**Non-Compliance:**

Current Fiscal Year – NONE

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Uniform Guidance and New Jersey OMB's circular 15-08.

**Significant Deficiency(s):**

Current Fiscal Year - NONE

**Non-Compliance:**

Current Fiscal Year – NONE

**WESTFIELD SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Status of Prior Year Findings

There were no findings for the fiscal year ended June 30, 2015.