

***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, 2018***

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2018**

TABLE OF CONTENTS

	<u>PAGE(S)</u>
INTRODUCTORY SECTION	1
Letter of Transmittal	2 - 8
Organizational Chart	9
Roster of Officials	10
Consultants and Advisors	11
FINANCIAL SECTION	12
Independent Auditor's Report	13 - 15
Required Supplementary Information – Part I	16
Management's Discussion and Analysis	17 - 28
Basic Financial Statements	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 - 81
Required Supplementary Information – Part II	82
C. Budgetary Comparison Schedules	83
C- 1 <u>Budgetary Comparison Schedule - General Fund</u>	84 - 96
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>	97 - 98
Notes to the Required Supplementary Information – Part II	99
C- 3 <u>Budgetary Comparison Schedule – Note to RSI</u>	100
Required Supplementary Information – Part III	101
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	102
L- 1 Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS	103
L- 2 Schedule of District Contributions – PERS	104
L- 3 Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF	105
Notes to Required Supplementary Pension Information	106
M. Schedules Related to Accounting and Reporting for OPEB (GASB 75)	107
M- 1 Schedule of the District’s Proportionate Share of the Net OPEB Liability	108
Notes to Required Supplementary OPEB Information	109
Other Supplementary Information	110
D. School Level Schedules:	111
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

	<u>PAGE(S)</u>
E. Special Revenue Fund:	112
E- 1 <u>Combining Schedule of Revenues and Expenditures</u> <u>Special Revenue Fund - Budgetary Basis</u>	113
E- 1a <u>Combining Schedule of Revenues and Expenditures</u> <u>Special Revenue Fund - Budgetary Basis</u>	114
E- 1b <u>Combining Schedule of Revenues and Expenditures</u> <u>Special Revenue Fund - Budgetary Basis</u>	115
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:	116
F- 1 <u>Summary Statement of Project Expenditures</u>	117
F- 2 <u>Summary Schedule of Revenues, Expenditures, and Change</u> <u>and in Fund Balance - Budgetary Basis</u>	118
F- 2a <u>Schedule of Project Revenues, Expenditures, Project Balance</u> <u>and Project Status - Budgetary Basis - District Roof Replacement</u>	119
F- 2b <u>Schedule of Project Revenues, Expenditures, Project Balance</u> <u>and Project Status - Budgetary Basis - Boiler Replacement &</u> <u>School Security Various Schools</u>	120
F- 2c <u>Schedule of Project Revenues, Expenditures, Project Balance</u> <u>and Project Status - Budgetary Basis - 2016 Referendum-</u> <u>Question No. 1 - Improvements to Various Schools</u>	121
F- 2d <u>Schedule of Project Revenues, Expenditures, Project Balance</u> <u>and Project Status - Budgetary Basis - 2016 Referendum-</u> <u>Question No. 2 - Improvements to Various Schools</u>	122
F- 2e <u>Schedule of Project Revenues, Expenditures, Project Balance</u> <u>and Project Status - Budgetary Basis - Replacement Electrical</u> <u>Electrical Security to Various Schools</u>	123
F- 2f <u>Schedule of Project Revenues, Expenditures, Project Balance</u> <u>and Project Status - Budgetary Basis - Upgrades to Various</u> <u>Schools</u>	124
G. Proprietary Funds:	125
Enterprise Fund:	126
G- 1 Combining Statement of Net Position	127
G- 2 Combining Statement of Revenues, Expenses and Changes in Net Positions	128
G- 3 Combining Statement of Cash Flows	129

	<u>PAGE(S)</u>
Internal Service Fund:	130
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:	131
H- 1 Combining Statement of Fiduciary Net Position	132
H- 2 Combining Statement of Changes in Fiduciary Net Position	133
H- 3 Schedule of Receipts and Disbursements - Student Activity Agency Fund	134
H- 4 Schedule of Receipts and Disbursements - Payroll Agency Fund	135
I. Long-Term Debt:	136
I- 1 Schedule of Serial Bonds	137 - 138
I- 2 Schedule of Obligations Under Capital Leases	N/A
I- 3 Budgetary Comparison Schedule - Debt Fund Service	139
STATISTICAL SECTION (Unaudited)	140
Financial Trends	141
J- 1 Net Position/Net Assets by Component	142
J- 2 Changes in Net Assets/Net Position	143 - 144
J- 3 Fund Balances, Governmental Funds	145
J- 4 Change in Fund Balances, Governmental Funds	146
J- 5 General Fund – Other Local Revenue by Source	147
Revenue Capacity	148
J- 6 Assessed Value and Actual Value of Taxable Property	149
J- 7 Direct and Overlapping Property Tax Rates	150
J- 8 Principal Property Taxpayers	151
J- 9 Property Tax Levies and Collections	152
Debt Capacity	153
J-10 Ratios of Outstanding Debt by Type	154
J-11 Ratios of Net General Bonded Debt Outstanding	155
J-12 Direct and Overlapping Governmental Activities Debt	156
J-13 Legal Debt Margin Information	157
Demographic and Economic Information	158
J-14 Demographic and Economic Statistics	159
J-15 Principal Employers	160
Operating Information	161
J-16 Full-time Equivalent District Employees by Function/Program	162
J-17 Operating Statistics	163
J-18 School Building Information	164
J-19 Schedule of Required Maintenance	165
J-20 Insurance Schedule	166

	<u>PAGE(S)</u>
SINGLE AUDIT SECTION	167
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	168 - 169
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	170 - 171
K - 3 Schedule of Expenditures of Federal Awards, Schedule A	172
K - 4 Schedule of Expenditures of State Financial Assistance, Schedule B	173 - 174
K - 5 Notes to the Schedules of Awards and Financial Assistance	175 - 176
K- 6 Schedule of Findings and Questioned Costs	177 - 179
K - 7 Summary Schedule of Prior Audit Findings	180

INTRODUCTORY SECTION



WESTFIELD PUBLIC SCHOOLS

A TRADITION OF EXCELLENCE

Margaret Dolan
Superintendent

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Dana Sullivan
Business Administrator/
Board Secretary

January 25, 2019

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, 2018, 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 previously 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 single audit requirements contained in the

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Grant Guidance) and NJ OMB circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments. Information related to this single audit, including the auditor's report on 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>
2017-2018	6,375	0.1%
2016-2017	6,366	0.7%
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%

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. The town is currently undergoing a reevaluation of all property.

Property taxes provided 94% of the District's General Fund revenues for the 2017-2018 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:
- 95.5% of Westfield High School graduates are pursuing a higher education.
 - 202 Westfield High School students were inducted into the National Honor Society.
 - 143 Westfield High School students earned AP Scholar Awards in recognition of their college level achievement through Advance Placement courses and exams.
 - In the 2018 National Merit Scholarship Program, one Westfield High School student received a college-sponsored National Merit Scholarship and 19 students earned recognition as Commended Students.
 - 54 perfect SAT or ACT standardized test scores were earned by Westfield High School students.
 - Two Westfield High School students were selected as 2017 Governor's STEM scholars.
 - Westfield High School Model United Nations Club delegation of 181 students received several awards at the annual conference, including the Outstanding Delegation Award.
 - Members of Westfield High School's Youth and Government Club earned many honors at the annual New Jersey Youth and Government Conference, including Outstanding Delegation, Outstanding Judicial Advocate, and Outstanding Lobbyist.
 - A total of 60 Westfield High School students were inducted into the National Honor Societies for either French, Spanish, Italian or Chinese.
 - 28 Westfield High School students earned accolades for their performance on the National French Exam (Le Grand Concours) in the form of 4 gold medals, 4 silver medals, 6 bronze medals, and 14 honorable mentions.
 - The Westfield High School Chorale performed at Carnegie Hall in New York with other high school and adult choirs from around the country.
 - The Westfield Public School District was named one of the "2018 Best Communities for Music Education" in the nation.
 - Eight student vocalists from Westfield High School were accepted into the All-State Chorus while nine performed with the Region II Honor Chorus.
 - Two Westfield High School student musicians performed with the All-State Wind Ensemble and Orchestra. Twelve performed with the Region II Band and Orchestra.
 - Westfield students and staff received prestigious awards at the Montclair State University Theater Night Awards, Bucks County Playhouse Student Theater Festival, and the Paper Mill Playhouse Rising Star Awards.

- Six intermediate students performed with the Region II Intermediate Band and Orchestra.
- NJ.com ranked Westfield High School #4 in the state (and #1 public school) for the “best year in sports” for 2017-2018.
- Westfield High School Blue Devils Football team captured a 3rd consecutive State Championship at the MetLife Stadium to continue the longest current undefeated streak in the state at 37-0.
- Four Westfield High School coaches were inducted into the NJSCA Hall of Fame.
- Westfield High School football head coach was named the NJ.com Football Coach of the Year for 2017 and a WHS assistant varsity coach was named Assistant Coach of the Year for the North 2 Region by the New Jersey Football Coaches Association.
- A Westfield High School student-athlete was ranked #23 on a NJ.com list of the 100 top high school athletes in the state.
- Over 50 of our 2018 graduating athletes will participate at the collegiate level.
- Four Westfield High School Varsity teams-Baseball, Cross Country, Boys Tennis and Girls Lacrosse-won state sectional championships...a first in Girls Lacrosse history.
- County championships were won by Westfield High School Boys and Girls Soccer, Boys and Girls Cross Country, Girls Volleyball, Boys Ice Hockey, Boys Swimming, Boys Tennis, and Boys Golf.
- Westfield High School coach reaches 600-Win mark in Boys Tennis.
- Three Westfield High School student-athletes earned Academic All-American honors.
- Two Westfield High School Track and Field athletes took home sectional titles; two sophomore wrestlers earned district and regional titles.
- A Westfield High School student was named 2018 New Jersey High School Journalist of the Year.
- Two Westfield High School freshman were semi-finalists at the state championship of the New Jersey Speech and Debate League.
- Two Westfield elementary teams competed in the World Finals Tournament of the Odyssey of the Mind, placing 5th and 19th out of more than 50 of the best Odyssey teams from across the globe.
- A Westfield High School senior represented Union County at the New Jersey State Board of Education’s Annual Recognition Ceremony where she was honored for making significant contributions to her school and community.
- A Roosevelt Intermediate School teacher received the Carnegie Medal for heroism from the Carnegie Hero Fund Commission.

- The 2017 Christa McAuliffe *Reach for the Stars Award* was presented to a Westfield High School social studies teacher.
- The Westfield Public School District held its first annual Community Service Day with students and families at each of the district's 10 schools participating in activities to benefit charitable organizations.
- "Students Change Hunger" award was earned for the 5th consecutive year by Westfield High School students who donated record amounts of food to the Community Food Bank of New Jersey.
- Charitable fundraising efforts across Westfield Public Schools continued throughout the year with such initiatives as dance marathons, reading competitions, charity volleyball games, and wipe-out hunger campaigns.

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, 2018. General Fund encumbrances at June 30, 2018 were \$1,021,507.

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, 2018 and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>2017-2018</u>	Percent of <u>Total</u>	<u>2016-2017</u>	<u>Increase /Decrease</u>
Local Tax Levy	\$100,170,477	80.46%	\$ 96,878,790	3,291,687
Other Local Sources	2,448,224	1.97%	1,060,753	1,387,471
State Sources	20,114,412	16.16%	18,518,747	1,595,665
Federal Sources	<u>1,762,026</u>	<u>1.41%</u>	<u>1,729,306</u>	<u>32,720</u>
Total	<u>\$124,495,139</u>	<u>100.00%</u>	<u>\$118,187,596</u>	<u>\$6,307,543</u>

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, 2018 and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>2017-2018</u>	Percent of <u>Total</u>	<u>2016-2017</u>	<u>Increase/ (Decrease)</u>
Current Expenses:				
Instruction	\$45,021,126	36.25%	\$43,416,491	1,604,634
Undistributed				
Expenditures	64,904,256	52.26%	61,468,024	3,436,232
Capital Outlay	2,078,538	1.67%	949,903	1,128,635
Special Revenues	2,120,618	1.71%	2,174,893	(54,275)
Debt Service:				
Principal	3,381,000	2.72%	2,750,000	631,000
Interest	874,121	0.71%	650,360	223,762
Cost of Issuance	-	0.00%	328,458	(328,458)
Capital Projects	<u>5,815,318</u>	<u>4.68%</u>	<u>4,935,051</u>	<u>880,267</u>
Total	<u>\$124,194,977</u>	<u>100.00%</u>	<u>\$116,673,180</u>	<u>\$7,521,797</u>


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 \$30,376,000 as of June 30, 2018.
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 related grant guidance and OMB circular 15-08. 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:

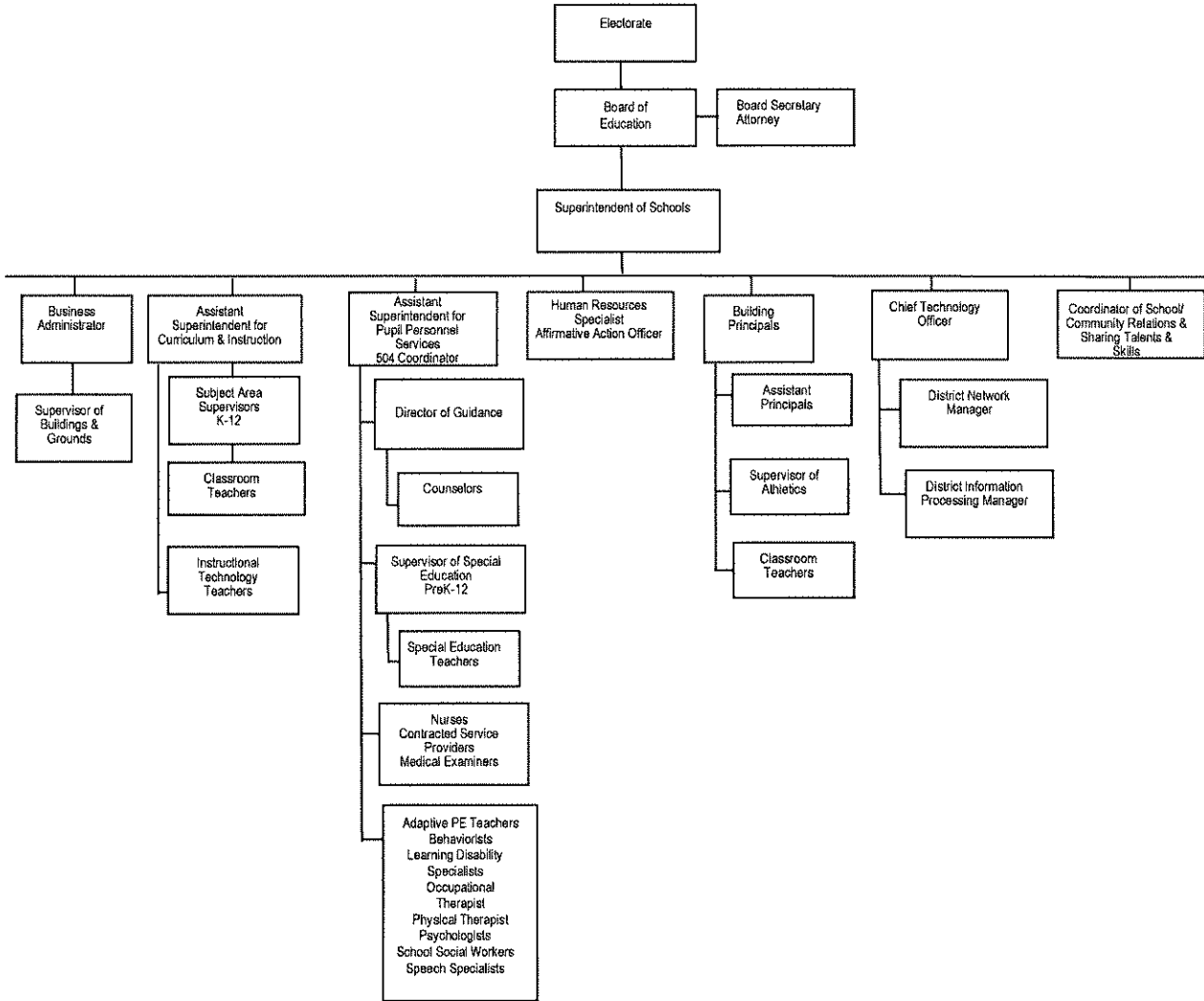
We would like to express our appreciation to the members of the Westfield School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The 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
 Revised: February 28, 2017
 Revised: March 27, 2018

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

**ROSTER OF OFFICIALS
JUNE 30, 2018**

Members of the Board of Education

Term Expires

Gretchan Ohlig, President	2018
Margaret Oster, Vice-President	2020
Lynn Benner	2020
Michael Bielen	2019
Kent Diamond	2020
J. Brendan Galligan	2019
Robert Garrison	2018
Charles Ostroff	2018
Amy Root	2019

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
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Trenton, NJ 08628

Audit Firm

Hodulik & Morrison, P.A.
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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

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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, 2018, 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, 2018 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.

Emphasis of Matter

As discussed in Notes 1 and 6 to the financial statements, during the fiscal year ending June 30, 2018, the Westfield School District implemented the provisions of Statement Number 75 of the Governmental Accounting Standards Board (GASB 75). GASB 75 changed the measurement criteria and reporting provisions relating to the District's proportionate share (if any), of the annual expense and net liability of the post-retirement employee benefits other than pensions (OPEB) of plans in which its employees are enrolled. As the State of New Jersey is solely responsible for the funding of all local education agency OPEB plans for the provisions of health benefits, and the Westfield School District offers no additional OPEB plans, no additional disclosures were required to the accompanying statement of net position. The accompanying statement of activities discloses the allocated expense of the OPEB plan, and an equal revenue to reflect the existing Special Funding Situation, for the year based upon GASB 75 implementation. Note 6 of the Notes to the Financial Statements also discloses the District's proportionate share, for information purposes only, of the state sponsored OPEB Plan. Our Opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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, the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the schedule of state financial assistance, required by New Jersey OMB Circular 15-08, and the other information, including the introductory section and the statistical section, as listed in the table of contents, are presented for purpose 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 schedule of 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 schedule of state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2019 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
January 25, 2019

**REQUIRED SUPPLEMENTARY
INFORMATION**

PART I

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

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
(Unaudited)
June 30, 2018

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, 2018. 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 2017-2018 fiscal year include the following:

Governmental funds reported a total fund balance of \$23,754,066, which is a \$277,445 increase from last year's total governmental fund balance. This increase was due to the increase in Net Assets invested in Capital Assets within the General Fund. The general or operating fund balance was reported for GAAP purposes at \$18,507,355, which represents an increase of \$2,398,412 over the prior year. Of this total, \$1,862,202 of excess surplus was appropriated toward the 2018-2019 budget, and \$105,935 has been designated for the 2018-2019 budget. \$1,021,507.19 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 2019-2020 budget is \$1,491,439. The unassigned general fund balance is reported at \$812,931. 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 \$124,194,978. Total revenues were \$124,495,139 resulting in an excess of revenues over expenditures of \$277,445 for the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

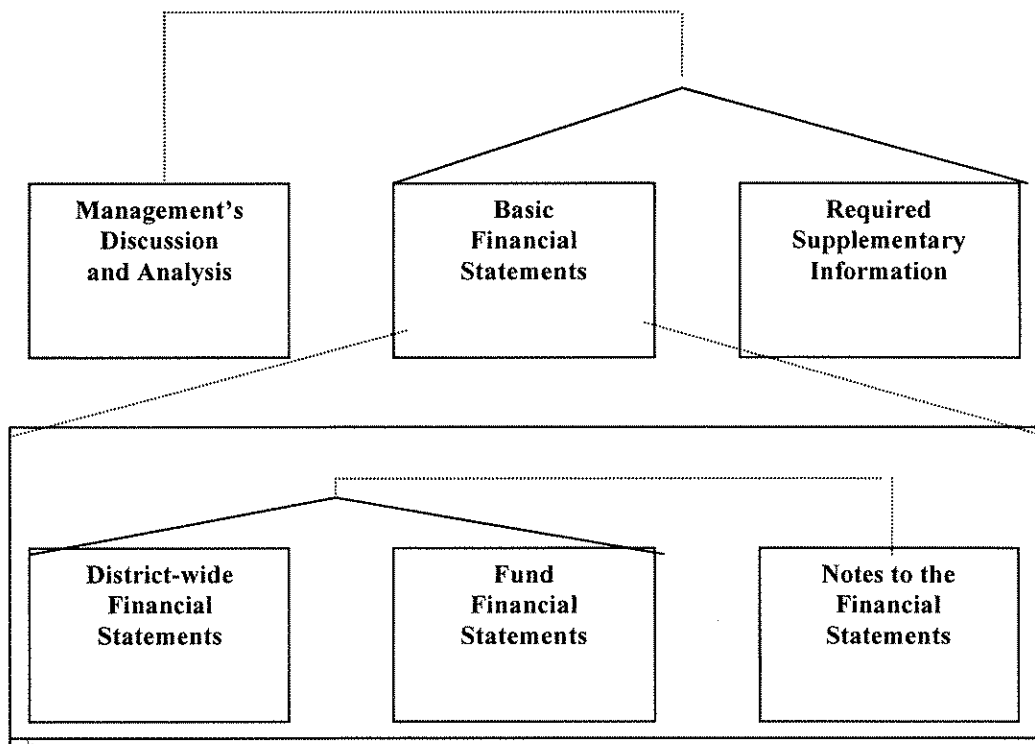
This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the district:

- 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



Summary

- 18 -

Detail

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"> Statement of net position Statement of activities 	<ul style="list-style-type: none"> Balance Sheet Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> Statement of net position Statement of cash flows 	<ul style="list-style-type: none"> Statement of fiduciary net assets Statement of changes in fiduciary net position
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/outflow 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 \$14,373,224 at June 30, 2018. Of this amount, a deficit amount of \$27,600,573 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

	<u>Governmental Activities 2018</u>	<u>Governmental Activities 2017</u>	<u>Amount Difference</u>	<u>% Increase (Decrease)</u>
Assets				
Current and other assets	\$ 25,279,551	\$ 25,320,220	\$ (40,669)	-0.16%
Capital assets	<u>50,441,255</u>	<u>44,887,655</u>	<u>5,553,600</u>	<u>12.37%</u>
Total Assets	\$ <u>75,720,806</u>	\$ <u>70,207,875</u>	\$ <u>5,512,931</u>	<u>7.85%</u>
Deferred Outflows of Resources				
	<u>9,348,398</u>	<u>13,379,017</u>	<u>(4,030,619)</u>	<u>-30.13%</u>
Total Deferred Outflows of Resources	\$ <u>9,348,398</u>	\$ <u>13,379,017</u>	\$ <u>(4,030,619)</u>	<u>-30.13%</u>
Liabilities				
Current and other liabilities	3,056,079	3,429,613	(373,535)	-10.89%
Long-term liabilities	<u>60,148,626</u>	<u>74,397,007</u>	<u>(14,248,381)</u>	<u>-19.15%</u>
Total Liabilities	\$ <u>63,204,705</u>	\$ <u>77,826,620</u>	\$ <u>(14,621,915)</u>	<u>-18.79%</u>
Deferred Inflows of Resources				
	<u>7,491,276</u>	<u>0</u>	<u>7,491,276</u>	<u>100.00%</u>
Total Deferred Inflows of Resources	\$ <u>7,491,276</u>	\$ <u>0</u>	\$ <u>7,491,276</u>	<u>100.00%</u>
Net Position				
Net assets invested in				
capital Assets net of debt	20,065,255	11,130,655	8,934,600	80.27%
Restricted	21,908,541	22,660,315	(751,774)	-3.32%
Unrestricted	<u>(27,600,573)</u>	<u>(28,030,698)</u>	<u>430,125</u>	<u>-1.53%</u>
Total Net Position	\$ <u><u>14,373,224</u></u>	\$ <u><u>5,760,272</u></u>	\$ <u><u>8,612,952</u></u>	<u><u>149.52%</u></u>

The results of this year's operations for the school district Governmental Activities and Business-type Activities are reported in the Statement of Activities (Exhibit A-2). Figure A - 4, below, takes the information from that financial statement, rounds off the numbers, and rearranges them so slightly so you can see the District's total revenues and expenses for the year.

Figure A - 4
Change in Net Position

	<u>Governmental Activities</u>		<u>Amount Difference</u>	<u>Percentage Increase (Decrease)</u>
	<u>2018</u>	<u>2017</u>		
Revenues:				
Program revenue				
Operating Grants and Contributions	\$ 40,360,685	\$ 34,930,894	\$ 5,429,791	15.54%
General revenue				
Local tax levy	100,170,477	96,878,790	3,291,687	3.40%
Federal and state aid	4,032,036	6,796,339	(2,764,303)	-40.67%
Miscellaneous revenues	2,448,224	1,060,753	1,387,470	130.80%
Total revenues	\$ 147,011,422	\$ 139,666,776	\$ 7,344,646	5.26%
Function/program expense:				
Instruction				
Regular programs	36,122,786	34,753,267	1,369,519	3.94%
Special programs	9,501,892	9,375,340	126,552	1.35%
Other Instructional programs	1,643,247	1,627,761	15,485	0.95%
Support services				
Student services	13,283,367	12,458,158	825,209	6.62%
Tuition	6,640,145	6,570,330	69,815	1.06%
General administration and				
business services	4,066,604	4,552,751	(486,147)	-10.68%
School administration	3,423,415	3,613,535	(190,119)	-5.26%
Plant services	5,972,184	6,029,301	(57,117)	-0.95%
Pupil transportation	2,746,357	2,618,167	128,190	4.90%
Unallocated benefits	53,851,627	52,176,028	1,675,599	3.21%
Unallocated depreciation and amortization	390,741	705,067	(314,325)	-44.58%
Interest on long-term debt	733,389	758,829	(25,440)	-3.35%
Total expenses	\$ 138,375,755	\$ 135,238,535	\$ 3,137,220	2.32%
Transfers (From) or To	(22,716)	0	(22,716)	N/A
Increase (Decrease) net position	\$ 8,612,951	\$ 4,428,241	\$ 4,184,710	94.50%

Figure A - 4
Change in Net Position

	Business-Type Activities		Amount Difference	Percentage Increase (Decrease)
	2018	2017		
Revenues:				
Program revenue				
Charges for Services	\$ 2,122,942	\$ 1,904,990	\$ 217,952	11.44%
Operating Grants and Contributions	107,996	104,733	3,262	3.11%
Miscellaneous revenues	13,485	5,108	8,377	164.00%
Total revenues	\$ 2,244,422	\$ 2,014,831	\$ 229,592	11.40%
Business-Type Activities :				
Food Service	1,307,660	1,231,331	76,329	6.20%
Shared Services	523,935	480,757	43,177	8.98%
Total expenses	\$ 1,831,594	\$ 1,712,088	\$ 119,506	6.98%
Increase (Decrease) net position	\$ 412,828	\$ 302,742	\$ 110,086	36.36%

In figure A-5 below, we have presented 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 Activities - Total Cost of Services

Function/program expense:	2018	2017	Increase (Decrease)	
			\$	%
Instruction				
Regular programs	\$ 36,122,785	\$ 34,753,267	\$ 1,369,518	1.0%
Special programs	9,501,892	9,375,340	126,552	0.1%
Other Instructional programs	1,643,247	1,627,761	15,486	0.0%
Support services				
Student services	13,283,367	12,458,158	825,209	0.6%
Tuition	6,640,145	6,570,330	69,815	0.1%
Instructional staff support				
General administration and business services	4,066,604	4,552,751	(486,147)	-0.4%
School administration	3,423,415	3,613,535	(190,120)	-0.1%
Plant services	5,972,184	6,029,301	(57,117)	0.0%
Student transportation	2,746,357	2,618,167	128,190	0.1%
Unallocated benefits	53,851,627	52,176,028	1,675,599	1.2%
Unallocated depreciation and amortization	390,741	705,067	(314,326)	-0.2%
Interest on long-term debt	733,389	758,829	(25,440)	0.0%
Total	\$ 138,375,754	\$ 135,238,534	\$ 3,137,220	2.3%

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 \$23,754,057, which is an increase of \$277,445 from last year. This amount includes the general fund (increase of \$2,398,412), capital projects fund (decrease of \$2,120,968). 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. Issuance of permanent financing within Capital projects Fund.

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 \$15.06 million. This is due primarily to the State reimbursement/on behalf in the amount of \$14.54 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 \$8.92 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, 2018, the school district reported \$95,145,362 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 \$7,946,684 from the prior year. Figure A-6 details the composition of capital assets at June 30th of the current and prior year and the net changes for the current year.

Figure A - 6
Governmental Activity Capital Assets at Year-End

	<u>FY 2018</u>	<u>FY 2017</u>	<u>Increase (Decrease)</u>
Land	\$ 4,488,200	\$ 4,488,200	\$ -
Construction in Progress	6,642,974	3,937,907	2,705,067
Buildings and Improvements	69,287,184	65,223,041	4,064,143
Furniture, Equipment and Vehicles	<u>14,727,004</u>	<u>13,549,530</u>	<u>1,177,474</u>
Total	<u>\$ 95,145,362</u>	<u>\$ 87,198,678</u>	<u>\$ 7,946,684</u>

Long -Term Debt

At the end of this year, the school district had \$30,376,000 in bonds (Type II debt) outstanding versus \$33,757,000 last year- a decrease of 10.02%. The summary of year-end long-term debt and changes for the 2017-2018 school year is as follow:

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

	<u>Governmental Activities 2018</u>	<u>2017</u>
School Serial Bonds Payable	\$ 30,376,000	\$ 33,757,000
Other Long Term Debt:		
Net Pension Liability	28,150,966	38,875,044
Compensated Absences Payable	811,795	862,735
Unamortized Premium on Bonds	<u>809,866</u>	<u>902,228</u>
Total	<u>\$ 60,148,626</u>	<u>\$ 74,397,007</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 June 30, 2019. Contracts with the teachers and administrators will expire on June 30, 2020. 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.

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, 2018**

	GOVERNMENTAL FUNDS	BUSINESS-TYPE ACTIVITIES	TOTAL
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 9,587,896.24	\$ 966,359.70	\$ 10,554,255.94
Other Receivables	1,278,170.95		1,278,170.95
Receivables from Other Funds	5,000.00	1,738.25	6,738.25
Receivables from Other Governments	1,195,142.96	5,627.04	1,200,770.00
Inventory		7,960.13	7,960.13
Restricted Assets:			
Capital Reserve Account - Cash	10,565,727.02		10,565,727.02
Maintenance Reserve Account - Cash	1,647,613.86		1,647,613.86
Emergency Reserve - Cash	1,000,000.00		1,000,000.00
Capital Assets, (Note 1):	50,441,255.10	459,157.42	50,900,412.52
Total Assets	75,720,806.13	1,440,842.54	77,161,648.67
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Change of Pension Assumptions	5,671,449.00		5,671,449.00
Change in Pension Proportion	1,169,616.00		1,169,616.00
Difference Projected vs. Actual Earnings	191,689.00		191,689.00
Pension Payment Subsequent to Measurement Date	1,269,432.00		1,269,432.00
Difference Projected vs. Actual Experience	662,858.00		662,858.00
Deferred Amount on Refinancing	383,354.40		383,354.40
Total Deferred Outflows of Resources	9,348,398.40	-	9,348,398.40
<u>LIABILITIES</u>			
Accounts Payable	1,421,929.37		1,421,929.37
Accrued Interest Payable	261,162.33		261,162.33
Accrued Liabilities	1,064,800.00		1,064,800.00
Payable to Other Governments	44,900.00		44,900.00
Deferred Revenue	263,287.03	113,731.15	377,018.18
Noncurrent Liabilities (Note 2):			
Due Within One Year	3,527,362.45		3,527,362.45
Due Beyond One Year	28,470,297.81		28,470,297.81
Net Pension Liability	28,150,966.00		28,150,966.00
Total Liabilities	63,204,704.99	113,731.15	63,318,436.14
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Change of Pension Assumptions	5,650,657.00		5,650,657.00
Change in Pension Proportion	1,840,619.00		1,840,619.00
Total Deferred Inflows of Resources	7,491,276.00	-	7,491,276.00
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	20,065,255.10	459,157.42	20,524,412.52
Restricted for:			
Debt Service	54,295.90		54,295.90
Capital Projects	5,192,414.93		5,192,414.93
Other Purposes	16,661,830.40		16,661,830.40
Unrestricted (Deficit)	(27,600,572.79)	867,953.97	(26,732,618.82)
Total Net Position	\$ 14,373,223.54	\$ 1,327,111.39	\$ 15,700,334.93

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, 2018**

Functions/Programs	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular	\$ 36,122,784.88	\$	201,989.20	\$ (35,920,795.68)	\$	(35,920,795.68)
Special Education	8,361,148.99		127,446.10	(8,233,702.89)		(8,233,702.89)
Other Special Instruction	1,140,742.97			(1,140,742.97)		(1,140,742.97)
Other Instruction	1,643,246.58			(1,643,246.58)		(1,643,246.58)
Support Services:						
Tuition	6,640,144.75		2,435,621.61	(4,204,523.14)		(4,204,523.14)
Student & Instruction Related Services	13,283,367.39		535,461.00	(12,747,906.39)		(12,747,906.39)
School Administrative Services	3,423,415.47			(3,423,415.47)		(3,423,415.47)
General and Business Administrative Services	4,066,604.30			(4,066,604.30)		(4,066,604.30)
Plant Operations and Maintenance	5,972,184.33			(5,972,184.33)		(5,972,184.33)
Pupil Transportation	2,746,357.30			(2,746,357.30)		(2,746,357.30)
Unallocated Benefits	53,851,627.21		37,060,166.87	(16,791,460.34)		(16,791,460.34)
Interest on Long-Term Debt	733,388.52			(733,388.52)		(733,388.52)
Unallocated Depreciation and Amortization	390,741.36			(390,741.36)		(390,741.36)
Total Governmental Activities	138,375,754.05		40,360,684.78	(98,015,069.27)		(98,015,069.27)
Business-Type Activities:						
Food Service	1,307,659.58	1,482,336.95	107,995.86		282,673.23	282,673.23
WRAP School	523,934.51	640,605.00			116,670.49	116,670.49
Total Business-Type Activities	1,831,594.09	2,122,941.95	107,995.86		399,343.72	399,343.72
Total Primary Government	\$ 140,207,348.14	\$ 2,122,941.95	\$ 40,468,680.64	\$ (98,015,069.27)	\$ 399,343.72	\$ (97,615,725.55)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 96,710,506.00	\$	96,710,506.00
Taxes Levied for Debt Service				3,459,971.00		3,459,971.00
Federal and State Aid Not Restricted				3,236,885.21		3,236,885.21
Federal and State Aid Restricted				795,151.00		795,151.00
Local Sources Restricted				193,813.85		193,813.85
Tuition Received				67,436.92		67,436.92
Investment Earnings				21,542.00	13,484.59	35,026.59
Miscellaneous Income				2,165,430.85		2,165,430.85
Total General Revenues				106,650,736.83	13,484.59	106,664,221.42
Transfers						
				(22,716.00)		(22,716.00)
Total General Revenues and Transfers				106,628,020.83	13,484.59	106,641,505.42
Change in Net Position				8,612,951.56	412,828.31	9,025,779.87
Net Position—Beginning				5,760,271.98	914,283.08	6,674,555.06
Net Position—Ending				\$ 14,373,223.54	\$ 1,327,111.39	\$ 15,700,334.93

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, 2018

Exhibit B-1
Page 1 of 2

<u>ASSETS</u>	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Cash and Cash Equivalents (Deficit)	\$ 5,159,643.42	\$ (452,396.05)	\$ 4,726,352.97	\$ 54,295.90	\$ 9,487,896.24
Other Receivables	1,278,170.95				1,278,170.95
Due from Other Funds	5,000.00				5,000.00
Receivables from Other Governments	81,200.00	647,881.00	466,061.96		1,195,142.96
Restricted Cash and Cash Equivalents (Deficit)	<u>13,313,340.88</u>				<u>13,313,340.88</u>
Total Assets	<u>19,837,355.25</u>	<u>195,484.95</u>	<u>5,192,414.93</u>	<u>54,295.90</u>	<u>25,279,551.03</u>
 <u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts Payable	110,479.31	42,019.06			152,498.37
Accrued Expenses	1,064,800.00				1,064,800.00
Intergovernmental Payable		44,900.00			44,900.00
Deferred Revenue	<u>154,721.14</u>	<u>108,565.89</u>			<u>263,287.03</u>
Total liabilities	<u>1,330,000.45</u>	<u>195,484.95</u>			<u>1,525,485.40</u>
Fund Balances:					
Restricted for:					
Capital Reserve Account	10,565,727.02				10,565,727.02
Maintenance Reserve Account	1,647,613.86				1,647,613.86
Emergency Reserve	1,000,000.00				1,000,000.00
Reserve for Excess Surplus	1,491,439.00				1,491,439.00
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	1,862,202.33				1,862,202.33
Committed for:					
Year-end Encumbrances	1,021,507.19				1,021,507.19
Assigned for:					
Designated for Subsequent Year's Expenditures	105,934.67				105,934.67
Debt Service Fund				54,295.90	54,295.90
Capital Projects Fund			5,192,414.93		5,192,414.93
Unassigned, Reported in:					
General Fund	<u>812,930.73</u>				<u>812,930.73</u>
Total Fund Balances	<u>18,507,354.80</u>		<u>5,192,414.93</u>	<u>54,295.90</u>	<u>23,754,065.63</u>
Total Liabilities and Fund Balances	<u>\$ 19,837,355.25</u>	<u>\$ 195,484.95</u>	<u>\$ 5,192,414.93</u>	<u>\$ 54,295.90</u>	<u>\$ 25,279,551.03</u>

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018**

**Exhibit B-1
Page 2 of 2**

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

Total Governmental Fund Balances	\$	\$23,754,065.63
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 \$95,145,362.10, and the accumulated depreciation is \$44,704,107.		\$50,441,255.10
Long-term liabilities, including bonds (net of premiums and/or discounts), capital lease obligations, judgments payable and other obligations that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(31,997,660.26)
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.		(261,162.33)
<p>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.</p> <p>The carrying amounts of the individual components are as follows:</p>		
Deferred Outflows of Resources		8,965,044.00
Net Pension Liability		(28,150,966.00)
Deferred Inflows of Resources		(7,491,276.00)
Payment Subsequent to Measurement Date		(1,269,432.00)
The difference between the face amount of Refunded Bonds and the escrow deposit required to legally defease the Bonds is recorded as a decrease is recorded as a decrease to fund balance in the governmental funds, but is carried on the statement of net position as a Deferred Outflow of Resources and amortized over the life of the Bonds. The Deferred Amount from Refunding is \$495,002.94 and accumulated amortization is \$111,648.54		383,355.40
Net Position of Governmental Activities	\$	<u>\$14,373,223.54</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, 2018

Exhibit B-2

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>REVENUES</u>					
Local Tax Levy	\$ 96,710,506.00	\$	\$	\$ 3,459,971.00	\$ 100,170,477.00
Tuition Charges	67,436.92				67,436.92
Miscellaneous	2,186,972.85				2,186,972.85
Local Sources		193,813.85			193,813.85
State Sources	19,098,965.37	220,296.02		795,151.00	20,114,412.39
Federal Sources	55,516.99	1,706,508.61			1,762,025.60
Total Revenues	118,119,398.13	2,120,618.48	0.00	4,255,122.00	124,495,138.61
<u>EXPENDITURES</u>					
Current:					
Regular Instruction	34,016,979.73	201,989.20			34,218,968.93
Special Education Instruction	8,227,202.89	127,446.10			8,354,648.99
Other Special Instruction	1,133,696.47				1,133,696.47
Other Instruction	1,643,246.58				1,643,246.58
Support Services and Undistributed Costs:					
Tuition	5,443,840.14	1,196,304.61			6,640,144.75
Student & Instruction Related Services	12,822,760.33	502,580.56			13,325,340.89
School Administrative Services	3,437,645.97				3,437,645.97
Other Administrative Services	4,066,604.30				4,066,604.30
Plant Operations and Maintenance	5,978,362.33				5,978,362.33
Pupil Transportation	2,746,357.30				2,746,357.30
Unallocated Benefits	30,408,685.21				30,408,685.21
Debt Service:					
Principal				3,381,000.00	3,381,000.00
Interest and Other Charges				874,121.39	874,121.39
Capital Outlay	2,078,538.34	92,298.01	5,815,318.50		7,986,154.85
Total Expenditures	112,003,919.59	2,120,618.48	5,815,318.50	4,255,121.39	124,194,977.96
Excess (Deficiency) of Revenues over Expenditures	6,115,478.54	0.00	(5,815,318.50)	0.61	300,160.65
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfer to Charter School	(22,716.00)			0.00	(22,716.00)
Transfers in			3,694,350.77		3,694,350.77
Transfers out	(3,694,350.77)				(3,694,350.77)
Total Other Financing Sources and Uses	(3,717,066.77)	0.00	3,694,350.77	0.00	(22,716.00)
Net Change in Fund Balances	2,398,411.77	0.00	(2,120,967.73)	0.61	277,444.65
Fund Balance—Beginning	16,108,923.03		7,313,382.66	54,295.29	23,476,600.98
Fund Balance—Ending	\$ 18,507,334.80	\$ 0.00	\$ 5,192,414.93	\$ 54,295.90	\$ 23,754,045.63

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, 2018**

Total net change in fund balances - governmental funds (from B-2) **\$ 277,444.65**

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

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

Depreciation expense	(2,393,084.00)	
Capital Outlays - Net	<u>7,946,685.60</u>	5,553,601.60

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. 3,381,000.00

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. When the accrued amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the accrued amount, the difference is an addition to the reconciliation (+). 188,748.87

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 (+). 50,940.00

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. (926,659.00)

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 87,875.44

Change in net position of governmental activities **\$ 8,612,951.56**

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, 2018**

	BUSINESS-TYPE ACTIVITIES -		
	<u>ENTERPRISE FUND</u>		TOTAL
	<u>FOOD</u>	<u>WRAP</u>	<u>ENTERPRISE</u>
	<u>SERVICE</u>	<u>PROGRAM</u>	<u>FUND</u>
<u>ASSETS</u>			
Current assets:			
Cash and Cash Equivalents	\$ 697,664.72	\$ 268,694.98	\$ 966,359.70
Accounts Receivable	7,365.29		7,365.29
Inventory	<u>7,960.13</u>		<u>7,960.13</u>
Total Current Assets	<u>712,990.14</u>	<u>268,694.98</u>	<u>981,685.12</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	902,573.01		902,573.01
Less Accumulated Depreciation	<u>(443,415.59)</u>		<u>(443,415.59)</u>
Total Noncurrent Assets	<u>459,157.42</u>		<u>459,157.42</u>
Total Assets	<u><u>1,172,147.56</u></u>	<u><u>268,694.98</u></u>	<u><u>1,440,842.54</u></u>
<u>LIABILITIES</u>			
Current Liabilities:			
Deferred revenue	<u>48,931.15</u>	<u>64,800.00</u>	<u>113,731.15</u>
Total Current Liabilities	<u><u>48,931.15</u></u>	<u><u>64,800.00</u></u>	<u><u>113,731.15</u></u>
<u>NET POSITION</u>			
Invested in Capital Assets Net of Related Debt	459,157.42		459,157.42
Unrestricted (Deficit)	<u>664,058.99</u>	<u>203,894.98</u>	<u>867,953.97</u>
Total Net Position	<u><u>\$ 1,123,216.41</u></u>	<u><u>\$ 203,894.98</u></u>	<u><u>\$ 1,327,111.39</u></u>

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

WESTFIELD SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>FOOD</u> <u>SERVICE</u>	<u>WRAP</u> <u>PROGRAM</u>	<u>TOTAL</u>
<u>OPERATING REVENUES</u>			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 277,473.80	\$	277,473.80
Daily Sales - Non-Reimbursable Programs	<u>1,204,863.15</u>		<u>1,204,863.15</u>
Total Daily Sales	1,482,336.95		1,482,336.95
Program Fees		<u>640,605.00</u>	<u>640,605.00</u>
Total Operating Revenues	<u>1,482,336.95</u>	<u>640,605.00</u>	<u>2,122,941.95</u>
<u>OPERATING EXPENSES</u>			
Cost of Sales:			
Program Sales	368,116.88		368,116.88
Non-Program Sales	<u>136,153.51</u>		<u>136,153.51</u>
Total Cost of Sales	504,270.39		504,270.39
Labor	532,223.60	487,286.20	1,019,509.80
Supplies	1,896.29	4,182.31	6,078.60
Office and Administrative	34,098.66		34,098.66
Outside Services	18,337.79		18,337.79
Taxes and Insurance	20,349.92		20,349.92
Repairs and Maintenance	32,938.38		32,938.38
Miscellaneous Expenses	5,314.67		5,314.67
Utilities		32,466.00	32,466.00
Management Fees	131,453.29		131,453.29
Depreciation	<u>26,776.59</u>		<u>26,776.59</u>
Total Operating Expenses	<u>1,307,659.58</u>	<u>523,934.51</u>	<u>1,831,594.09</u>
Operating Income (Loss)	<u>174,677.37</u>	<u>116,670.49</u>	<u>291,347.86</u>
Non-Operating Revenues:			
State Sources:			
State School Lunch Program	5,178.67		5,178.67
Federal Sources:			
U.S.D.A. Commodities	35,720.81		35,720.81
National School Lunch Program	67,096.38		67,096.38
Interest on Deposits	<u>13,484.59</u>		<u>13,484.59</u>
Total Non-Operating Revenues	<u>121,480.45</u>		<u>121,480.45</u>
Change in Net Position	296,157.82	116,670.49	412,828.31
Total Net Position Beginning	<u>827,058.59</u>	<u>87,224.49</u>	<u>914,283.08</u>
Total Net Position Ending	\$ <u>1,123,216.41</u>	\$ <u>203,894.98</u>	\$ <u>1,327,111.39</u>

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

WESTFIELD SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>FOOD SERVICE</u>	<u>WRAP PROGRAM</u>	<u>TOTAL</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 1,493,523.51	\$ 544,820.00	\$ 2,038,343.51
Payments for Employee Services		(487,286.20)	
Payments to Suppliers	<u>(1,318,131.91)</u>	<u>(36,648.31)</u>	<u>(1,354,780.22)</u>
Net Cash Provided by (Used for) Operating Activities	<u>175,391.60</u>	<u>20,885.49</u>	<u>683,563.29</u>
Cash Flows from Non-Capital Financing Activities			
State Sources	5,132.19		5,132.19
Federal Sources	67,334.70		67,334.70
Interfund Loan Returned	<u>3,087.44</u>		<u>3,087.44</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>75,554.33</u>	<u>-</u>	<u>75,554.33</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	<u>(163,500.72)</u>		<u>(163,500.72)</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(163,500.72)</u>	<u>-</u>	<u>(163,500.72)</u>
Cash Flows from Investing Activities			
Interest on Deposits	<u>13,484.59</u>		<u>615.60</u>
Net Cash Provided by (Used for) Investing Activities	<u>13,484.59</u>	<u>-</u>	<u>615.60</u>
Net Increase (Decrease) in Cash and Cash Equivalents	100,929.80	20,885.49	759,733.22
Cash and Cash Equivalents, July 1	<u>596,734.92</u>	<u>247,809.49</u>	<u>844,544.41</u>
Cash and Cash Equivalents, June 30	<u>\$ 697,664.72</u>	<u>\$ 268,694.98</u>	<u>\$ 966,359.70</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 174,677.37	\$ 116,670.49	\$ 291,347.86
Adjust. to Reconcile Operating Income (Loss) to Cash Provided (Used) by Oper. Activities:			
Depreciation	26,776.59		26,776.59
Federal Commodities	35,720.81		35,720.81
(Increase) Decrease in Accounts Receivable	(146.69)		(146.69)
(Increase) Decrease in Inventory	(5,261.87)		(5,261.87)
Increase (Decrease) in Deferred Revenue	8,634.99	(95,785.00)	(87,150.01)
Increase (Decrease) in Accounts Payable	<u>(65,009.60)</u>		<u>(65,009.60)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 175,391.60</u>	<u>20,885.49</u>	<u>\$ 196,277.09</u>

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

FIDUCIARY FUNDS

WESTFIELD SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	<u>EXPENDABLE TRUST FUNDS</u>		<u>AGENCY</u>		<u>TOTALS</u> 2018
	<u>UNEMPLOYMENT</u> <u>COMPENSATION</u>	<u>FLEXIBLE</u> <u>SPENDING</u>	<u>STUDENT</u> <u>ACTIVITY</u>	<u>PAYROLL</u>	
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 289,539.00	\$ 96,824.42	\$ 620,023.04	\$ 496,151.95	\$ 1,502,538.41
Total Assets	\$ 289,539.00	\$ 96,824.42	\$ 620,023.04	\$ 496,151.95	\$ 1,502,538.41
<u>LIABILITIES</u>					
Liabilities:					
Payroll Deductions and Withholdings	\$	\$	\$	\$ 491,151.95	\$ 491,151.95
Accounts Payable	9,002.29				9,002.29
Advanced Payrolls				5,000.00	5,000.00
Due to Student Groups			620,023.04		620,023.04
Total Liabilities	9,002.29		620,023.04	496,151.95	1,125,177.28
<u>NET POSITION</u>					
Net Position Restructured for:					
Unemployment Insurance Claims	280,536.71				280,536.71
Eligible Employee Benefits		96,824.42			96,824.42
Total Net Position	280,536.71	96,824.42			377,361.13
Total Liabilities and Net Position	\$ 289,539.00	\$ 96,824.42	\$ 620,023.04	\$ 496,151.95	\$ 1,502,538.41

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

WESTFIELD SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Expendable Trust Funds</u>		<u>Totals</u>
	<u>Unemployment Compensation Insurance Trust</u>	<u>Employee Benefit Flexible Spending Trust Fund</u>	
ADDITIONS			
Contributions:			
Dedicated Payroll Withholdings	\$ 90,052.25	\$ 259,293.72	\$ 349,345.97
Board Contribution	30,000.00		30,000.00
Total Contributions	<u>120,052.25</u>	<u>259,293.72</u>	<u>379,345.97</u>
Investment Earnings:			
Interest On Deposits	4,973.02	-	4,973.02
Net Investment Earnings	<u>4,973.02</u>	<u>-</u>	<u>4,973.02</u>
Total Additions	<u>125,025.27</u>	<u>259,293.72</u>	<u>384,318.99</u>
DEDUCTIONS			
Unemployments Insurance Claims	104,148.23		104,148.23
Eligible Benefits		236,747.10	236,747.10
Total Deductions	<u>104,148.23</u>	<u>236,747.10</u>	<u>340,895.33</u>
Change in Net Position	<u>20,877.04</u>	<u>22,546.62</u>	<u>43,423.66</u>
Net Position - Beginning of the Year	<u>259,659.67</u>	<u>74,277.80</u>	<u>333,937.47</u>
Net Position - End of the year	<u>280,536.71</u>	<u>96,824.42</u>	<u>\$ 377,361.13</u>

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, 2018

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, 2018 of 6,301 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 for 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 Trusts: – Employee Benefit Trust Funds should be used to report resources that are required to be held in trust for members and beneficiaries of employee benefit plans. The District operates an Unemployment Compensation Fund and a Flexible Spending Plan that are accounted for as Employee Benefit Trust Funds.

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.

NOTES TO FINANCIAL STATEMENTS

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	\$118,306,382.13	\$2,134,074.28
Difference- budget to GAAP:		
1. Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and revenues (Net)	0.00	(13,455.80)
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).	(1,718,718.00)	0.00
3. State Aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	<u>1,531,734.00</u>	<u>0.00</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance – governmental funds.	<u>\$118,119,398.13</u>	<u>\$2,120,618.48</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	\$112,003,919.59	\$2,134,074.28
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>(13,455.80)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds.	<u>\$112,003,919.59</u>	<u>\$2,120,618.48</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.

NOTES TO FINANCIAL STATEMENTS

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 2017-2018 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, 2018.

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 \$811,794.50 as at June 30, 2018 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 six items in this category; The Deferred Amount on Refunding, and Pension related items including the Change in Pension Assumptions, Change in Pension Proportion, Difference Between Projected and Actual Earnings, Difference Between Projected and Actual Experience 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 the 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 and Change in Pension Proportions represent future outflows of resources resulting from changes in actuarial assumptions used in the valuation of the pension liability and changes in the District's proportionate share of the system-wide Net 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, 2017.

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 Change in Pension Assumptions and the Change in Pension Proportion. The former represents deferred inflows resulting from changes in actuarial assumptions used in the valuation of the pension liability, 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. Other Post-Employment Benefits:

Pursuant to State Statute, the State Health Benefits Local Education Retirees Employees Plan was established to oversee the funding and payment of post-employment medical benefits for eligible LEA employees. This plan is a multi-employer defined benefit OPEB Plan that is administered on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75. The Plan is a "Special Funding Situation" as defined in GASB Statement No. 75 as the State of New Jersey is solely responsible for funding the Plan's obligations (net of employee contributions). Accordingly, no net OPEB liability is reported on the District's Statement of Net Position. In the Statement of Activities, the District reports an annual OPEB expense and a corresponding revenue, equal to the allocated expense of the District as reported by the State.

NOTES TO FINANCIAL STATEMENTS

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

Q. 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.

R. 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.

S. 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.

T. 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.

NOTES TO FINANCIAL STATEMENTS

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

U. 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.

V. 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.

W. Reconciliation of District-Wide and Fund Financial Statements

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

Total Governmental Fund Balance (B-1)	\$ 23,754,065.63
<u>Adjustments to District-Wide Net Position:</u>	
Capital Assets (see Note 3)	50,408,374.66
Long-Term Liabilities (see Note 4)	(31,187,794.50)
Net Pension Liability	(28,150,966.00)
Other Items not recognized in Fund Financial Statements:	
Deferred Outflows of financial Resources	8,965,044.00
Deferred Inflows of Financial Resources	(7,491,276.00)
Payment Subsequent to Measurement Date	(1,269,432.00)
Accrued Interest on Long-term Debt	(261,162.33)
Unamortized Discounts Received on Bond Sales	
Unamortized Premiums Received on Bond Sales	(809,865.76)
Unamortized Deferred Amounts from Refunding	<u>383,355.40</u>
Net Position of Governmental Activities	<u>\$ 14,340,343.10</u>

NOTES TO FINANCIAL STATEMENTS

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

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

Total Net Change Governmental Fund Balance (B-2)	\$ 277,444.65
<u>Adjustments to District-Wide Net Position:</u>	
Capital Outlays, net of depreciation	5,553,601.60
Repayment of Long-Term Liabilities (see Note 4)	3,381,000.00
Decrease in Value of Compensated Absences	50,940.00
Interest on Long-term Debt (Accrual Basis for District-Wide)	188,748.87
Net Increase in Pension Expense	(926,659.00)
Amortization Expenses & Increases - Net	<u>87,875.44</u>
Change In Net Position of Governmental Activities	<u>\$ 8,612,951.56</u>

X. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

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	\$ 500,000.00
Insured—NJGUDPA (N.J.S.A. 17:941)	<u>24,655,252.53</u>
Total	\$ <u>25,155,252.53</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, 2018, based upon the insured balances as provided by FDIC and NJGUDPA coverage, none of the Board's bank balance of \$25,155,252.53 was considered exposed to custodial risk. (See Note 1-H relating to statutory mitigations of custodial risk in the event of a bank failure.)

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. The District had \$82,423.09 on deposit with the New Jersey Cash Management Fund at June 30, 2018.

Money Market Mutual Funds – At June 30, 2018, the District had \$117,992.30 of capital project cash balances on deposit with Fidelity Investments Inc. The funds were held in FIMM Funds, Treasury Portfolio Class III shares, which are public trader under the symbol FCSXX. These funds are uninsured.

NOTE 3 - DISCLOSURE OF INFORMATION ABOUT CAPITAL ASSETS

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

Total Capital Assets at Cost	95,145,362.10
Less: Accumulated Depreciation	<u>(44,704,107.00)</u>
 Government Activities Capital Assets, Net	 <u><u>50,441,255.10</u></u>

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 4,488,200.00	\$	\$	\$ 4,488,200.00
Construction in Progress	<u>3,937,907.00</u>	<u>2,705,067.00</u>	<u></u>	<u>6,642,974.00</u>
Total Capital Assets Not Being Depreciated	<u>8,426,107.00</u>	<u>2,705,067.00</u>	<u></u>	<u>11,131,174.00</u>
Building and Building Improvements	65,223,041.00	4,064,143.28	<u></u>	69,287,184.28
Machinery, Equipment, Furniture & Vehicles	<u>13,549,530.00</u>	<u>1,177,473.82</u>	<u></u>	<u>14,727,003.82</u>
Totals at Historical Cost	<u>78,772,571.00</u>	<u>5,241,617.10</u>	<u></u>	<u>84,014,188.10</u>
Less Accumulated Depreciation For:				
Building and Building Improvements	(30,860,144.00)	2,032,271.00	<u></u>	(32,892,415.00)
Equipment, Furniture, and Vehicles	<u>(11,450,879.00)</u>	<u>360,813.00</u>	<u></u>	<u>(11,811,692.00)</u>
Total Accumulated Depreciation	<u>(42,311,023.00)</u>	<u>2,393,084.00</u>	<u></u>	<u>(44,704,107.00)</u>
Government Activities Capital Assets, Net	<u>\$ 44,887,655.00</u>	<u>\$ 10,339,768.10</u>	<u>\$</u>	<u>\$ 50,441,255.10</u>
Business-type Activities				
Equipment	739,072.29	163,500.72	<u></u>	902,573.01
Less Accumulated Depreciation for:				
Equipment	<u>(416,639.00)</u>	<u>26,776.59</u>	<u></u>	<u>(443,415.59)</u>
Business-type Activities Capital Assets, Net	<u>\$ 322,433.29</u>	<u>\$ 190,277.31</u>	<u>\$</u>	<u>\$ 459,157.42</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction - Regular	\$ 1,914,467.20
Unallocated	<u>478,616.80</u>
Total depreciation expense	<u>\$ 2,393,084.00</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - DISCLOSURE OF INFORMATION ABOUT LONG TERM LIABILITIES

Long-term debt liability activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	\$ 33,757,000.00	\$ -	\$ 3,381,000.00	\$ 30,376,000.00	\$ 3,435,000.00
Total Bonds Payable	<u>33,757,000.00</u>	<u>-</u>	<u>3,381,000.00</u>	<u>30,376,000.00</u>	<u>3,435,000.00</u>
Other Liabilities:					
Compensated Absences Payable	<u>862,735.00</u>	<u>-</u>	<u>50,940.50</u>	<u>811,794.50</u>	
Total Other Liabilities	<u>862,735.00</u>	<u>-</u>	<u>50,940.50</u>	<u>811,794.50</u>	
Net Pension Liability (PERS)	38,875,044.00	-	10,724,078.00	28,150,966.00	
Unamortized Bond Premium	<u>902,228.21</u>	<u>-</u>	<u>92,362.45</u>	<u>809,865.76</u>	<u>92,362.45</u>
Total Liabilities	\$ <u>74,397,007.21</u>	\$ <u>-</u>	\$ <u>14,248,380.95</u>	\$ <u>60,148,626.26</u>	\$ <u>3,527,362.45</u>

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:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 3,435,000	\$ 670,475	\$ 4,105,475
2020	3,500,000	608,513	4,108,513
2021	3,116,000	543,073	3,659,073
2022	3,100,000	953,758	4,053,758
2023	2,350,000	415,308	2,765,308
2024	2,375,000	352,120	2,727,120
2025	2,400,000	286,125	2,686,125
2026	2,050,000	223,570	2,273,570
2027	2,050,000	165,170	2,215,170
2028	1,990,000	112,510	2,102,510
2029	1,360,000	73,150	1,433,150
2030	900,000	48,250	948,250
2031	900,000	30,250	930,250
2032	<u>850,000</u>	<u>10,625</u>	<u>860,625</u>
Totals	\$ <u>30,376,000</u>	\$ <u>4,492,896</u>	\$ <u>34,868,896</u>

B. Bonds Authorized But Not Issued (ABNI)

At June 30, 2018, the District had no unissued bond authorizations.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION 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 PFRS and 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 those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pursuant to the provisions of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of all retirement systems.

Payrolls and Covered Wages: For the year ended June 30, 2018 the Board's total payroll for all employees was \$63,229,223.49. Total PERS covered payroll was \$8,668,982. Covered payroll refers to pensionable 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 7.20% in State 2017 and increased to 7.34% for State fiscal year 2018, commencing July 1, 2017. 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, 2017 and 2018 were \$1,166,083 and \$1,120,303, 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 2, 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

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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, 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 local jurisdiction’s pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2017:

Inactive plan members or beneficiaries currently receiving benefits	170,124
Inactive plan members entitled to but not yet receiving benefits	650
Active plan members	<u>254,685</u>
Total	<u>425,459</u>

Contributing Employers – 1,705.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D)

A service retirement benefit of 1/55th 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 1/60th 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, 2018, the School Board reported a liability of \$28,150,966 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 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 Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the Boards proportion was 0.1209317%, which was a decrease of 0.0103269% from its proportion measure as of June 30, 2016.

For the year ended June 30, 2018, the Board recognized pension expenses of \$2,057,161. At June 30, 2018, 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	\$ 5,671,449	\$ 5,650,657
Changes in Pension Proportion	1,169,616	1,840,619
Difference Projected vs. Actual Earnings	191,689	
Difference Projected vs. Actual Experience	662,858	
Board contributions subsequent to the measurement date	<u>1,269,432</u>	<u> </u>
 Total	 \$ 8,965,044	 \$ 7,491,276

The \$ 1,269,432 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	
2019	\$(722,701)
2020	\$(1,070,663)
2021	\$(504,954)
2022	\$ 1,252,613
2023	\$ 841,368

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 for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation	2.25%
Salary Increases: Through 2026	1.65-4.15% Based on age
Thereafter	2.65-5.15% Based on age
Investment rate of return	7.00%

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experiences 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 future financial statements.

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D)

Description of Plans (Cont'd)

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D)

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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount Rate – The discount rate used to measure the pension liabilities of PERS was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D)

Description of Plans (Cont'd)

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D)

Sensitivity of Collective Net Pension Liability to Changes in the Discount Rate – the following presents the collective net pension liability of PERS participating employers, as well as the Borough’s attributed share of that liability, as of June 30, 2017, calculated using the discount rates as disclosed above as well as what the collective 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:

	At 1% Decrease (4.00%)	At current discount rate (5.00%)	At 1% increase (6.00%)
State	\$29,818,581,732	\$25,645,622,797	\$22,179,578,513
Local	<u>28,878,437,027</u>	<u>23,278,401,588</u>	<u>18,612,878,069</u>
PERS Plan Total	<u>\$58,878,018,759</u>	<u>\$48,924,024,385</u>	<u>\$40,792,456,582</u>
Westfield BOE	<u>\$34,923,185</u>	<u>\$28,150,966</u>	<u>\$22,508,870</u>

Components of Net Pension Liability – The components of the collective net pension liability for PERS, including the State of New Jersey, at June 30, 2017 is as follows:

	State	Local	Total
Total Pension Liability	\$32,535,896,852	\$44,852,367,051	\$77,388,263,903
Plan Fiduciary Net Position	<u>6,890,274,055</u>	<u>21,573,965,463</u>	<u>28,464,239,518</u>
Net Pension Liability	<u>\$25,645,622,797</u>	<u>\$23,278,401,588</u>	<u>\$48,924,024,385</u>

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, by which the State of New Jersey (State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. 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:

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D):

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

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, 2017:

Inactive plan members or beneficiaries currently receiving benefits	101,246
Inactive plan members entitled to but not yet receiving benefits	222
Active plan members	<u>140,563</u>
Total	<u>242,031</u>

Contributing Employers – 24.

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.

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, 2018 the Board's total payroll for all employees was \$63,229,223. Total TPAF covered payroll was \$48,344,618. 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. 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 7.20% in State fiscal year 2017 and increased to 7.34% for State fiscal year 2018, commencing July 1, 2017. 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 normal cost and unfunded accrued liability. For fiscal year 2018, the State's pension contribution was less than the actuarially determined amount.

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 for 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D):

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

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 2, 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 1/55th 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 1/60th 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 Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Local Pension Obligation</u>
6/30/18	\$ 6,575,720	Unknown %	\$ 0
6/30/17	5,065,681	Unknown	0
6/30/16	3,595,667	Unknown	0

At June 30, 2017, the TPAF reported a net pension liability of \$67,423,605,859 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 \$303,649,995, or 0.45%.

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D):

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

Actuarial Assumptions- The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases (2012-2021)	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.00%

Pre-retirement, post-retirement and disability mortality rates were based upon the experience of TPAF members reflecting mortality improvement on a generational basis based upon a 60-year average of Social Security data from 1953 to 2013. The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

In accordance with State statute, the long-term expected rate of return on plan investments was determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

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 total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of Net Pension Liability to Changes in the Discount Rate the following presents the net pension liability of TPAF as of June 30, 2017 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 (3.25%)</u>	<u>At current Discount rate (4.25%)</u>	<u>At 1% Increase (5.25%)</u>
TPAF	\$80,394,331,171	\$67,670,209,171	\$57,188,022,171

Components of Net Pension Liability – The components of the net pension liability for TPAF, including the State of New Jersey, at June 30, 2016 is as follows:

Total pension liability	\$ 90,726,371,000
Plan fiduciary net position	<u>23,056,161,829</u>
Net pension liability	<u>\$ 67,670,209,171</u>
Plan fiduciary net position as a percentage of the total pension liability	25.41%

Additional Information – Collective balances at June 30, 2017 were as follows:

Collective Deferred Outflows of Resources	\$ 14,160,879,257
Collective Deferred Inflows of Resources	11,800,239,661
State’s Total Non-employer Net Pension Liability	67,423,605,859
District’s Proportion	0.4503615479%

NOTE 5. PENSION PLANS (CONT'D):

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, 2017, the membership in the DCRP, based on the information within the Division's database, was 43,516.

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, 2018 the Board's total payroll for all employees was \$63,229,223. Total DCRP covered payroll was \$1,885,148. 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, 2018 were \$56,555 and \$97,949, respectively.

NOTE 6. POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan:

Plan Description and Benefits Provided:

P.L. 1987, c.384 and P.L. 1990, c.6. required the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees Retirement System (PERS), respectively, to fund post-retirement medical benefits for those members who retire after accumulating a minimum of 25 years of credited service or on a disability retirement. 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. Pursuant to this Act, the State Health Benefits Local Education Retired Employees Plan (SHBLEREP) was established to oversee the funding and payment of post-employment medical benefits for eligible LEA employees. The SHBLEREP is a multiple employer defined benefit OPEB plan that is administered on a pay-as-you-go basis in accordance with P.L. 1994, c.62. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria set forth in paragraph 4 of GASB Statement No. 75. The SHBLEREP provides medical, prescription drug and Medicare Part B reimbursement to retirees and retiree dependents of local education employers.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. POST-EMPLOYMENT BENEFITS (CONT'D):

General Information about the OPEB Plan (cont'd):

Coverage is provided at no cost to members of the TPAF and PERS that had retired on a disability retirement or retired after accumulating 25 years of creditable service prior to June 28, 2011 and to those who had a minimum of 20 years of creditable service on June 28, 2011 and who subsequently retire after accumulating 25 years of credited service or on a disability retirement. Employees who had less than 20 years of creditable service on June 28, 2011 and subsequently retire after accumulating a minimum of 25 years of creditable service are required by Chapter 78, P.L. 2011 to contribute a percentage of the cost of their health care coverage in retirement. The percentage of the premium that will be the responsibility of the retiree is determined based upon the retiree's annual retirement benefit and level of coverage. Chapter 78 retirees opting for single will make contributions that escalate from 4.5% for annual retirement allowance under \$20,000 to 35.0% for annual retirement allowances exceeding \$110,000 per annum. Chapter 78 retirees opting for family coverage will range from 3.43% for annual retirement allowances under \$25,000 per annum to 35.0% for annual retirement allowances exceeding \$110,000 per annum.

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.

Covered Retirees and State Contributions:

At June 30, 2017, there were approximately 112,966 TPAF retirees receiving State paid post-employment health benefits, and the State contributed \$1.39 billion on their behalf.

The State paid \$238.9 million toward Chapter 126 post-employment benefits for 20,913 eligible PERS retired members in Fiscal Year 2017.

Total OPEB Liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make contributions to OPEB for qualified retired SHBLEREP participants. The State of New Jersey's Total Non-employer OPEB Liability for the SHBLEREP was \$53,639,841,858 and \$57,831,784,184 at June 30, 2017 and 2016, respectively. The amounts of the State's Non-employer OPEB Liability that are attributable to employees and retirees of the Westfield School District was \$202,388,345 and \$2018,359,164 at June 30, 2017 and 2016, respectively. These allocated liabilities represent 0.38% of the State's Total Non-employer OPEB Liability for each of the years reported. However, the Westfield School District's proportionate share percentage as determined in accordance with the provisions of paragraphs 193 and 203 to 205 of GASB Statement No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Based upon the preceding, the OPEB liability information that follows is reported at the State's level and does not reflect expenses and liabilities of the District that are required to be funded through annual District budgets.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. POST-EMPLOYMENT BENEFITS (CONT'D):

General Information about the OPEB Plan (cont'd):

Actuarial Assumptions and Other Inputs:

The total non-employer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 that was rolled forward to June 30, 2017. The total non-employer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending upon the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary		
Increases:		
Through 2026	1.55-4.55%	2.15-4.15%
	Based on Years of Service	Based on Age
Thereafter	2.00-5.45%	3.15-5.15%
	Based on Years of Service	Based on Age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012-June 30, 2015, and July 1, 2011-June 30, 2014 for TPAF and PERS, respectively.

Healthcare Trend Assumptions:

For pre-Medicare preferred provider organization (PPO) benefits, this amount is initially 5.9% per annum and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% per annum and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate:

The discount rates for June 30, 2017 and 2016 were 3.58% and 2.85%, respectively. The source is the Bond Buyer G.O. 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of Aa/AA or higher.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. POST-EMPLOYMENT BENEFITS (CONT'D):

General Information about the OPEB Plan (cont'd):

Changes in the Total Non-employer OPEB Liability reported by the State of New Jersey:

Changes to the State's Total Non-employer OPEB Liability and the portion of those amounts allocated to the District during the fiscal year ended June 30, 2017 were as follows:

	<u>State Totals</u>	<u>District Allocation</u>
Non-employer OPEB Liability Balance-June 30, 2016:	\$57,831,784,184	\$218,359,164
Changes During the Current Year:		
Service Cost	2,391,878,884	8,971,309
Interest on the Total OPEB Liability	1,699,441,736	6,415,030
Changes in Assumptions	(7,086,599,129)	(26,842,028)
Gross Benefit Payments	(1,242,412,566)	(4,687,744)
Employee Contributions	<u>45,748,749</u>	<u>172,614</u>
Net Changes	(4,191,942,326)	(15,970,819)
Non-employer OPEB Liability Balance-June 30, 2017	<u>\$53,639,841,858</u>	<u>\$202,388,345</u>

Changes in Assumptions-Reflects a change in the discount rate from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

Sensitivity of the State's Total Non-employer OPEB Liability to Changes in the Discount Rate:

The following table sets forth the State's Total Non-employer OPEB Liability as of June 30, 2017, calculated using the discount rate as disclosed above, as well as what the State's Total Non-employer OPEB Liability would be if it was calculated using a discount rate that is one percentage point (1%) higher and lower than the actual discount rate that was utilized in the current period:

	<u>1% Decrease</u> <u>(2.58%)</u>	<u>At Discount Rate</u> <u>(3.58%)</u>	<u>1% Increase</u> <u>(4.58%)</u>
Total Non-employer OPEB Liability (New Jersey LEA Retirees)	\$63,674,362,200	\$53,639,841,858	\$45,680,364,953

Sensitivity of the State's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:

The following table sets forth the State's Total Non-employer OPEB Liability as of June 30, 2017, calculated using the healthcare trend rates as disclosed above, as well as what the State's Total Non-employer OPEB Liability would be if it was calculated using a healthcare trend rate that is one percentage point (1%) higher and lower than the actual healthcare trend rate that was utilized in the current period:

	<u>1% Decrease</u>	<u>Healthcare Cost</u> <u>Trent Rate</u>	<u>1% Increase</u>
Total Non-employer OPEB Liability (New Jersey LEA Retirees)	\$44,113,584,560	\$53,639,841,858	\$66,290,599,457

NOTES TO FINANCIAL STATEMENTS

NOTE 6. POST-EMPLOYMENT BENEFITS (CONT'D):

General Information about the OPEB Plan (cont'd):

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended June 30, 2018, in the Statement of Activities, the School District recognized OPEB expense of \$12,566,429. This amount was determined by the State of New Jersey as the District's allocated special funding share of the State's \$3,348,490,523 Total OPEB Non-employer Expense for the year ended June 30, 2017. These expense amounts represent calculations in accordance with GASB Statement No. 75 for the defined benefit OPEB Plan that is not operated through a trust that meets the criteria of paragraph 4 of the Statement and in which there is a special funding situation. As the State of New Jersey is the only entity with a legal responsibility to fund SHBLEREP OPEB obligations, the District's recognized OPEB expense is offset by Program Revenues/Operating Contributions in an equal amount in the Statement of Activities. Due to this special funding situation, there is no recognition of the allocation of the proportionate shares of deferred outflows of resources and deferred inflows of resources in the District's financial statements.

On-behalf Payments by the State of New Jersey for Retiree Health Benefits Costs:

As noted above, the State of New Jersey, pursuant to P.L. 1994, c. 62, administers the OPEB Plan on a pay-as-you-go basis. The following table sets forth the amounts of State contributions to the SHBLEREP allocated to the District for the last three years for post-employment medical costs. These amounts are reported in the governmental funds and budgetary comparison schedules as revenues and expenditures.

Three-Year Trend Information for TPAF Retiree Health Benefits (Paid on-behalf of the District)

<u>Year Funding</u>	Annual Post-Retirement Medical Cost (APC)	Percentage of APC Contributed
6/30/18	\$ 4,350,184	100%
6/30/17	4,220,864	100%
6/30/16	4,281,446	100%

Additional Information:

Collective balances of the SHBLEREP at June 30, 2017 were as follows:

Deferred Outflows of Resources	\$	0
Deferred Inflows of Resources		24,057,513
State's Total Non-employer OPEB Liability		53,639,841,858
District's Proportion		0.3773097346%

NOTES TO FINANCIAL STATEMENTS

NOTE 7. OPERATING LEASES

The District reported no operating leases as of June 30, 2018.

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 \$811,794 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, 2018, the District transferred 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, 2018, 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, 2018, the Board has incurred cost totaling \$12,883,593.72 for health and prescription benefits for all employees. In addition, the Board has provided for IBNR as calculated in the amount of \$1,064,800 for the year ended June 30, 2018.

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, 2018 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>
2017-2018	\$30,000.00	\$90,052.25	\$104,148.23	\$280,536.71
2016-2017	70,050.00	153,904.71	142,915.64	259,659.67
2015-2016	75,000.00	145,782.79	153,806.93	177,147.54

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

No interfund balances remained on the balance sheet at June 30, 2018

NOTE 13. FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$18,507,354.80 General Fund fund balance at June 30, 2018, \$1,021,507.19 is reserved for encumbrances; \$105,934.67 has been appropriated and included as anticipated revenue for the year ending June 30, 2018; \$1,491,439.00 has been reserved as "Excess Surplus N.J.S.A. 18A:7F-7; \$1,647,613.86 has been reserved for the Maintenance Reserve Account; \$10,565,727.02 has been reserved for the Capital Reserve Account; \$1,000,000 for Emergency Reserve; and \$812,930.73 is unassigned.

Capital Projects Fund (Exhibit B-1) - Of the deficit amount of \$5,192,414.93 Capital Projects Fund fund balance at June 30, 2018, the entire amount of is assigned for Capital Projects Expenditures.

Debt Service Fund (Exhibit B-1) - Of the \$54,295.29 Debt Service Fund fund balance at June 30, 2018, the amount of \$54,295.29 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, 2018 in the amount of \$1,491,439.000 This amount will be utilized as tax relief in the 2019-2020 school budget.

NOTES TO FINANCIAL STATEMENTS

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, 2017 to June 30, 2018 school year is as follows:

Beginning Balance, July 1, 2017	\$9,375,369.00
Transferred to Capital Projects	<u>(3,694,350.77)</u>
Deposits per Board Approval	<u>4,884,708.79</u>
Ending Balance June 30, 2018	<u>\$10,565,727.02</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, 2017 to June 30, 2018 school year is as follows:

Beginning Balance, July 1, 2017	\$1,124,302.00
Appropriated 2017-2018	-
Deposits per Board Approval	<u>523,311.86</u>
Ending Balance June 30, 2018	<u>\$1,647,613.86</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 17. EMERGENCY RESERVE ACCOUNT

A emergency reserve account was established through a Board resolution by the School District of Westfield Board of Education in the amount of \$1,000,000 in the 2017-2018 school year.

The activity of the emergency reserve for July 1, 2017 to June 30, 2018 school year is as follows:

Beginning Balance June 30, 2017	\$500,000
Ending Balance June 30, 2018	<u>\$1,000,000</u>

NOTE 18. DEFICIT FUND BALANCES

The District did not have a deficit fund balances at June 30, 2018 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, ie., if one government recognizes and 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.

NOTE 19. TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because *N.J.S.A. 54:4-75* and *N.J.S.A. 54:4-76* require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at *N.J.S.A. 18A:7F-5(b)*, the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

The Division of Local Government Services, in the Department of Community Affairs, State of New Jersey, requires each municipality to submit annually a "User Friendly Budget", which, among other disclosures, includes a listing of all properties which have been granted tax abatements, including assessed values and any In-Lieu-Of-Tax-Payments made to the municipality. The 2018 User Friendly Budget for the Township of Westfield reported no tax abatements granted for calendar years 2017 or 2018.

NOTES TO FINANCIAL STATEMENTS

NOTE 20. PENDING LITIGATION AND CONTINGENT LIABILITIES

PENDING LITIGATION - At June 30, 2018, there was no litigation pending for which an unfavorable outcome with a material adverse impact on the net position of the District was anticipated.

NOTE 21. SUBSEQUENT EVENTS

No events have occurred subsequent to the close of the fiscal year that require disclosure herein.

**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, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 96,710,506.00		\$ 96,710,506.00	\$ 96,710,506.00	\$ -
Tuition from Individuals	74,000.00		74,000.00	67,436.92	(6,563.08)
Transportation Fees from Individuals	10,000.00		10,000.00	17,325.00	7,325.00
Miscellaneous	480,000.00		480,000.00	2,169,647.85	1,689,647.85
Total - Local Sources	97,274,506.00	-	97,274,506.00	98,964,915.77	1,690,409.77
State Sources:					
Categorical Transportation Aid	138,112.00	-	138,112.00	138,112.00	-
Extraordinary Aid	975,000.00		975,000.00	1,402,361.00	427,361.00
Categorical Special Ed. Aid	2,598,409.00	216,658.00	2,815,067.00	2,815,067.00	-
Categorical Security Aid	110,483.00		110,483.00	110,483.00	-
Other State Aid - Per Pupil Growth Aid	62,000.00		62,000.00	62,000.00	-
Other State Aid -PARCC Readiness	62,000.00		62,000.00	62,000.00	-
Other State Aid - Prof. Learning Community Aid	61,995.00		61,995.00	61,995.00	-
Non-Public Transportation Aid				81,200.00	81,200.00
Lead Testing for Schools Aid				8,847.50	8,847.50
On-behalf TPAF Pension Contrib. (non-budgeted)			-	6,575,720.00	6,575,720.00
On-behalf TPAF Post Retirement Med. Contrib. (non-budgeted)				4,350,184.00	4,350,184.00
On-behalf TPAF NCGI Premiums (non-budgeted)				168,794.00	168,794.00
On-behalf TPAF Employer FICA Contrib. (non-budgeted)				3,449,185.87	3,449,185.87
Total - State Sources	4,007,999.00	216,658.00	4,224,657.00	19,285,949.37	15,061,292.37
Federal Sources:					
Medicaid Reimbursement	34,768.00		34,768.00	55,516.99	20,748.99
Total - Federal Sources	34,768.00	-	34,768.00	55,516.99	20,748.99
Total Revenues	101,317,273.00	216,658.00	101,533,931.00	118,306,382.13	16,772,451.13

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool		205,436.00	205,436.00	203,759.16	1,676.84
Kindergarten	616,658.00	(55,642.00)	561,016.00	560,683.00	333.00
Grades 1- 5	12,314,373.00	51,579.00	12,365,952.00	12,365,499.34	452.66
Grades 6- 8	8,772,584.00	(459,067.08)	8,313,516.92	8,313,516.07	0.85
Grades 9-12	10,201,973.00	14,310.58	10,216,283.58	10,216,280.70	2.88
Regular Programs - Home Instr.:					
Salaries of Teachers	147,266.00	(24,108.95)	123,157.05	123,157.05	-
Purchased Prof./Educational Services	120,520.00	-	120,520.00	96,500.12	24,019.88
Regular Programs - Undistrib. Instr.:					
Other Salaries for Instruction	-	113,555.00	113,555.00	113,455.67	99.33
Unused Sick/Vacation	-	57,355.00	57,355.00	57,355.00	-
Purchased Prof./Educational Services	54,150.00	(9,199.00)	44,951.00	43,800.09	1,150.91
Purchased Technical Services	213,028.00	(125,326.00)	87,702.00	86,467.25	1,234.75
Other Purchased Services (400-500 series)	665,756.00	(337,006.85)	328,749.15	274,437.12	54,312.03
General Supplies	1,437,834.00	22,435.60	1,460,269.60	1,438,800.46	21,469.14
Textbooks	132,477.00	2,183.00	134,660.00	121,878.70	12,781.30
Other Objects	1,975.00	(25.00)	1,950.00	1,390.00	560.00
Total Regular Programs - Instruction	34,678,594.00	(543,520.70)	34,135,073.30	34,016,979.73	118,093.57
Learning/Language Disabilities:					
Salaries of Teachers	599,535.00	(145,925.56)	453,609.44	453,601.54	7.90
Other Salaries for Instruction	244,668.00	(67,071.40)	177,596.60	177,596.60	-
Unused Sick/Vacation		3,500.00	3,500.00	3,500.00	-
Purchased Prof./Educational Services	12,580.00	(4,732.00)	7,848.00	7,833.00	15.00
General Supplies	38,522.00	(12,936.00)	25,586.00	24,931.10	654.90
Textbooks	2,464.00	(2,364.25)	99.75	99.75	-
Total Learning/Language Disabilities	897,769.00	(229,529.21)	668,239.79	667,561.99	677.80
Behavioral Disabilities:					
Salaries of Teachers	-	216,795.00	216,795.00	216,392.86	402.14
Other Salaries for Instruction	-	51,154.00	51,154.00	50,768.10	385.90
General Supplies		13,145.00	13,145.00	12,140.20	1,004.80
Total Behavioral Disabilities	-	281,094.00	281,094.00	279,301.16	1,792.84

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D.):					
Resource Room/Resource Center:					
Salaries of Teachers	6,187,802.00	17,958.60	6,205,760.60	6,205,759.81	0.79
Other Salaries for Instruction	197,606.00	112,137.77	309,743.77	309,743.77	-
Unused Sick/Vacation		11,720.00	11,720.00	11,720.00	-
Purchased Prof. Educational Serv.		300.00	300.00	300.00	-
General Supplies	34,016.00	(8,972.57)	25,043.43	24,616.87	426.56
Textbooks	3,990.00	(876.00)	3,114.00	3,111.79	2.21
Misc Exp	310.00	(300.00)	10.00	-	10.00
Total Resource Room/Resource Center	6,423,724.00	131,967.80	6,555,691.80	6,555,252.24	439.56
Autism:					
Salaries of Teachers	314,363.00	17,448.15	331,811.15	331,810.63	0.52
Other Salaries for Instruction	45,633.00	101,347.00	146,980.00	146,896.10	83.90
Purchased Prof. Educational Serv.		3,800.00	3,800.00	3,800.00	-
General Supplies	6,250.00	10,838.60	17,088.60	16,764.18	324.42
Total Autism	366,246.00	133,433.75	499,679.75	499,270.91	408.84
Preschool Disabilities - Part-Time:					
Salaries of Teachers	200,037.00	(200,037.00)	-	-	-
Other Salaries for Instruction	112,628.00	(112,628.00)	-	-	-
General Supplies	5,634.00	(5,634.00)	-	-	-
Total Preschool Disabilities - Part-Time	318,299.00	(318,299.00)	-	-	-
Preschool Disabilities - Full-Time:					
Salaries of Teachers	142,885.00	14,504.95	157,389.95	157,312.53	77.42
Other Salaries for Instruction	40,509.00	28,619.25	69,128.25	68,504.06	624.19
Total Preschool Disabilities - Full-Time	183,394.00	43,124.20	226,518.20	225,816.59	701.61
Total Special Education	8,189,432.00	41,791.54	8,231,223.54	8,227,202.89	4,020.65
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	993,583.00	(33,546.20)	960,036.80	959,651.11	385.69
Unused Sick/Vacation		8,211.60	8,211.60	8,211.60	-
General Supplies	6,000.00	(1,591.88)	4,408.12	2,848.76	1,559.36
Textbooks	200.00	(200.00)	-	-	-
Total Basic Skills/Remedial - Instruction	999,783.00	(27,126.48)	972,656.52	970,711.47	1,945.05

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D.):					
Bilingual Education - Instruction:					
Salaries of Teachers	159,467.00	2,738.00	162,205.00	160,485.00	1,720.00
General Supplies	2,500.00	-	2,500.00	2,500.00	-
Other Objects	500.00	(145.00)	355.00		355.00
Total Bilingual Education - Instruction	162,467.00	2,593.00	165,060.00	162,985.00	2,075.00
School - Sponsored Cocurricular & Extra Curric - Instr.					
Activities:					
Salaries	409,534.00	(25,482.00)	384,052.00	384,051.82	0.18
Purchased Services (300-500 series)	17,200.00	(1,045.00)	16,155.00	12,886.42	3,268.58
Supplies and Materials	10,364.00	(3,508.00)	6,856.00	6,773.78	82.22
Other Objects	10,525.00	(3,030.00)	7,495.00	7,390.00	105.00
Total School - Sponsored Cocurricular Activities & Extra Curric. - Instr.	447,623.00	(33,065.00)	414,558.00	411,102.02	3,455.98
School - Sponsored Athletics:					
Salaries	952,193.00	(12,723.13)	939,469.87	939,451.94	17.93
Purchased Services (300-500 series)	70,800.00	(16,500.72)	54,299.28	54,206.00	93.28
Supplies and Materials	92,140.00	(4,781.00)	87,359.00	87,357.75	1.25
Misc. Expenditures	120,330.00	23,997.58	144,327.58	144,327.58	-
Total School - Sponsored Athletics	1,235,463.00	(10,007.27)	1,225,455.73	1,225,343.27	112.46
Summer School - Instruction					
Salaries	6,234.00	364.00	6,598.00	6,597.50	0.50
General Supplies	800.00	(364.00)	436.00	203.79	232.21
Total - Summer School - Instruction	7,034.00	-	7,034.00	6,801.29	232.71
Total Instruction	45,720,396.00	(569,334.91)	45,151,061.09	45,021,125.67	129,935.42

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D.):					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular	-	6,033.00	6,033.00	6,032.61	0.39
Tuition to Other LEAs Within the State - Special	1,578,749.00	30,657.68	1,609,406.68	1,588,801.94	20,604.74
Tuition to County Vocational School Dist. - Regular	432,500.00	29,750.00	462,250.00	442,950.00	19,300.00
Tuition to County Vocational School Dist. - Special	20,000.00	11,800.00	31,800.00	20,100.00	11,700.00
Tuition to Private Schools for the Disabled-Within State	3,526,838.00	(372,138.68)	3,154,699.32	3,131,227.28	23,472.04
Tuition to Private Schools for the Disabled and Other LEAs- Special, Outside the State	112,044.00	109,733.00	221,777.00	221,776.31	0.69
Tuition - State Facilities	32,952.00	-	32,952.00	32,952.00	-
Total Undistrib. Expend. - Instruc.	5,703,083.00	(184,165.00)	5,518,918.00	5,443,840.14	75,077.86
Attendance and Social Work Services:					
Salaries	37,798.00	410.00	38,208.00	37,707.12	500.88
Total Attendance and Social Work Serv.	37,798.00	410.00	38,208.00	37,707.12	500.88
Health Services:					
Salaries	1,159,469.00	2,400.00	1,161,869.00	1,160,499.97	1,369.03
Unused Sick/Vacation	-	10,185.00	10,185.00	10,185.00	-
Purchased Professional and Technical Services	197,874.00	19,845.00	217,719.00	197,480.09	20,238.91
Other Purchased Services (400-500 series)	1,600.00	809.00	2,409.00	2,233.89	175.11
Supplies and Materials	17,797.00	3,682.77	21,479.77	19,881.93	1,597.84
Other Objects	765.00	(765.00)	-	-	-
Total Health Services	1,377,505.00	36,156.77	1,413,661.77	1,390,280.88	23,380.89
Speech, OT, PT & Related Services					
Salaries	2,005,354.00	(92,915.50)	1,912,438.50	1,911,931.81	506.69
Unused Sick/Vacation	-	21,380.00	21,380.00	21,380.00	-
Purchased Professional/Educational Services	1,110,515.00	(22,534.00)	1,087,981.00	1,003,734.73	84,246.27
Supplies and Materials	21,783.00	2,495.81	24,278.81	23,871.99	406.82
Total Other Support Services-Student Related	3,137,652.00	(91,573.69)	3,046,078.31	2,960,918.53	85,159.78
Other Support Services-Student Extra					
Salaries	1,488,581.00	(129,514.00)	1,359,067.00	1,358,973.07	93.93
Unused Sick/Vacation	-	3,500.00	3,500.00	3,500.00	-
Purchased Professional/Educational Services	258,740.00	69,020.00	327,760.00	283,960.88	43,799.12
Other Objects	4,469.00	(4,469.00)	-	-	-
Total Other Support Services-Student Extra	1,751,790.00	(61,463.00)	1,690,327.00	1,646,433.95	43,893.05

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D.):					
Other Support Services - Guidance					
Salaries of Other Professional Staff	1,874,236.00	18,836.50	1,893,072.50	1,892,737.34	335.16
Salaries of Secret. & Clerical Assts.	236,073.00	(18,330.00)	217,743.00	217,741.31	1.69
Other Salaries	2,570.00	180.00	2,750.00	2,749.50	0.50
Unused Sick/Vacation		-			-
Purchased Professional/Educational Services	17,500.00	(3,855.00)	13,645.00	12,889.00	756.00
Other Purchased Prof. & Tech. Services		-			-
Other Purchased Services (400-500 series)	10,078.00	(3,726.00)	6,352.00	6,066.18	285.82
Supplies and Materials	12,420.00	(1,724.00)	10,696.00	10,583.43	112.57
Misc. Expenditures	8,265.00	(6,550.00)	1,715.00	1,715.00	-
Total Other Support Services - Students - Regular	2,161,142.00	(15,168.50)	2,145,973.50	2,144,481.76	1,491.74
Other Support Services - Child Study Teams					
Salaries of Other Professional Staff	1,552,078.00	6,428.00	1,558,506.00	1,558,504.80	1.20
Salaries of Secr. & Clerical Assts.	274,780.00	7,934.00	282,714.00	282,713.24	0.76
Unused Sick/Vacation		30,507.50	30,507.50	30,507.50	-
Purchased Professional/Educational Services	74,859.00	(23,900.00)	50,959.00	40,951.50	10,007.50
Clean, Repair, & Maint. Serv.		-			-
Rentals		-			-
Other Purchased Services (400-500 series)	12,082.00	(1,844.00)	10,238.00	9,866.74	371.26
Residential Costs	40,332.00	37,139.25	77,471.25	77,471.25	-
Supplies and Materials	16,481.00	(6,550.00)	9,931.00	9,533.84	397.16
Total Other Support Services - Students - Child Study Teams	1,970,612.00	49,714.75	2,020,326.75	2,009,548.87	10,777.88

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D.):					
Improv. of Instruction Services/Other Support Services - Instruct. Staff:					
Salaries of Supervisors of Instruction	1,145,766.00	(51,439.00)	1,094,327.00	1,093,726.17	600.83
Salaries of Secr. and Clerical Assts.	187,814.00	(2,569.00)	185,245.00	184,965.39	279.61
Other Salaries	13,283.00	(868.00)	12,415.00	12,215.00	200.00
Unused Sick/Vacation		-			-
Purchased Professional/Educational Services	38,250.00	(5,797.00)	32,453.00	27,996.00	4,457.00
Rentals		-			-
Other Purchased Services (400-500 series)	38,626.00	(3,766.96)	34,859.04	20,102.48	14,756.56
Travel		-			-
Supplies and Materials	92,893.00	8,214.00	101,107.00	98,517.21	2,589.79
Miscellaneous Expenditures	11,338.00	(253.57)	11,084.43	10,608.43	476.00
Total Improv. of Instruction Services/ Other Support Serv. - Instruct. Staff	1,527,970.00	(56,479.53)	1,471,490.47	1,448,130.68	23,359.79
Educational Media Serv./School Library:					
Salaries	944,015.00	(64,374.00)	879,641.00	879,099.84	541.16
Salaries of Technology Coordinators	132,448.00	(659.00)	131,789.00	131,787.85	1.15
Unused Sick/Vacation		11,720.00	11,720.00	11,720.00	-
Purch. Prof. and Tech. Serv.	51,739.00	372.00	52,111.00	51,757.03	353.97
Rentals		-			-
Other Purchased Services (400-500 series)	2,524.00	(1,395.00)	1,129.00	1,128.96	0.04
Supplies and Materials	37,185.00	(8,565.97)	28,619.03	26,910.11	1,708.92
Total Educa. Media Serv./School Library	1,167,911.00	(62,901.97)	1,105,009.03	1,102,403.79	2,605.24
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	7,260.00	-	7,260.00	5,690.00	1,570.00
Purchased Professional/Educational Services	45,670.00	7,880.00	53,550.00	46,708.91	6,841.09
Other Purchased Services (400-500 series)	26,950.00	9,619.00	36,569.00	23,466.21	13,102.79
Supplies and Materials	11,130.00	2,436.00	13,566.00	6,919.93	6,646.07
Other Objects	3,000.00	(289.00)	2,711.00	69.70	2,641.30
Total Instr. Staff Training Serv.	94,010.00	19,646.00	113,656.00	82,854.75	30,801.25

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D.):					
Support Serv. General Administration:					
Salaries	786,490.00	(2,442.00)	784,048.00	764,528.81	19,519.19
Unused Sick/Vacation	-	19,042.25	19,042.25	19,042.25	-
Legal Services	313,331.00	(47,646.60)	265,684.40	145,653.65	120,030.75
Audit Fees	39,795.00	(3,625.00)	36,170.00	35,883.00	287.00
Architectural/Engineering Services		-			-
Other Purch. Professional Services	7,500.00	(1,920.00)	5,580.00	1,650.00	3,930.00
Purchased Technical Services	6,500.00	750.00	7,250.00	2,240.00	5,010.00
Communications/Telephone	367,881.00	(62,702.00)	305,179.00	304,722.75	456.25
BOE Other Purchased Services	2,000.00	-	2,000.00	1,076.00	924.00
Misc. Purch. Serv. (400-500, exc. 530 & 585)	496,644.00	4,875.57	501,519.57	494,847.32	6,672.25
BOE Travel		-			-
Misc. Purch. Serv.		-			-
General Supplies	21,325.00	3,647.23	24,972.23	17,655.39	7,316.84
Judgements Against School District	41,000.00	(41,000.00)	-		-
Misc. Expenditures	56,766.00	(4,510.00)	52,256.00	47,798.34	4,457.66
BOE Membership Dues and Fees	27,000.00	-	27,000.00	26,662.70	337.30
Total Support Serv. General Administration	2,166,232.00	(135,530.55)	2,030,701.45	1,861,760.21	168,941.24
Support Serv. School Administration:					
Salaries of Principals/Asst. Principals	2,282,586.00	(80,586.00)	2,202,000.00	2,201,998.50	1.50
Salaries of Sec. and Clerical Assts.	1,099,635.00	(88,543.00)	1,011,092.00	1,009,378.09	1,713.91
Unused Sick/Vacation - General Admin.	-	54,427.13	54,427.13	54,427.13	-
Purch. Prof. Educ. Serv.					-
Purch. Professional & Technical Serv.	3,900.00	8,549.15	12,449.15	12,449.10	0.05
Other Purchased Services (400-500 series)	60,728.00	4,106.00	64,834.00	31,486.28	33,347.72
Travel		-			-
Supplies and Materials	91,165.00	17,974.29	109,139.29	105,047.20	4,092.09
General Supplies		-			-
Misc. Expenditures	26,109.00	(2,838.01)	23,270.99	22,859.67	411.32
Total Support Serv. School Admin.	3,564,123.00	(86,910.44)	3,477,212.56	3,437,645.97	39,566.59

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D.):					
Central Services:					
Salaries	1,189,163.00	(41,836.00)	1,147,327.00	1,104,926.95	42,400.05
Unused Sick/Vacation - General Admin.	-	44,533.84	44,533.84	44,533.84	-
Purch. Professional Services	10,950.00	500.00	11,450.00	11,350.00	100.00
Purch. Technical Services	62,312.00	(7,085.00)	55,227.00	54,127.48	1,099.52
Misc. Purchased Services (400-500 O/T 594)	78,275.00	(16,775.00)	61,500.00	55,756.54	5,743.46
Misc. Purchased Services - Non Res.	-	-	-	-	-
Supplies and Materials	74,300.00	(4,416.00)	69,884.00	41,106.98	28,777.02
Miscellaneous Expenditures	21,574.00	(1,623.80)	19,950.20	7,260.00	12,690.20
Total Central Services	1,436,574.00	(26,701.96)	1,409,872.04	1,319,061.79	90,810.25
Admin. Info Technology					
Salaries	634,865.00	(16,410.34)	618,454.66	618,007.36	447.30
Purch. Technical Serv.	207,230.00	5,159.00	212,389.00	212,388.62	0.38
Other Purchased Services (400-500 series)	3,500.00	1,741.00	5,241.00	2,557.04	2,683.96
Supplies and Matierals	25,265.00	29,264.00	54,529.00	52,829.28	1,699.72
Total Admin Info Technology	870,860.00	19,753.66	890,613.66	885,782.30	4,831.36
Required Maint for School Facilities:					
Salaries	609,303.00	(5,467.00)	603,836.00	603,029.48	806.52
Unused Sick/Vacation	-	-	-	-	-
Cleaning, Repair & Maint. Services	338,054.00	(41,555.68)	296,498.32	293,795.70	2,702.62
Lead Testing - Drinking Water	-	-	-	-	-
General Supplies	127,863.00	41,544.09	169,407.09	166,388.91	3,018.18
Miscellaneous Expenditures	17,276.00	(2,112.00)	15,164.00	15,146.00	18.00
Total Required Maint for School Facilities	1,092,496.00	(7,590.59)	1,084,905.41	1,078,360.09	6,545.32

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D.):					
Custodial Services:					
Salaries of Other Prof. Staff	2,809,795.00	(121,288.70)	2,688,506.30	2,688,503.44	2.86
Salaries Non-Instructional Aides	260,644.00	26,326.00	286,970.00	286,952.53	17.47
Unused Sick/Vacation	-	3,753.14	3,753.14	3,753.14	-
Purch. Professional & Technical Serv.	42,362.00	(22,745.00)	19,617.00	19,377.16	239.84
Purch. Technical Serv.		-			-
Cleaning, Repair & Maint. Services	114,897.00	36,936.00	151,833.00	144,233.28	7,599.72
Rentals of Land & Bldg.	1,740.00	3,745.00	5,485.00	5,475.80	9.20
Other Purchased Property Services	167,767.00	2,000.00	169,767.00	165,283.60	4,483.40
Insurance	198,961.00	(57,154.00)	141,807.00	141,806.18	0.82
General Supplies	281,248.00	6,346.33	287,594.33	286,732.94	861.39
Energy (Natural Gas)	276,060.00	50,058.00	326,118.00	314,027.26	12,090.74
Energy (Electricity)	822,348.00	(123,186.00)	699,162.00	507,232.15	191,929.85
Miscellaneous Expenditures	1,768.00	132.00	1,900.00	1,900.00	-
Total Operation of Plant	4,977,590.00	(195,077.23)	4,782,512.77	4,565,277.48	217,235.29
Care & Upkeep Grounds					
Salaries	139,881.00	14,429.06	154,310.06	154,310.06	-
Cleaning, Repair, and Maintenance Services	54,440.00	(44,800.00)	9,640.00	9,631.45	8.55
General Supplies	27,360.00	(4,610.00)	22,750.00	22,570.97	179.03
Total Care & Upkeep Grounds	221,681.00	(34,980.94)	186,700.06	186,512.48	187.58
Security					
Salaries	77,314.00	1,450.00	78,764.00	77,894.90	869.10
Purchased Professional and Technical Services	67,000.00	13,170.00	80,170.00	67,770.00	12,400.00
General Supplies	220.00	2,330.00	2,550.00	2,547.38	2.62
Total Security	144,534.00	16,950.00	161,484.00	148,212.28	13,271.72
Total Operation & Maint. Of Plant Serv.	6,436,301.00	(220,698.76)	6,215,602.24	5,978,362.33	237,239.91

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D.):					
Student Transportation Services:					
Contracted Services (Between Home & School) - Vendors	315,527.00	-	315,527.00	315,456.98	70.02
Contracted Services (Other Than Between Home & School) - Vendors	265,809.00	(3,477.62)	262,331.38	260,436.00	1,895.38
Contracted Services (Special Ed. Students) - Vendors	489,048.00	4,367.00	493,415.00	493,414.89	0.11
Contracted Services (Regular Students) - ESCs & CTSA's	167,909.00	(65,845.00)	102,064.00	102,063.50	0.50
Contracted Services (Special Ed. Students) - ESCs & CTSA's	1,314,774.00	(10,120.00)	1,304,654.00	1,303,185.21	1,468.79
Contracted Services - Aid in Lieu of Payments - NonPublic Schools	273,156.00	4,975.00	278,131.00	271,800.72	6,330.28
Total Student Transportation Services	2,826,223.00	(70,100.62)	2,756,122.38	2,746,357.30	9,765.08
Unallocated Employee Benefits:					
Group Insurance	223,668.00	(42,023.27)	181,644.73	171,120.31	10,524.42
Social Security Contributions	945,150.00	47,435.01	992,585.01	949,380.19	43,204.82
Other Retirement Contributions - PERS	1,366,172.00	(116,134.15)	1,250,037.85	1,250,037.17	0.68
Unemployment Compensation	60,000.00	-	60,000.00	30,000.00	30,000.00
Workmen's Compensation	474,993.00	(107,480.44)	367,512.56	367,512.03	0.53
Health Benefits	16,546,806.00	(126,081.15)	16,420,724.85	12,883,593.72	3,537,131.13
Tuition Reimbursements	172,365.00	-	172,365.00	114,437.72	57,927.28
Other Employee Benefits	300,260.00	(200,974.46)	99,285.54	98,720.20	565.34
Total Unallocated Employee Benefits:	20,089,414.00	(545,258.46)	19,544,155.54	15,864,801.34	3,679,354.20
On-behalf TPAF Pension Contrib. (non-budgeted)			-	6,575,720.00	(6,575,720.00)
On-behalf TPAF Post Retirement Med. Contrib. (non-budgeted)			-	4,350,184.00	(4,350,184.00)
On-behalf TPAF Post Retirement Med. Contrib. (non-budgeted)			-	168,794.00	(168,794.00)
On-behalf TPAF NCGI Premiums (non-budgeted)			-	3,449,185.87	(3,449,185.87)
Total On-Behalf Benefits Contributions	-	-	-	14,543,883.87	(14,543,883.87)
Total Undistributed Expenditures	56,319,200.00	(1,431,271.30)	54,887,928.70	64,904,255.58	(10,016,326.88)
Total Operating Expenditures	102,039,596.00	(2,000,606.21)	100,038,989.79	109,925,381.25	(9,886,391.46)

WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D.):					
CAPITAL OUTLAY:					
Regular Programs - Instruction:					
Kindergarten		26,270.04	26,270.04	21,817.16	4,452.88
Grades 1-5		215,088.81	215,088.81	178,003.69	37,085.12
Grades 6-8		153,128.28	153,128.28	122,157.27	30,971.01
Grades 9-12	8,460.00	55,699.89	64,159.89	63,623.76	536.13
Special Education - Instruction:					
Language/Learning Disabilities		13,330.00	13,330.00	12,896.91	433.09
Behavioral Disabilities		8,002.00	8,002.00	8,000.40	1.60
Resource Room		10,422.00	10,422.00	10,421.12	0.88
Undistributed Expenditures-Support Services:					
Child Study Teams		13,414.00	13,414.00	13,413.83	0.17
Instructional Staff		8,162.00	8,162.00	8,162.00	-
General Administration	135,000.00	(135,000.00)	-	-	-
School Administration		34,363.00	34,363.00	34,358.82	4.18
Admin. Info. Tech.		398,941.00	398,941.00	383,955.58	14,985.42
Req. Maint. For School Facilities		758,498.14	758,498.14	199,456.35	559,041.79
Custodial Services		17,717.00	17,717.00	17,713.82	3.18
Security		2,650.00	2,650.00	2,649.85	0.15
Total Equipment	143,460.00	1,580,686.16	1,724,146.16	1,076,630.56	647,515.60
Facilities Acquis. & Constr. Services:					
Construction Services		1,271,314.34	1,271,314.34	953,891.78	317,422.56
Assessment for Debt Service on SDA Funding	48,016.00	-	48,016.00	48,016.00	-
Total Facil. Acquis. & Constr. Services	48,016.00	# 1,271,314.34	1,319,330.34	1,001,907.78	317,422.56
Total Capital Outlay	191,476.00	2,852,000.50	3,043,476.50	2,078,538.34	964,938.16
Total Expenditures	102,231,072.00	851,394.29	103,082,466.29	112,003,919.59	(8,921,453.30)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(913,799.00)	(634,736.29)	(1,548,535.29)	6,302,462.54	7,850,997.83

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources (Uses)					
Operating Transfers In			-		-
Capital Projects Fund			-		-
Transfer Capital Reserve to Capital Projects Fund	(3,348,000.00)	346,350.77	(3,694,350.77)	(3,694,350.77)	-
Transfer to Charter School		22,716.00	(22,716.00)	(22,716.00)	-
			-		-
Total Other Financing Sources (Uses)	(3,348,000.00)	369,066.77	(3,717,066.77)	(3,717,066.77)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,261,799.00)	(1,003,803.06)	(5,265,602.06)	2,585,395.77	7,850,997.83
Fund Balances, July 1	17,640,677.03		17,640,677.03	17,640,677.03	
Fund Balances, June 30	\$ 13,378,878.03	\$ (1,003,803.06)	\$ 12,375,074.97	\$ 20,226,072.80	\$ 7,850,997.83

Recapitulation:

Restricted Fund Balance:

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 1,862,202.33
Reserve for Excess Surplus	1,491,439.00
Emergency Reserve	1,000,000.00
Maintenance Reserve	1,647,613.86
Capital Reserve	10,565,727.02

Committed Fund Balance:

Year-end Encumbrances	1,021,507.19
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Assigned:

Designated for Subsequent Year's Expenditures	105,934.67
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Unassigned Fund Balance

2,531,648.73

\$ 20,226,072.80

Reconciliation to Governmental Funds Statements (GAAP):

Delayed State Aid Payment not recognized on GAAP basis

(316,357.00)

Extraordinary Aid Payment not recognized on GAAP basis.

(1,402,361.00)

Fund Balance per Governmental Funds (GAAP)

\$ 18,507,354.80

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	283,333.00	(18,137.00)	265,196.00	220,296.02	(44,899.98)
Federal Sources	1,661,090.00	194,614.64	1,855,704.64	1,706,508.61	(149,196.03)
Local Sources		302,378.59	302,378.59	207,269.65	(95,108.94)
Total Revenues	1,944,423.00	478,856.23	2,423,279.23	2,134,074.28	(289,204.95)
EXPENDITURES:					
Instruction					
Teacher Salaries	150,560.00	3,009.00	153,569.00	147,893.95	5,675.05
Other Salaries for Instruction	2,380.00	14,727.00	17,107.00	16,992.00	115.00
Purchased Professional/Educational Services		68,483.00	68,483.00	6,000.00	62,483.00
Purchased Technical Services		264.00	264.00		264.00
Other Purchased Services			-		-
Tuition	1,257,775.00	(5,064.39)	1,252,710.61	1,196,304.61	56,406.00
General Supplies	22,728.00	203,627.16	226,355.16	134,350.47	92,004.69
Textbooks	27,669.00	(2,198.00)	25,471.00	23,854.88	1,616.12
Other Objects	449.00	1,196.00	1,645.00	344.00	1,301.00
Total Instruction	1,461,561.00	284,043.77	1,745,604.77	1,525,739.91	219,864.86
Support Services					
Salaries of Other Professional Staff	239,693.00	(30,902.00)	208,791.00	183,930.36	24,860.64
Salaries of Secr & Cler Assts	20,000.00	5,625.00	25,625.00	21,768.50	3,856.50
Other Salaries	48,786.00	12,892.04	61,678.04	61,678.04	-
Personal Services - Employee Benefits	37,575.00	9,648.05	47,223.05	42,019.06	5,203.99
Purchased Professional/Educational Services	51,688.00	39,580.42	91,268.42	91,234.78	33.64
Other Purchased Professional Services	42,750.00	2,355.00	45,105.00	35,547.48	9,557.52
Purchased Technical Services	23,750.00	(8,449.64)	15,300.36	4,703.42	10,596.94

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Support Services					
Other Purchased Services		13,004.21	13,004.21	11,784.00	1,220.21
Contracted Servuces-Trans. (Special Ed.)	10,751.00	(120.00)	10,631.00	10,630.00	1.00
Contracted Servuces-Trans. (Field Trips)		4,694.00	4,694.00	4,694.00	-
Travel	5,483.00	784.94	6,267.94	631.74	5,636.20
Supplies and Materials	2,386.00	32,084.61	34,470.61	33,959.18	511.43
Total Support Services	482,862.00	81,196.63	564,058.63	502,580.56	61,478.07
Facilities Acquisition and Construction Services:					
Construction Services		55,613.67	55,613.67	54,726.64	887.03
Instructional Equipment		24,433.29	24,433.29	18,146.73	6,286.56
Non-Instructional Equipment		33,568.87	33,568.87	32,880.44	688.43
Total Facilities Acquisition and Construction Services	-	113,615.83	113,615.83	105,753.81	7,862.02
Total Expenditures	1,944,423.00	478,856.23	2,423,279.23	2,134,074.28	289,204.95

**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, 2018

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1)	\$ 118,306,382.13	(C-2)	\$ 2,134,074.28
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)				(13,455.80)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements (Net)		(186,984.00)		
Total revenues as reported on the statement of revenues, expenditures and change in fund balances - governmental funds	(B-2)	<u>\$ 118,119,398.13</u>	(B-2)	<u>\$ 2,120,618.48</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	\$ 112,003,919.59	(C-2)	\$ 2,134,074.28
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.				(13,455.80)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	(B-2)	<u>\$ 112,003,919.59</u>	(B-2)	<u>\$ 2,120,618.48</u>

**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>	<u>2016</u>	<u>2017</u>
District's Proportion of the Net Pension Liability	0.1178761%	0.1247427%	0.1291356%	0.1312586%	0.1209317%
District's Proportionate Share of the Net Pension Liability	\$22,528,456	\$23,355,249	\$28,988,359	\$38,875,044	\$28,150,966
District's Covered-Employee Payroll	\$8,635,918	\$8,812,161	\$8,296,182	\$8,486,779	\$8,668,982
District's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	260.87%	265.03%	349.42%	458.07%	324.73%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	48.72%	52.08%	47.93%	40.14%	48.10%

* 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)

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually Required Contribution	\$ 888,172	\$ 1,028,361	\$ 1,110,220	\$ 1,166,083	\$ 1,120,303
Contribution in Relation to Contractually Required Contribution	<u>\$ (888,172)</u>	<u>\$ (1,028,361)</u>	<u>\$ (1,110,220)</u>	<u>\$ (1,166,083)</u>	<u>\$ (1,120,303)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's Proportionate Share of the Payroll	\$ 8,133,443	\$ 8,627,190	\$ 8,910,273	\$ 8,486,779	\$ 8,668,982
Contributions as a percentage of Covered Employee Payroll	10.92%	11.92%	12.46%	13.74%	12.92%

* 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)

Last 10 Fiscal Years*

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Proportion of the Non-State Employer Group Net Pension Liability attributable to the District	0.4289118351%	0.4503467692%	0.4569592579%	0.4490997116%	0.4503615479%
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	\$353,290,428	\$303,649,995
District's Covered-Employee Payroll	\$45,133,056	\$46,054,139	\$46,438,429	\$47,559,729	\$48,344,618
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%	742.84%	628.09%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability (See Note Below)	33.76%	33.64%	28.71%	22.33%	25.41%

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

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

WESTFIELD SCHOOL DISTRICT
COUNTY OF UNION, NEW JERSEY

NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
JUNE 30, 2018

NOTE 1. CHANGES IN BENEFITS AND ASSUMPTIONS

The following information is as abstracted from the State of New Jersey, Division of Pension and Benefits, Financial Statements and Supplementary Schedules report as of June 30, 2017, dated March 14, 2018. This information pertains to the RSI schedules of changes in net pension liability contained in that report.

PERS

Changes in benefit terms: None

Changes in assumptions:

For 2017, the discount rate changed to 5.00%, the long-term expected rate of return changed to 7.00%. demographic assumptions were unchanged and relied upon the results of the July 1, 2011 – June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale.

For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65%, demographic assumptions were revised in accordance with the results of the July 1, 2011 – June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually, For 2014, the discount rate was 5.39%.

TPAF

Changes in benefit terms: None

Changes in assumptions:

For 2017, the discount rate was changed to 4.25%, the long-term expected rate of return changed to 7.00%, There were no changes to demographic assumptions.

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

For 2015, the discount rate changed to 4.13%. For 2014, the discount rate was 4.68%.

**SCHEDULES RELATED TO ACCOUNTING AND
REPORTING FOR OPEB (GASB 75) (NEW)**

SECTION – M

**(Section numbering as per N.J. Department of Education 2017-2018
Audit Program)**

WESTFIELD SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S SHARE OF THE NET OPEB LIABILITY
STATE HEALTH BENEFITS LOCAL EDUCATION RETIRED EMPLOYEES PLAN

	<u>2016</u>	<u>2017</u>
District's Proportion of the Net OPEB Liability	0.3775764%	0.3773097%
District's Proportionate Share of the Net OPEB Liability	\$ 218,359,164	\$ 202,388,345
District's Covered Employee Payroll	\$ 56,046,508	\$ 57,013,600
District's Proportionate Share of the Net OPEB Liability as a percentage of its Covered Employee Payroll	389.60%	354.98%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%

Note: The State of New Jersey is solely responsible for the funding and payment of the OPEB costs of the State Health Benefits Local Education Retired Employees Plan.

WESTFIELD SCHOOL DISTRICT
COUNTY OF UNION, NEW JERSEY

NOTES TO REQUIRED SUPPLEMENTARY OPEB INFORMATION
JUNE 30, 2018

NOTE 1. SPECIAL FUNDING SITUATION

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make contributions to OPEB for qualified retired SHBLEREP participants. Accordingly, proportionate share information of the Net OPEB Liability is not reflected in the District's financial statements.

NOTE 2. CHANGES IN ASSUMPTIONS

For 2017, the discount rate changed to 3.58% from 2.85%. Demographic assumptions remained unchanged and are consistent with the assumptions used in the pension plan valuations.

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, 2018

Exhibit - E-1
Page 1 of 1

	TOTAL BROUGHT FORWARD (EX. E-1a)	TOTAL BROUGHT FORWARD (EX. E-1b)	TITLE I PART A REGULAR 2017-18	TITLE IIA PART A 2017-18	TITLE III 2017-18	I.D.E.A. PART B BASIC 2017-18	I.D.E.A. PRESCHOOL 2017-18	EMERGENCY IMPACT AID 2017-18	TOTALS 2017-18
<u>REVENUES</u>									
State Sources	\$ 220,296.02	\$	\$	\$	\$	\$	\$	\$	\$ 220,296.02
Federal Sources			157,078.30	96,560.02	16,172.17	1,416,009.12	16,439.00	4,250.00	1,706,508.61
Local Sources		207,269.65							207,269.65
Total Revenues	220,296.02	207,269.65	157,078.30	96,560.02	16,172.17	1,416,009.12	16,439.00	4,250.00	2,134,074.28
<u>EXPENDITURES</u>									
Instruction:									
Salaries of Teachers	58,227.95	-	89,666.00						147,893.95
Other Salaries for Instruc.	-	-	16,992.00						16,992.00
Purchased Prof. - Educational Services	-	6,000.00							6,000.00
General Supplies	-	93,711.43	20,788.10		15,548.17			4,250.00	134,297.70
Textbooks	23,854.88	52.77							23,907.65
Misc. Expenditures	-	100.00			244.00				344.00
Total Instruction	82,082.83	99,864.20	127,446.10	-	15,792.17	-	-	4,250.00	329,435.30
Support Services:									
Salaries of Other Prof. Staff	43,930.36	-				140,000.00			183,930.36
Salaries of Secr & Cler Assts	-	-				21,768.50			21,768.50
Other Salaries	-	-		61,678.04					61,678.04
Personal Services - Empl. Benefits	-	-	29,544.68	4,718.37		7,756.01			42,019.06
Purch. Prof. - Educ. Services	15,872.78	300.00		8,443.00		50,180.00	16,439.00		91,234.78
Other Purch. Prof. Services	35,547.48	-							35,547.48
Purch. Technical Services	4,703.42	-							4,703.42
Contract Serv. - Trans. (Special Education)	10,630.00	-							10,630.00
Contract Serv. - Trans. (Field Trips)	-	3,895.00		419.00	380.00				4,694.00
Tuition	-	-				1,196,304.61			1,196,304.61
Travel	-	631.74							631.74
Other Purch. Services (400-500 series)	-	11,784.00							11,784.00
Supplies and Materials	8,104.51	4,465.54	87.52	21,301.61					33,959.18
Total Support Services	118,788.55	21,076.28	29,632.20	96,560.02	380.00	1,416,009.12	16,439.00	-	1,698,885.17
Facilities Acquis. & Const. Serv.:									
Buildings	-	54,726.64							54,726.64
Instructional Equipment	-	18,146.73							18,146.73
Non-instructional Equipment	19,424.64	13,455.80							32,880.44
Total Facil. Acquis. & Const. Serv.	19,424.64	86,329.17	-	-	-	-	-	-	105,753.81
Total Expenditures	\$ 220,296.02	\$ 207,269.65	\$ 157,078.30	\$ 96,560.02	\$ 16,172.17	\$ 1,416,009.12	\$ 16,439.00	\$ 4,250.00	\$ 2,134,074.28

**WESTFIELD SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Exhibit - E-1a
Page 1 of 1

	NONPUBLIC TEXTBOOKS	NONPUBLIC NURSING	NONPUBLIC TECHNOLOGY	NONPUBLIC SECURITY	N.J. NONPUBLIC AUXILIARY SERV., CH.192		N.J. NONPUBLIC HANDICAPPED SERV., CH. 193			TOTAL CARRIED FORWARD	
					TRANS- PORTATION	COMP. EDUCATION	INT. EXAM. AND CLASS	SUPPL. INST.	EXAM. AND CLASS.		CORR. SPEECH
REVENUES											
State Sources	\$ 23,854.88	\$ 35,547.48	\$ 15,872.78	\$ 32,232.57	\$ 10,630.00	\$ 34,993.05	\$ 21,643.00	\$ 23,234.90	\$ 6,931.20	\$ 15,356.16	\$ 220,296.02
Federal Sources											-
Local Sources											-
Total Revenues	23,854.88	35,547.48	15,872.78	32,232.57	10,630.00	34,993.05	21,643.00	23,234.90	6,931.20	15,356.16	220,296.02
EXPENDITURES											
Instruction:											-
Salaries of Teachers	-	-	-	-	-	34,993.05	-	23,234.90	-	-	58,227.95
Other Salaries for Instruc.	-	-	-	-	-	-	-	-	-	-	-
Purchased Prof. - Educational Serv	-	-	-	-	-	-	-	-	-	-	-
General Supplies											-
Textbooks	23,854.88										23,854.88
Misc. Expenditures											-
Total Instruction	23,854.88	-	-	-	-	34,993.05	-	23,234.90	-	-	82,082.83
Support Services:											
Salaries of Other Prof. Staff							21,643.00		6,931.20	15,356.16	43,930.36
Salaries of Secr & Cler Assts											-
Other Salaries											-
Personal Services - Empl. Benefits											-
Purch. Prof. - Educ. Services			15,872.78								15,872.78
Other Purch. Prof. Services		35,547.48									35,547.48
Purch. Technical Services				4,703.42							4,703.42
Contract Serv. - Trans. (Special Education)					10,630.00						10,630.00
Contract Serv. - Trans. (Field Trips)											-
Tuition											-
Travel											-
Other Purch. Services											-
Supplies and Materials				8,104.51							8,104.51
Total Support Services	-	35,547.48	15,872.78	12,807.93	10,630.00	-	21,643.00	-	6,931.20	15,356.16	118,788.55
Facilities Acquis. & Const. Serv.:											
Construction Services	-	-	-	-	-	-	-	-	-	-	-
Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-
Non-instructional Equipment	-	-	-	19,424.64	-	-	-	-	-	-	19,424.64
Total Facil. Acquis. & Const. Serv.	-	-	-	19,424.64	-	-	-	-	-	-	19,424.64
Total Expenditures	\$ 23,854.88	\$ 35,547.48	\$ 15,872.78	\$ 32,232.57	\$ 10,630.00	\$ 34,993.05	\$ 21,643.00	\$ 23,234.90	\$ 6,931.20	\$ 15,356.16	\$ 220,296.02

**WESTFIELD SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Exhibit - E-1b
Page 1 of 1

	OTHER GRANTS	SCHOOL PTO GRANTS	WESTFIELD ED. FUND	WESTFIELD ARTS FOUND.	NJSBAIG	CARRIED FORWARD
<u>REVENUES</u>						
State Sources	\$					\$ -
Federal Sources						-
Local Sources	36,210.02	119,377.86	14,316.29	11,838.84	25,526.64	207,269.65
Total Revenues	36,210.02	119,377.86	14,316.29	11,838.84	25,526.64	207,269.65
<u>EXPENDITURES</u>						
Instruction:						
Salaries of Teachers						-
Other Salaries for Instruc.						-
Purchased Prof. - Educational Services	1,000.00		5,000.00			6,000.00
General Supplies	29,126.55	55,352.13	5,634.91	3,597.84		93,711.43
Textbooks			52.77			52.77
Misc. Expenditures	100.00					100.00
Total Instruction	30,226.55	55,352.13	10,687.68	3,597.84	-	99,864.20
Support Services:						
Salaries of Other Prof. Staff						-
Salaries of Secr & Cler Assts						-
Other Salaries						-
Personal Services - Empl. Benefits						-
Purch. Prof. - Educ. Services	300.00					300.00
Other Purch. Prof. Services						-
Purch. Technical Services						-
Contract Serv. - Trans. (Special Education)						-
Contract Serv. - Trans. (Field Trips)	3,895.00					3,895.00
Tuition						-
Travel		631.74				631.74
Other Purch. Services		11,784.00				11,784.00
Supplies and Materials	1,788.47	2,677.07				4,465.54
Total Support Services	5,983.47	15,092.81	-	-	-	21,076.28
Facilities Acquis. & Const. Serv.:						
Construction Services		29,200.00			25,526.64	54,726.64
Instructional Equipment		6,277.12	3,628.61	8,241.00		18,146.73
Non-instructional Equipment		13,455.80				13,455.80
Total Facil. Acquis. & Const. Serv.	-	48,932.92	3,628.61	8,241.00	25,526.64	86,329.17
Total Expenditures	\$ 36,210.02	\$ 119,377.86	14,316.29	11,838.84	25,526.64	\$ 207,269.65

CAPITAL PROJECTS FUND

SECTION – F

**WESTFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2018**

<u>ISSUE/PROJECT TITLE</u>	<u>REVISED APPROPRIATION</u>	<u>EXPENDITURES TO DATE</u>		<u>UNEXPENDED BALANCE</u>
		<u>PRIOR YEARS</u>	<u>CURRENT YEAR</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.	10,171,385.00	9,882,865.69	164,785.00	123,734.31
Replacement Boiler/ Security Various Schools SDA Grants	1,799,161.00	1,794,730.99	4,428.41	1.60
Replacement Fire Alarms, Emergency Comm. Equipment/Public Address Systems, Swithches and WI-FI Upgrades, Gym/Multi-Pupose Room Floors, 8 Boilers, Retractable Gym Door, and Handicapped Accessibility.	8,449,362.11	4,944,189.32	2,021,202.87	1,483,969.92
Replacement Seats, Handicapped Accessible Seats, Sound System, Acoustical Treatments, Accessible Stage Access, Lighting Upgrades Flooring, and Air Conditioning.	4,150,637.89	790,027.34	3,232,235.50	128,375.05
Replacement Electrical/ Security Various Schools	132,981.62	54,953.00	78,028.62	
Replacement Electrical/ Security Various Schools	<u>3,770,972.15</u>		<u>314,638.10</u>	<u>3,456,334.05</u>
Total	\$ <u>28,474,499.77</u>	\$ <u>17,466,766.34</u>	\$ <u>5,815,318.50</u>	\$ <u>5,192,414.93</u>

WESTFIELD SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE
 IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2018

Revenues and Other Financing Sources	
Transfer from Capital Reserve	\$ <u>3,694,350.77</u>
Total revenues	<u>3,694,350.77</u>
Expenditures and Other Financing Uses	
Purchased Professional and Technical Services	307,450.03
Construction Services	<u>5,507,868.47</u>
Total expenditures	<u>5,815,318.50</u>
Excess (deficiency) of revenues over (under) expenditures	(2,120,967.73)
Fund balance - beginning	<u>7,313,382.66</u>
Fund balance - ending	\$ <u><u>5,192,414.93</u></u>
<u>Analysis of Fund Balance - June 30, 2018:</u>	
Restricted for Capital Projects	\$ <u>5,192,414.93</u>
Fund balance (GAAP Basis) - June 30,2018	\$ <u><u>5,192,414.93</u></u>

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, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$	\$	\$	\$
Bond proceeds and transfers	10,116,000.00		10,116,000.00	10,116,000.00
Contribution from private source				
Transfer from capital reserve	55,385.00		55,385.00	55,385.00
Transfer from capital outlay				
Total revenues	<u>10,171,385.00</u>	<u>-</u>	<u>10,171,385.00</u>	<u>10,171,385.00</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	943,099.74	1,460.00	944,559.74	953,370.38
Other salaries				
Land and Improvements				
Construction services	8,939,765.95	163,325.00	9,103,090.95	9,218,014.62
Rental service				
Equipment purchases				
Total expenditures	<u>9,882,865.69</u>	<u>164,785.00</u>	<u>10,047,650.69</u>	<u>10,171,385.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>288,519.31</u>	\$ <u>(164,785.00)</u>	\$ <u>123,734.31</u>	\$ <u>-</u>

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	-\$3,428,615
Revised Authorized Cost	\$10,171,385

Percentage Increase over Original Authorized Cost	-\$0.25
Percentage completion	0%
Original target completion date	2014
Revised target completions date	2018

**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, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 692,715.00	\$	\$ 692,715.00	\$ 692,715.00
Bond proceeds and transfers				
Contribution from private source				
Transfer from capital reserve	1,106,446.00		1,106,446.00	1,106,446.00
Transfer from capital outlay				
Total revenues	<u>1,799,161.00</u>	<u>0.00</u>	<u>1,799,161.00</u>	<u>1,799,161.00</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	131,588.50	1,090.00	132,678.50	132,678.50
Other salaries				
Land and Improvements				
Construction services	1,663,142.49	3,338.41	1,666,480.90	1,666,482.50
Rental service				
Equipment purchases				
Total expenditures	<u>1,794,730.99</u>	<u>4,428.41</u>	<u>1,799,159.40</u>	<u>1,799,161.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,430.01</u>	<u>-4,428.41</u>	<u>1.60</u>	<u>-</u>

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	\$ 1,799,161.00
Additional Authorized Cost	N/A
Revised Authorized Cost	\$ 1,799,161.00

Percentage Increase over Original

Authorized Cost	N/A
Percentage completion	100%
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. 1 - IMPROVEMENTS TO VARIOUS SCHOOLS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 8,600,000.00	\$ -150,637.89	\$ 8,449,362.11	\$ 8,449,362.11
Bond proceeds and transfers				
Contribution from private source				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>8,600,000.00</u>	<u>-150,637.89</u>	<u>8,449,362.11</u>	<u>8,449,362.11</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	425,093.02	67,585.44	492,678.46	567,916.11
Other salaries				
Land and Improvements				
Construction services	4,519,096.30	1,953,617.43	6,472,713.73	7,881,446.00
Rental service				
Equipment purchases				
Total expenditures	<u>4,944,189.32</u>	<u>2,021,202.87</u>	<u>6,965,392.19</u>	<u>8,449,362.11</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,655,810.68</u>	<u>\$ -2,171,840.76</u>	<u>\$ 1,483,969.92</u>	<u>\$ -</u>

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	01/01/16
Bonds Authorized	\$8,600,000
Bonds Issued	\$8,600,000
Original Authorized Cost	\$8,600,000
Transfers Out	\$ (150,638)
Revised Authorized Cost	\$8,449,362

Percentage Increase over Original Authorized Cost	1.75%
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, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$	\$	\$	\$
Bond proceeds and transfers	4,000,000.00	150,637.89	4,150,637.89	4,150,637.89
Contribution from private source				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>4,000,000.00</u>	<u>150,637.89</u>	<u>4,150,637.89</u>	<u>4,150,637.89</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	296,004.99	32,725.00	328,729.99	328,729.99
Other salaries				
Land and Improvements				
Construction services	494,022.35	3,199,510.50	3,693,532.85	3,821,907.90
Rental service				
Equipment purchases				
Total expenditures	<u>790,027.34</u>	<u>3,232,235.50</u>	<u>4,022,262.84</u>	<u>4,150,637.89</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>3,209,972.66</u>	\$ <u>-3,081,597.61</u>	\$ <u>128,375.05</u>	\$ <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	\$4,000,000
Original Authorized Cost	\$4,000,000
Transfers In	\$150,638
Revised Authorized Cost	\$4,150,638

Percentage Increase over Original Authorized Cost	3.77%
Percentage completion	97%
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
REPLACEMENT ELECTRICAL SECURITY TO VARIOUS SCHOOLS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$	\$	\$	\$
Bond proceeds and transfers				
Contribution from private source				
Transfer from capital reserve	209,603.00	-76,621.38	132,981.62	132,981.62
Transfer from capital outlay				
Total revenues	<u>209,603.00</u>	<u>-76,621.38</u>	<u>132,981.62</u>	<u>132,981.62</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	18,030.00	1,150.00	19,180.00	19,180.00
Other salaries				
Land and Improvements				
Construction services	36,923.00	76,878.62	113,801.62	113,801.62
Rental service				
Equipment purchases				
Total expenditures	<u>54,953.00</u>	<u>78,028.62</u>	<u>132,981.62</u>	<u>132,981.62</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 154,650.00</u>	<u>\$ -154,650.00</u>	<u>\$ -</u>	<u>\$ -</u>

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	\$209,603
Additional Authorized Cost	\$0
Revised Authorized Cost	\$209,603
Percentage Increase over Original Authorized Cost	\$0.00
Percentage completion	0%
Original target completion date	2017
Revised target completions date	2018

**WESTFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
KEHLER FIELD, HIGH SCHOOL AND MCKINLEY ELEMENTARY SCHOOL UPGRADES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$	\$	\$	\$
Bond proceeds and transfers				
Contribution from private source				
Transfer from Other Projects		76,621.38	76,621.38	76,621.38
Transfer from Capital Reserve		3,694,350.77	3,694,350.77	3,694,350.77
Total revenues	<u>-</u>	<u>3,770,972.15</u>	<u>3,770,972.15</u>	<u>3,770,972.15</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services		203,439.59	203,439.59	378,549.59
Other salaries				
Land and Improvements				
Construction services		111,198.51	111,198.51	3,392,422.56
Rental service				
Equipment purchases				
Total expenditures	<u>-</u>	<u>314,638.10</u>	<u>314,638.10</u>	<u>3,770,972.15</u>
Excess (deficiency) of revenues over (under) expenditures \$	<u>-</u>	<u>\$ 3,456,334.05</u>	<u>\$ 3,456,334.05</u>	<u>\$ -</u>

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	\$3,770,972
Additional Authorized Cost	\$0
Revised Authorized Cost	\$3,770,972

Percentage Increase over Original Authorized Cost	0.00%
Percentage completion	8%
Original target completion date	2018
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, 2018**

<u>ASSETS</u>	<u>FOOD SERVICE</u>	<u>WRAP PROGRAM</u>	<u>TOTALS</u>
Current Assets:			
Cash and Cash Equivalents	\$ 697,664.72	\$ 268,694.98	\$ 966,359.70
Accounts Receivable:			
State	375.52		375.52
Federal	5,251.82		5,251.82
Other	1,737.95		1,737.95
Inventory	<u>7,960.13</u>		<u>7,960.13</u>
Total Current Assets	<u>712,990.14</u>	<u>268,694.98</u>	<u>981,685.12</u>
Noncurrent Assets:			
Fixed Assets:			
Equipment	902,573.01		902,573.01
Accumulated Depreciation	<u>(443,415.59)</u>		<u>(443,415.59)</u>
Total Noncurrent Assets	<u>459,157.42</u>		<u>459,157.42</u>
Total Assets	\$ <u>1,172,147.56</u>	\$ <u>268,694.98</u>	\$ <u>1,440,842.54</u>
 <u>LIABILITIES AND NET POSITION</u>			
Current Liabilities:			
Deferred Revenue	\$ <u>48,931.15</u>	\$ <u>64,800.00</u>	\$ <u>113,731.15</u>
Total Current Liabilities	<u>48,931.15</u>	<u>64,800.00</u>	<u>113,731.15</u>
Net Position:			
Invested in Capital Assets Net of Related Debt	459,157.42		459,157.42
Unrestricted (Deficit)	<u>664,058.99</u>	<u>203,894.98</u>	<u>867,953.97</u>
Total Net Position	<u>1,123,216.41</u>	<u>203,894.98</u>	<u>1,327,111.39</u>
Total Liabilities and Net Position	\$ <u>1,172,147.56</u>	\$ <u>268,694.98</u>	\$ <u>1,440,842.54</u>

**WESTFIELD SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>FOOD SERVICE</u>	<u>WRAP PROGRAM</u>	<u>TOTAL</u>
<u>OPERATING REVENUES</u>			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 277,473.80	\$	\$ 277,473.80
Daily Sales - Non-Reimbursable Programs	<u>1,204,863.15</u>		<u>1,204,863.15</u>
Total Daily Sales	1,482,336.95		1,482,336.95
Program Fees		<u>640,605.00</u>	<u>640,605.00</u>
Total Operating Revenues	<u>1,482,336.95</u>	<u>640,605.00</u>	<u>2,122,941.95</u>
<u>OPERATING EXPENSES</u>			
Cost of Sales:			
Program Sales	368,116.88		368,116.88
Non-Program Sales	<u>136,153.51</u>		<u>136,153.51</u>
Total Cost of Sales	504,270.39	-	504,270.39
Labor	532,223.60	487,286.20	1,019,509.80
Supplies	1,896.29	4,182.31	6,078.60
Office and Administrative	34,098.66		34,098.66
Outside Services	18,337.79		18,337.79
Taxes and Insurance	20,349.92		20,349.92
Repairs and Maintenance	32,938.38		32,938.38
Miscellaneous Expenses	5,314.67		5,314.67
Utilities		32,466.00	32,466.00
Management Fees	131,453.29		131,453.29
Depreciation	<u>26,776.59</u>		<u>26,776.59</u>
Total Operating Expenses	<u>1,307,659.58</u>	<u>523,934.51</u>	<u>1,831,594.09</u>
Operating Income (Loss)	<u>174,677.37</u>	<u>116,670.49</u>	<u>291,347.86</u>
Non-Operating Revenues:			
State Sources:			
State School Lunch Program	5,178.67		5,178.67
Federal Sources:			
U.S.D.A. Commodities	35,720.81		35,720.81
National School Lunch Program	67,096.38		67,096.38
Interest on Deposits	<u>13,484.59</u>		<u>13,484.59</u>
Total Non-Operating Revenues	<u>121,480.45</u>		<u>121,480.45</u>
Change in Net Position	296,157.82	116,670.49	412,828.31
Total Net Position Beginning	<u>827,058.59</u>	<u>87,224.49</u>	<u>914,283.08</u>
Total Net Position Ending	\$ <u>1,123,216.41</u>	\$ <u>203,894.98</u>	\$ <u>1,327,111.39</u>

**WESTFIELD SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>FOOD SERVICE</u>	<u>WRAP PROGRAM</u>	<u>TOTAL</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 1,493,523.51	544,820.00	\$ 2,038,343.51
Payments for Employee Services		(487,286.20)	
Payments to Suppliers	<u>(1,318,131.91)</u>	<u>(36,648.31)</u>	<u>(1,354,780.22)</u>
Net Cash Provided by (Used for) Operating Activities	<u>175,391.60</u>	<u>20,885.49</u>	<u>683,563.29</u>
Cash Flows from Non-Capital Financing Activities			
State Sources	5,132.19		5,132.19
Federal Sources	67,334.70		67,334.70
Interfund Loan Returned	<u>3,087.44</u>		<u>3,087.44</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>75,554.33</u>	<u>-</u>	<u>75,554.33</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	<u>(163,500.72)</u>		<u>(163,500.72)</u>
Net Cash Provided by (Used for) Capital and Realted Financing Activities	<u>(163,500.72)</u>	<u>-</u>	<u>(163,500.72)</u>
Cash Flows from Investing Activities			
Interest on Deposits	<u>13,484.59</u>		<u>615.60</u>
Net Cash Provided by (Used for) Investing Activities	<u>13,484.59</u>	<u>-</u>	<u>615.60</u>
Net Increase (Decrease) in Cash and Cash Equivalents	100,929.80	20,885.49	759,733.22
Cash and Cash Equivalents, July 1	<u>596,734.92</u>	<u>247,809.49</u>	<u>844,544.41</u>
Cash and Cash Equivalents, June 30	<u>\$ 697,664.72</u>	<u>268,694.98</u>	<u>\$ 966,359.70</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 174,677.37	116,670.49	\$ 291,347.86
Adjust. to Reconcile Operating Income (Loss) to Cash Provided (Used) by Oper. Activities:			
Depreciation	26,776.59		26,776.59
Federal Commodities	35,720.81		35,720.81
(Increase) Decrease in Accounts Receivable	(146.69)		(146.69)
(Increase) Decrease in Inventory	(5,261.87)		(5,261.87)
Increase (Decrease) in Deferred Revenue	8,634.99	(95,785.00)	(87,150.01)
Increase (Decrease) in Accounts Payable	<u>(65,009.60)</u>		<u>(65,009.60)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 175,391.60</u>	<u>20,885.49</u>	<u>\$ 196,277.09</u>

INTERNAL SERVICE FUND

FIDUCIARY FUNDS

SECTION - H

**WESTFIELD SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018**

	<u>EXPENDABLE TRUST FUNDS</u>		<u>AGENCY</u>		<u>TOTALS 2018</u>
	<u>UNEMPLOYMENT COMPENSATION</u>	<u>FLEXIBLE SPENDING</u>	<u>STUDENT ACTIVITY</u>	<u>PAYROLL</u>	
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 289,539.00	\$ 96,824.42	\$ 620,023.04	\$ 496,151.95	\$ 1,502,538.41
Total Assets	\$ 289,539.00	\$ 96,824.42	\$ 620,023.04	\$ 496,151.95	\$ 1,502,538.41
<u>LIABILITIES</u>					
Liabilities:					
Payroll Deductions and Withholdings				\$ 491,151.95	\$ 491,151.95
Accounts Payable	9,002.29				9,002.29
Interfund Loans				5,000.00	5,000.00
Due to Student Groups			620,023.04		620,023.04
Total Liabilities	9,002.29		620,023.04	496,151.95	1,125,177.28
NET POSITION					
Net Position Restructured for:					
Unemployment Insurance Claims	280,536.71				280,536.71
Eligible Employee Benefits		96,824.42			96,824.42
Total Net Position	280,536.71	96,824.42			377,361.13
Total Liabilities and Net Position	\$ 289,539.00	\$ 96,824.42	\$ 620,023.04	\$ 496,151.95	\$ 1,502,538.41

WESTFIELD SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Expendable Trust Funds</u>		<u>Totals</u>
	<u>Unemployment Compensation Insurance Trust</u>	<u>Employee Benefit Flexible Spending Trust Fund</u>	
ADDITIONS			
Contributions:			
Dedicated Payroll Withholdings	\$ 90,052.25	\$ 259,293.72	\$ 349,345.97
Board Contribution	<u>30,000.00</u>		<u>30,000.00</u>
Total Contributions	<u>120,052.25</u>	<u>259,293.72</u>	<u>379,345.97</u>
Investment Earnings:			
Interest On Deposits	<u>4,973.02</u>	<u>-</u>	<u>4,973.02</u>
Net Investment Earnings	<u>4,973.02</u>	<u>-</u>	<u>4,973.02</u>
Total Additions	<u>125,025.27</u>	<u>259,293.72</u>	<u>384,318.99</u>
DEDUCTIONS			
Unemployments Insurance Claims	104,148.23		104,148.23
Eligible Benefits		<u>236,747.10</u>	<u>236,747.10</u>
Total Deductions	<u>104,148.23</u>	<u>236,747.10</u>	<u>340,895.33</u>
Change in Net Position	<u>20,877.04</u>	<u>22,546.62</u>	<u>43,423.66</u>
Net Position - Beginning of the Year	<u>259,659.67</u>	<u>74,277.80</u>	<u>333,937.47</u>
Net Position - End of the year	<u>280,536.71</u>	<u>96,824.42</u>	<u>\$ 377,361.13</u>

**WESTFIELD SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
STUDENT ACTIVITY AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>BALANCE JUNE 30, 2017</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>	<u>BALANCE JUNE 30, 2018</u>
<u>ELEMENTARY SCHOOLS</u>				
Franklin	\$ 3,760.70	\$ 22,803.53	24,125.06	\$ 2,439.17
Jefferson	3,037.16	19,218.70	17,694.73	4,561.13
Lincoln	2,554.18	1,908.52	2,386.47	2,076.23
McKinley	5,785.22	19,320.10	18,408.79	6,696.53
Tamaques	7,744.51	23,859.54	22,114.16	9,489.89
Washington	4,053.62	30,396.82	27,701.12	6,749.32
Wilson	19,262.95	37,917.02	41,472.30	15,707.67
Total Elementary Schools	\$ <u>46,198.34</u>	\$ <u>155,424.23</u>	\$ <u>153,902.63</u>	\$ <u>47,719.94</u>
<u>INTERMEDIATE SCHOOLS</u>				
Edison	\$ 77,184.78	\$ 80,701.33	84,024.34	\$ 73,861.77
Roosevelt	163,356.81	89,247.51	107,854.90	144,749.42
Total Intermediate Schools	\$ <u>240,541.59</u>	\$ <u>169,948.84</u>	\$ <u>191,879.24</u>	\$ <u>218,611.19</u>
<u>SENIOR HIGH SCHOOLS</u>				
Westfield H.S.	\$ 267,544.30	\$ 592,894.05	512,593.32	\$ 347,845.03
Westfield H.S Music Account	112,529.77	581,065.04	687,760.05	5,834.76
Athletic Fund	70.51	181,699.01	181,757.40	12.12
Total Senior High Schools	\$ <u>380,144.58</u>	\$ <u>1,355,658.10</u>	\$ <u>1,382,110.77</u>	\$ <u>353,691.91</u>
Total All Schools	\$ <u>666,884.51</u>	\$ <u>1,681,031.17</u>	\$ <u>1,727,892.64</u>	\$ <u>620,023.04</u>

**WESTFIELD SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
PAYROLL AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>BALANCE JUNE 30, 2017</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>	<u>BALANCE JUNE 30, 2018</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 16,779.32	\$ 69,836,893.78	\$ (69,357,521.15)	\$ 496,151.95
Total Assets	\$ 16,779.32	\$ 69,836,893.78	\$ (69,357,521.15)	\$ 496,151.95
<u>LIABILITIES</u>				
Net Payrolls	\$	\$ 37,822,808.70	\$ (37,822,808.70)	\$ -
Interfund Loans	5,000.00	16,344.17	(16,344.17)	5,000.00
Payroll Deductions and Withholdings	<u>11,779.32</u>	<u>31,997,740.91</u>	<u>(31,518,368.28)</u>	<u>491,151.95</u>
Total Liabilities	\$ 16,779.32	\$ 69,836,893.78	\$ (69,357,521.15)	\$ 496,151.95

LONG-TERM DEBT

SECTION - I

WESTFIELD SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2018

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE	RETIRED	BALANCE
			DATE	AMOUNT		JUNE 30, 2017		JUNE 30, 2018
School Bonds	10/1/2007	\$ 9,396,000				\$ 400,000.00	\$ 400,000.00	
School Bonds	8/1/2013	\$ 6,916,000	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%	5,521,000.00	461,000.00	5,060,000.00
School Bonds	7/10/2014	\$ 3,200,000	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%			
								2,650,000.00
Refunding School Bonds, Series 2015 A	3/24/2015	\$ 5,700,000	10/1/2018	\$ 500,000	4.000%			
			10/1/2019	575,000	4.000%			
			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

WESTFIELD SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2018

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE	RETIRED	BALANCE
			DATE	AMOUNT		JUNE 30, 2017		JUNE 30, 2018
School Bonds, Series 2015 B	3/24/2015	\$ 261,000	10/1/2018	\$ 50,000	3.000%	211,000.00	50,000.00	161,000.00
			10/1/2019	55,000	3.000%			
			10/1/2020	56,000	3.000%			
Refunding School Bonds, Series 2016 A	7/13/2016	\$ 6,675,000	8/1/2018	\$ 1,625,000	1.500%	6,675,000.00	1,670,000.00	5,005,000.00
			8/1/2019	1,610,000	1.500%			
			8/1/2020	900,000	1.500%			
			8/1/2021	870,000	1.500%			
School Bonds, Series 2016 B	7/13/2016	12,600,000	8/1/2018	\$ 500,000	2.000%	12,600,000.00	500,000.00	12,100,000.00
			8/1/2019	500,000	2.000%			
			8/1/2020	950,000	2.000%			
			8/1/2021	950,000	2.000%			
			8/1/2022	950,000	2.000%			
			8/1/2023	950,000	2.000%			
			8/1/2024	950,000	2.000%			
			8/1/2025	950,000	2.000%			
			8/1/2026	950,000	2.000%			
			8/1/2027	900,000	2.000%			
			8/1/2028	900,000	2.000%			
			8/1/2029	900,000	2.000%			
			8/1/2030	900,000	2.000%			
			8/1/2031	850,000	2.500%			
Total						\$ 33,757,000.00	\$ 3,381,000.00	\$ 30,376,000.00

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,459,971.00		\$ 3,459,971.00	\$ 3,459,971.00	\$ -
Total Local Sources:	3,459,971.00	-	3,459,971.00	3,459,971.00	-
State Aid - Debt Service	795,151.00		795,151.00	795,151.00	-
Total Revenues	4,255,122.00	-	4,255,122.00	4,255,122.00	-
EXPENDITURES:					
Regular Debt Service:					
Redemption of Bond Principal	3,381,000.00		3,381,000.00	3,381,000.00	-
Bond Interest	874,122.00		874,122.00	874,121.39	0.61
Total Regular Debt Service	4,255,122.00	-	4,255,122.00	4,255,121.39	0.61
Total expenditures	4,255,122.00	-	4,255,122.00	4,255,121.39	0.61
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	0.61	0.61
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	0.61	0.61
Fund Balance, July 1	54,295.29		54,295.29	54,295.29	
Fund Balance, June 30	54,295.29	-	54,295.29	54,295.90	0.61

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,

	2009	2010	2011	Restated 2012	Restated 2013	GASB #68 Restated 2014	2015	2016	2017	2018
Governmental activities										
Invested in capital assets, net of related debt	\$ 20,633,404	\$ 21,718,368	\$ 22,470,195	\$ 6,299,851	\$ 10,724,623	\$ 11,658,528	\$ 14,113,937	\$ 17,621,502	\$ 11,130,655	\$ 20,065,255
Restricted	2,264,758	2,299,089	5,437,164	5,859,508	3,525,144	5,732,998	5,886,394	8,428,307	22,660,315	21,908,541
Unrestricted	213,871	(44,533)	(937,855)	798,409	618,078	(22,651,303)	(23,325,495)	(24,717,778)	(28,030,698)	(27,600,573)
Total governmental activities net assets	\$ 23,112,033	\$ 23,972,924	\$ 26,969,504	\$ 12,957,767	\$ 14,867,845	\$ (5,259,778)	\$ (3,325,164)	\$ 1,332,031	\$ 5,760,272	\$ 14,373,224
Business-type activities										
Invested in capital assets, net of related debt	\$ 62,229	\$ 57,481	\$ 69,825	\$ 43,630	\$ 37,294	\$ 30,955	\$ 24,616	\$ 18,277	\$ 322,433	\$ 459,157
Restricted										
Unrestricted	40,358	98,742	123,239	77,624	114,071	181,308	414,803	593,263	691,850	867,954
Total business-type activities net assets	\$ 102,587	\$ 156,223	\$ 193,064	\$ 121,254	\$ 151,365	\$ 212,263	\$ 439,419	\$ 611,540	\$ 914,283	\$ 1,327,111
District-wide										
Invested in capital assets, net of related debt	\$ 20,695,633	\$ 21,775,849	\$ 22,540,020	\$ 6,343,481	\$ 10,761,917	\$ 11,689,483	\$ 14,138,553	\$ 17,639,779	\$ 11,453,088	\$ 20,524,413
Restricted	2,264,758	2,299,089	5,437,164	5,859,508	3,525,144	5,732,998	5,886,394	8,428,307	22,660,315	21,908,541
Unrestricted	254,229	54,209	(814,616)	876,033	732,149	(22,469,995)	(22,910,692)	(24,124,515)	(27,438,848)	(26,732,619)
Total district net assets/position	\$ 23,214,620	\$ 24,129,147	\$ 27,162,568	\$ 13,079,021	\$ 15,019,210	\$ (5,047,515)	\$ (2,885,745)	\$ 1,943,571	\$ 6,674,555	\$ 15,700,335

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,

EXPENSES

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Instruction										
Regular	\$ 28,237,946	\$ 28,144,634	\$ 28,092,789	\$ 30,085,810	\$ 33,216,431	\$ 33,171,669	\$ 32,170,882	\$ 33,945,264	\$ 34,753,267	\$ 36,122,785
Special Education	5,478,684	6,309,395	6,908,760	6,959,573	7,347,902	8,076,449	8,152,638	7,980,420	8,190,781	8,361,149
Other Special Instruction	1,021,996	1,095,682	944,665	895,340	984,132	1,024,005	2,155,957	1,081,477	1,184,559	1,140,743
Other Instruction	1,605,820	1,366,711	1,276,895	1,409,614	1,537,375	1,567,943	1,675,043	1,567,029	1,627,761	1,643,247
Support Services										
Tuition	6,072,048	5,746,043	6,403,845	6,253,142	5,997,483	5,839,281	6,686,758	6,688,650	6,570,330	6,640,145
Student & Instruction Related Services	11,180,709	11,339,433	11,641,513	12,372,419	11,303,844	11,450,450	11,684,484	12,153,419	12,458,158	13,283,367
School Administrative Services	3,124,291	3,308,431	3,232,862	3,380,507	3,354,346	3,495,703	3,575,510	3,472,539	3,613,535	3,423,415
General & Business Administrative Services	3,503,649	3,811,433	3,613,287	3,841,033	3,577,560	3,708,227	3,689,079	4,013,438	4,552,751	4,066,604
Plant Operations and Maintenance	6,059,785	5,582,678	6,081,557	5,879,272	5,762,483	5,878,848	5,954,354	5,943,911	6,029,301	5,972,184
Pupil Transportation	2,803,755	2,372,524	2,264,653	2,496,987	2,456,187	2,744,174	2,505,294	2,550,903	2,618,167	2,746,357
Unallocated Benefits	19,493,166	21,070,275	19,928,808	21,474,960	24,322,921	24,007,770	26,417,254	26,368,820	52,176,028	53,851,627
Special Schools										
Charter Schools										
Interest on Long-Term Debt	1,173,489	1,077,696	942,306	859,740	813,870	889,586	808,442	952,171	758,829	733,389
Unallocated Depreciation & Amortization	1,582,203	2,004,307	1,526,942	1,967,528	1,316,041	1,201,462	1,255,944	1,771,245	705,067	390,741
Capital Outlay										
Total Governmental Activities	91,337,542	93,229,242	92,858,881	97,875,924	101,990,575	103,055,566	106,731,639	108,489,286	135,236,535	138,375,754
Business-Type Activities:										
Food Service	1,117,357	1,046,291	1,072,591	1,090,730	1,158,886	1,242,856	1,161,518	1,189,123	1,231,331	1,307,660
Child Care						89,922	197,980	485,571	480,757	523,935
Total Business-Type Activities	1,117,357	1,046,291	1,072,591	1,090,730	1,158,886	1,332,778	1,359,498	1,674,695	1,712,088	1,831,594
Total Primary Government Expenses	\$ 92,454,899	\$ 94,275,533	\$ 93,931,472	\$ 98,966,654	\$ 103,149,461	\$ 104,388,345	\$ 108,091,137	\$ 110,163,981	\$ 136,950,623	\$ 140,207,348

Program Revenues

Governmental Activities										
Charges for Services										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pupil Transportation										
Business and Other Support Services										
Operating Grants and Contributions	5,698,789	5,889,877	5,901,907	7,192,491	9,269,748	8,415,719	9,210,875	11,209,759	34,156,080	40,360,685
Interest on Long-Term Debt	457,378	503,884	402,020	342,105	353,654	363,541	306,218	245,926	774,814	-
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	6,156,167	6,393,761	6,303,927	7,534,596	9,623,402	8,779,260	9,517,093	11,455,685	34,930,894	40,360,685

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

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-Type Activities										
Charges for Services										
Food Service	1,033,776	1,014,112	1,022,678	1,044,113	1,109,513	1,164,484	1,226,149	1,314,583	1,410,190	1,482,337
Child Care						138,600	278,053	430,003	494,800	640,605
Operating Grants and Contributions	65,346	85,815	86,753	87,346	79,054	89,977	80,768	99,531	104,733	107,996
Capital Grants and Contributions										
Total Business Type Activities Program Revenues	<u>1,099,122</u>	<u>1,099,927</u>	<u>1,109,432</u>	<u>1,131,458</u>	<u>1,188,567</u>	<u>1,393,061</u>	<u>1,584,970</u>	<u>1,844,117</u>	<u>2,009,723</u>	<u>2,230,938</u>
Total District Program Revenues	<u>\$ 7,255,289</u>	<u>\$ 7,493,688</u>	<u>\$ 7,413,388</u>	<u>\$ 8,666,054</u>	<u>\$ 10,811,969</u>	<u>\$ 10,172,321</u>	<u>\$ 11,102,062</u>	<u>\$ 13,299,802</u>	<u>\$ 36,940,617</u>	<u>\$ 42,591,623</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (85,181,375)	\$ (86,835,481)	\$ (86,554,955)	\$ (90,341,328)	\$ (92,367,173)	\$ (94,276,307)	\$ (97,214,546)	\$ (97,033,601)	\$ (100,307,641)	\$ (98,015,069)
Business-Type Activities	(18,235)	53,636	36,841	40,729	29,681	60,283	225,471	169,422	297,635	399,344
Total District-Wide Net Expense	<u>\$ (85,199,611)</u>	<u>\$ (86,781,845)</u>	<u>\$ (86,518,114)</u>	<u>\$ (90,300,600)</u>	<u>\$ (92,337,492)</u>	<u>\$ (94,216,024)</u>	<u>\$ (96,989,075)</u>	<u>\$ (96,864,179)</u>	<u>\$ (100,010,007)</u>	<u>\$ (97,615,726)</u>
General Revenues and Other Changes in Net Assets/Position										
Governmental Activities										
Property Taxes, Levied for General Purposes, Net	\$ 75,086,661	\$ 78,195,764	\$ 81,379,595	\$ 83,007,187	\$ 84,667,331	\$ 86,360,677	\$ 88,967,333	\$ 91,791,272	\$ 94,193,247	\$ 96,710,506
Taxes Levied for Debt Service	2,231,527	2,152,919	2,534,127	2,537,247	2,527,277	2,551,925	2,648,413	3,201,836	2,685,543	3,459,971
Unrestricted Grants and Contributions	5,055,022	4,484,666	1,805,121	3,506,246	4,194,340	4,115,308	4,180,857	4,354,644	4,886,435	3,236,885
Restricted Grants and Contributions	2,101,165	2,383,944	2,653,090	2,492,779	2,172,729	1,906,840	2,212,314	2,163,177	2,174,893	988,965
Tuition Received	41,593	115,759	99,326	159,866	135,874	138,397	210,478	162,071	77,540	67,437
Investment earnings	115,631	125,780	85,201	65,400	29,515	29,129	41,146	58,023	167,841	21,542
Miscellaneous Income	173,181	237,541	995,074	530,961	550,740	411,212	688,620	619,234	550,383	2,165,431
Cancellation of Accounts Receivable										
Cancellation of Accrued Liability										
Transfers	(7,728)			(9,873)	(557)	9,135				(22,716)
Total Governmental Activities	<u>84,797,053</u>	<u>87,696,372</u>	<u>89,551,535</u>	<u>92,289,814</u>	<u>94,277,249</u>	<u>95,522,623</u>	<u>99,149,160</u>	<u>102,350,258</u>	<u>104,735,682</u>	<u>106,628,021</u>
Business-Type Activities										
Miscellaneous Income					430	616	1,684	2,700	5,108	
Transfers	7,728									13,485
Total Business-Type Activities	<u>7,728</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>430</u>	<u>616</u>	<u>1,684</u>	<u>2,700</u>	<u>5,108</u>	<u>13,485</u>
Total Primary Government	<u>\$ 84,804,781</u>	<u>\$ 87,696,372</u>	<u>\$ 89,551,535</u>	<u>\$ 92,289,814</u>	<u>\$ 94,277,679</u>	<u>\$ 95,523,239</u>	<u>\$ 99,150,844</u>	<u>\$ 102,352,958</u>	<u>\$ 104,740,990</u>	<u>\$ 106,641,505</u>
Change in Net Assets/Net Position										
Governmental Activities	\$ (384,322)	\$ 860,891	\$ 2,996,580	\$ 1,948,485	\$ 1,910,076	\$ 1,246,316	\$ 1,934,614	\$ 5,316,657	\$ 4,428,241	\$ 8,612,952
Business-Type Activities	(10,508)	53,636	36,841	40,729	30,111	60,898	227,155	172,122	302,742	412,828
Total District	<u>\$ (394,830)</u>	<u>\$ 914,527</u>	<u>\$ 3,033,421</u>	<u>\$ 1,989,214</u>	<u>\$ 1,940,187</u>	<u>\$ 1,307,214</u>	<u>\$ 2,161,769</u>	<u>\$ 5,488,779</u>	<u>\$ 4,730,984</u>	<u>\$ 9,025,780</u>

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,

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund										
Restricted:										
Committed:	\$ 751,686	\$ 1,772,008	\$ 4,107,527	\$ 4,006,555	\$ 5,022,670	\$ 4,468,499	\$ 4,807,697	\$ 9,041,326	\$ 14,861,873	\$ 16,566,982
Assigned:			\$ 952,984	1,537,139	1,154,265	880,573	722,022	510,251	430,764	1,021,507
Unassigned:			\$ 350,088	1,106,658		308,774	3,041		163,799	105,935
Total General Fund	<u>\$ 2,353,924</u>	<u>\$ 2,002,994</u>	<u>\$ 810,591</u>	<u>\$ 858,583</u>	<u>\$ 587,609</u>	<u>\$ 659,053</u>	<u>\$ 654,598</u>	<u>\$ 653,439</u>	<u>\$ 652,507</u>	<u>\$ 812,931</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>\$ 6,316,899</u>	<u>\$ 6,187,358</u>	<u>\$ 10,205,016</u>	<u>\$ 16,108,943</u>	<u>\$ 18,507,355</u>
All Other Governmental Funds										
Restricted:	\$ 878,233	\$ 274,664								
Assigned, Reported In:										
Special Revenue Fund										
Capital Projects Fund	354,342	250,807	331,982	272,720	(1,527,195)	658,442	353,633	(1,147,567)	7,313,383	5,192,415
Debt Service Fund	280,497	1,610	44,671	43,095	1	2	2	24,297	54,295	54,296
Unassigned					29,669	(274,517)				
Total All Other Governmental Funds	<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>	<u>\$ 7,367,678</u>	<u>\$ 5,246,711</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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax levy	\$ 77,318,188	\$ 80,348,683	\$ 83,913,722	\$ 85,544,434	\$ 87,194,608	\$ 88,912,602	\$ 91,815,746	\$ 94,993,108	\$ 96,878,790	\$ 100,170,477
Tuition charges	41,593	115,759	99,326	159,866	135,874	138,397	210,478	162,071	77,540	67,437
Miscellaneous	346,487	363,321	1,080,276	596,361	580,255	580,277	729,765	864,554	983,213	2,380,787
State sources	11,695,883	11,301,842	8,337,913	11,108,358	14,155,460	12,845,146	14,270,874	16,116,374	18,518,748	20,114,412
Federal sources	1,558,796	1,960,528	2,424,224	2,425,263	1,835,010	1,816,326	2,196,857	1,669,836	1,729,306	1,762,026
Total revenue	90,960,947	94,090,133	95,855,461	99,834,282	103,901,208	104,292,747	109,223,720	113,805,944	118,187,597	124,495,139
Expenditures										
Instruction										
Regular Instruction	28,227,790	28,243,334	28,028,953	30,076,015	33,216,431	33,171,669	32,170,882	33,945,264	33,231,684	34,218,969
Special education instruction	5,469,359	6,318,663	6,858,506	6,954,087	7,347,902	8,076,449	8,152,638	7,980,420	8,190,781	8,354,649
Other special instruction	1,021,996	1,095,682	944,665	895,340	984,132	1,024,005	2,155,957	1,081,477	1,184,559	1,133,696
Other instruction	1,605,820	1,366,711	1,276,895	1,409,614	1,537,375	1,567,943	1,675,043	1,567,029	1,627,762	1,643,247
Support Services:										
Tuition	6,072,048	5,746,043	6,403,845	6,253,142	5,997,483	5,839,281	6,686,758	6,688,650	6,570,330	6,640,145
Student & inst. related services	11,161,627	11,366,482	11,606,752	12,384,045	11,303,844	11,450,450	11,684,484	12,153,419	12,458,158	13,325,341
General administration	1,301,004	1,677,350	1,674,901	1,941,964	3,354,346	3,495,703	3,575,510	3,472,539	3,613,535	3,437,646
School administrative services	3,123,940	3,286,095	3,220,902	3,402,281	3,577,560	3,708,227	3,689,079	3,932,882	3,822,747	4,066,604
Central services	1,038,582	1,082,127	1,083,510	1,126,129						
Admin. information technology	1,165,669	1,029,346	886,613	747,492						
Plant operations and maintenance	6,051,861	5,575,561	6,108,845	5,879,522	5,762,483	5,878,848	5,954,354	5,943,911	6,029,301	5,978,362
Pupil transportation	2,803,755	2,372,524	2,264,653	2,496,987	2,456,187	2,744,174	2,505,294	2,550,903	2,618,167	2,746,357
Other Support Services										
Employee benefits	19,493,166	21,070,275	19,928,808	21,474,960	24,350,801	23,663,574	26,389,347	25,200,825	27,621,203	30,408,685
Capital outlay	4,509,549	1,199,271	378,769	674,997	3,645,813	6,248,288	5,155,835	3,324,404	6,304,593	7,986,155
Debt service:										
Principal	1,485,000	1,890,000	1,900,000	1,985,000	2,095,000	2,150,000	2,236,000	2,585,000	2,750,000	3,381,000
Interest and other charges	1,415,048	1,087,267	993,086	895,929	829,025	765,465	918,631	838,467	650,359	874,121
Total expenditures	95,946,215	94,406,731	93,559,703	98,597,503	106,458,383	109,784,075	112,949,812	111,265,190	116,673,180	124,194,978
Excess (Deficiency) of revenues over (under) expenditures	(4,985,267)	(316,598)	2,295,758	1,236,779	(2,557,175)	(5,491,327)	(3,726,093)	2,540,753	1,514,417	300,161
Other Financing sources (uses)										
Proceeds from borrowing						6,916,000	6,331,360		12,600,000	
Proceeds from refunding	3,247,187		4,038,132				3,474,143		6,675,000	
Premium/Discount on Bonds Issued									320,415	
Payments to escrow agent	(3,247,187)		(4,038,132)				(6,239,243)		(6,714,957)	
Transfer to Charter School										(22,716)
Transfers in	22,600				9,477	9,135	522,017	341,140	280,859	3,694,351
Transfers out	(30,328)			(9,873)	(10,034)		(522,017)	(341,140)	(280,859)	(3,694,351)
Total other financing sources (uses)	(7,728)	-	-	(9,873)	(557)	6,925,135	3,566,260	-	12,880,458	(22,716)
Special Item										
Cancellation of Accrued Liability										
Total special item	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ (4,992,995)	\$ (316,598)	\$ 2,295,758	\$ 1,226,906	\$ (2,557,732)	\$ 1,433,808	\$ (159,833)	\$ 2,540,753	\$ 14,394,875	\$ 277,445
Debt service as a percentage of noncapital expenditures	3.17%	3.19%	3.10%	2.94%	2.84%	2.82%	2.93%	3.17%	3.08%	3.66%

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)

	<u>Gate Receipts</u>	<u>Student Activities</u>	<u>Rentals</u>	<u>Interest on Deposits</u>	<u>Transportation</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
Fiscal Year Ending June 30,							
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
2017	18,766	0	0	167,841	0	531,617	718,224
2018	21,542	221,026	170,605	584,385	17,325	1,172,090	2,186,973

- 147 -

Source: District records (Exhibit B-2).

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 Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value) ^c
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	13,486,700	1,652,471,400	0	4,200	162,612,000	1,341,600	19,074,100	1,848,990,000	0	1,598,256	1,850,588,256	5.235	7,526,933,842
2017	13,579,600	1,660,423,900	0	4,200	160,853,100	1,341,600	19,074,100	1,855,276,500	0	1,584,072	1,856,860,572	5.395	7,686,424,696
2018	13,162,700	1,673,761,100	0	4,200	157,854,800	1,441,600	20,306,100	1,866,530,500	0	1,564,090	1,868,094,590	5.457	7,777,752,094

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. 30</u>	<u>Total Direct School Tax Rate</u>	<u>Town of Westfield</u>	<u>Union County</u>	<u>Total Tax Rate**</u>
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
2017	5.395	1.627	2.224	9.246
2018	5.457	1.636	2.204	9.297

- 150 -

**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

Taxpayer	YEAR ENDED DEC. 31, 2018			YEAR ENDED DEC. 31, 2008		
	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	1	0.40%	\$		
ECHO LAKE COUNTRY CLUB	6,031,000.00	2	0.32%			
LT WESTFIELD LLC	4,669,500.00	3	0.25%			
EAST COAST DUNCAN HILL, LLC	4,377,300.00	4	0.23%			
WEILL, MAURICE	4,277,800.00	5	0.23%			
SUNRISE ASSISTED LIVING	4,176,700.00	6	0.22%	N/A		
WESTFIELD MERDIAN LLP	4,004,000.00	7	0.21%			
ERNSTOFF, ROBERT	3,325,000.00	8	0.18%			
ACL REAL ESTAT LLC	2,638,000.00	9	0.14%			
CFGR, LLC	2,452,300.00	10	0.13%			
TOTAL	\$ 43,451,600.00		2.33%	\$ \$ -		0.00%

SOURCE(S): MUNICIPAL TAX ASSESSOR

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 Levy</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
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
2016	168,946,814	167,428,066	99.10%	N/A
2017	173,646,373	172,515,653	99.35%	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**

**Exhibit J-10
GASB D-1**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)				
2007	\$ 21,986,000	\$	\$ 303,174	\$	\$	\$ 22,289,174	1.474%	761
2008	29,897,000		269,004			30,166,004	1.926%	1,026
2009	28,427,000					28,427,000	2.125%	1,066
2010	26,537,000					26,537,000	1.712%	874
2011	24,667,000					24,667,000	1.527%	811
2012	22,682,000					22,682,000	1.357%	743
2013	20,587,000					20,587,000	1.222%	673
2014	25,353,000					25,353,000	1.433%	830
2015	26,507,000					26,507,000	1.451%	872
2016	23,922,000					23,922,000	1.318%	792
2017	33,757,000					33,757,000	1.860%	1,118
2018	30,376,000					30,376,000	1.674%	1,006

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**

<u>GENERAL BONDED DEBT OUTSTANDING</u>					
<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value ^a of Property</u>	<u>Per Capita ^b</u>
2009	\$ 28,427,000	\$	\$ 28,427,000	1.50%	\$ 1,065.56
2010	26,537,000		26,537,000	1.39%	873.59
2011	24,667,000		24,667,000	1.30%	810.53
2012	22,682,000		22,682,000	1.20%	743.43
2013	20,587,000		20,587,000	1.09%	672.80
2014	25,353,000		25,353,000	1.34%	830.27
2015	26,507,000		26,507,000	0.22%	872.97
2016	23,922,000		23,922,000	0.20%	791.96
2017	33,757,000		33,757,000	0.28%	1,117.56
2018	30,376,000		30,376,000	0.26%	1,005.63

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, 2017**

Exhibit J-12

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Town of Westfield	\$26,645,344	100.00%	\$26,645,344
Other Debt			
County of Union - Town's Share	590,143,496	11.390%	89,583,457
Rahway Valley Sewarge Authority - Town's Share	153,764,535	14.382%	<u>22,115,183</u>
Subtotal Overlapping Debt			138,343,984
Net Direct Debt of School District as at June 30, 2018.			<u>30,376,000</u>
Total Direct and Overlapping Debt			<u><u>\$168,719,984</u></u>

Source(s): Town of Westfield, Chief Financial Officer.
Union County Treasurer's Office.
Rahway Valley Sewarge Authority.

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

Legal Debt Margin Calculation for Calendar Year

Equalized
 Valuation
 Basis

2015	7,491,924,858
2016	7,643,613,063
2017	<u>7,714,247,401</u>
[A]	<u>\$ 22,849,785,322</u>

Avg Equalized Valuation of Taxable Property

[A/3]	\$ 7,616,595,107
-------	------------------

School Borrowing Margin (4%)

[B]	304,663,804
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Net Bonded School Debt

[C]	<u>304,663,804</u>
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Legal Debt Margin

[B-C]	<u>\$ 304,663,804</u>
-------	-----------------------

Fiscal Year

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 296,828,654	\$ 304,859,355	\$ 302,359,911	\$ 296,709,540	\$ 290,803,202	\$ 289,534,541	\$ 290,575,027	\$ 294,519,299	\$ 299,749,036	\$ 304,663,804
Total Net Debt Applicable to Limit	<u>28,427,000</u>	<u>27,087,000</u>	<u>24,667,000</u>	<u>22,682,000</u>	<u>20,587,000</u>	<u>25,353,000</u>	<u>26,507,000</u>	<u>40,006,000</u>	<u>33,757,000</u>	<u>30,376,000</u>
Legal Debt Margin	<u>\$ 268,401,654</u>	<u>\$ 277,772,355</u>	<u>\$ 277,692,911</u>	<u>\$ 274,027,540</u>	<u>\$ 270,216,202</u>	<u>\$ 264,181,541</u>	<u>\$ 264,068,027</u>	<u>\$ 254,513,299</u>	<u>\$ 265,992,036</u>	<u>\$ 274,287,804</u>
Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit	9.58%	8.89%	8.16%	7.64%	7.08%	8.76%	9.12%	13.58%	11.26%	9.97%

Source(s): Town of Westfield Annual Debt Statement - Town of Westfield Finance Director.

Demographic and Economic Information

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

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2007	29,301	1,512,459,018	51,618	2.40%
2008	29,397	1,566,066,381	53,273	3.20%
2009	26,678	1,337,474,852	50,134	5.70%
2010	30,377	1,549,834,540	51,020	5.70%
2011	30,433	1,614,896,712	53,064	5.50%
2012	30,510	1,670,941,170	54,767	5.60%
2013	30,599	1,684,230,158	55,042	4.70%
2014	30,536	1,769,561,200	57,950	4.20%
2015	30,394	1,826,345,066	60,089	3.50%
2016	30,206	1,815,048,334	60,089	3.20%

Source(s):

^a State of New Jersey, Department of labor and Workforce Development (Release Date 2017).

^b Personal income has been estimated based upon the municipal population and the personal income presented.

^c Per Capita Data represents County of Union, estimated at 2015 levels for 2016.

^d 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

Employer	2018			2009		
	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%

N/A - Unavailable.

Operating Information

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

Exhibit J-16

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Instruction										
Teachers	452	445	460	475	475	478	475	480	484	482
Classroom Aides	31	31	12	12	14	38	31	26	30	45
Vocational	-	-	-	-	-	-	-	-	-	-
Other Instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic School Programs	-	-	-	-	-	-	-	-	-	-
Adult/Continuing Education Programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & Instruction Related Services	163	161	178	194	197	191	189	194	190	186
General Administrative Services	3	3	7	7	7	6	6	6	6	6
School Administrative Services	41	41	39	40	40	41	41	39	39	39
Business Administrative Services	14	14	14	14	15	15	15	14	14	14
Admin Info Technology Services	6	6	7	9	9	9	8	8	8	8
Plant Operations and Maintenance	56	55	58	61	61	61	61	61	61	61
Pupil Transportation	-	-	-	-	-	-	-	-	-	-
Total	766	756	775	812	816	839	826	828	832	841

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

WESTFIELD BOARD OF EDUCATION
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

Exhibit J-17

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
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%
2016-17	6,322	108,009,312	17,085	2.04%	484	6,301	6,074	0.5%	96.4%
2017-18	6,357	114,124,538	17,953	5.08%	482	6,311	6,105	0.2%	96.7%

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

Exhibit J-18

BUILDING	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
ELEMENTARY										
FRANKLIN [1929] [1956] [2000]										
SQUARE FEET	65,814	65,814	65,814	65,814	65,814	65,814	65,814	65,814	65,814	65,814
CAPACITY - STATE MODEL - STUDENTS	550	550	550	550	550	550	550	550	550	550
ENROLLMENT	608	629	642	636	636	570	575	569	584	594
JEFFERSON [1953] [1955] [1996]										
SQUARE FEET	47,849	47,849	47,849	47,849	47,849	47,849	47,849	47,849	47,849	47,849
CAPACITY - STATE MODEL - STUDENTS	431	431	431	431	431	431	431	431	431	431
ENROLLMENT	421	444	468	469	483	502	496	489	481	474
MCKINLEY [1906] [1931] [2000]										
SQUARE FEET	61,140	61,140	61,140	61,140	61,140	61,140	61,140	61,140	61,140	61,140
CAPACITY - STATE MODEL - STUDENTS	337	337	337	337	337	337	337	337	337	337
ENROLLMENT	331	348	368	355	349	344	350	353	361	348
TAMAQUES [1961]										
SQUARE FEET	48,350	48,350	48,350	48,350	48,350	48,350	48,350	48,350	48,350	48,350
CAPACITY - STATE MODEL - STUDENTS	430	430	430	430	430	430	430	430	430	430
ENROLLMENT	435	426	437	431	441	439	439	438	429	408
WASHINGTON [1954] [1992]										
SQUARE FEET	36,700	36,700	36,700	36,700	36,700	36,700	36,700	36,700	36,700	36,700
CAPACITY - STATE MODEL - STUDENTS	332	332	332	332	332	332	332	332	332	332
ENROLLMENT	330	329	333	325	319	330	326	320	330	311
WILSON [1935] [1963] [1996] [2000]										
SQUARE FEET	45,595	45,595	45,595	45,595	45,595	45,595	45,595	45,595	45,595	45,595
CAPACITY - STATE MODEL - STUDENTS	449	449	449	449	449	449	449	449	449	449
ENROLLMENT	478	468	412	393	389	385	387	394	388	371
LINCOLN SCHOOL [1922] [2008]										
SQUARE FEET	26,980	26,980	26,980	26,980	26,980	26,980	26,980	26,980	26,980	26,980
CAPACITY - STATE MODEL - STUDENTS	465	465	465	465	465	465	465	465	465	465
ENROLLMENT	323	285	257	260	283	234	313	315	300	311
INTERMEDIATE										
EDISON [1958] [1964]										
SQUARE FEET	124,998	124,998	124,998	124,998	124,998	124,998	124,998	124,998	124,998	124,998
CAPACITY - STATE MODEL - STUDENTS	768	768	768	768	768	768	768	768	768	768
ENROLLMENT	724	759	767	828	826	808	811	831	825	843
ROOSEVELT [1926] [1964]										
SQUARE FEET	112,890	112,890	112,890	112,890	112,890	112,890	112,890	112,890	112,890	112,890
CAPACITY - STATE MODEL - STUDENTS	683	683	683	683	683	683	683	683	683	683
ENROLLMENT	774	780	739	731	717	731	729	734	752	782
HIGH SCHOOL										
WESTFIELD HIGH SCHOOL [1950] [1906] [2002]										
SQUARE FEET	303,320	303,320	303,320	303,320	303,320	303,320	303,320	303,320	303,320	303,320
CAPACITY - STATE MODEL - STUDENTS	1,713	1,713	1,713	1,713	1,713	1,713	1,713	1,713	1,713	1,713
ENROLLMENT	1,786	1,799	1,844	1,838	1,844	1,853	1,852	1,863	1,863	1,915
OTHER										
ADMINISTRATION [1914]										
SQUARE FEET	29,410	29,410	29,410	29,410	29,410	29,410	29,410	29,410	29,410	29,410

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

Exhibit J-19

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

School Facilities	Project # (s)	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
FRANKLIN ELEMENTARY SCHOOL	N/A	\$ 74,903	\$ 71,561	\$ 64,378	\$ 78,663	\$ 80,717	\$ 84,358	\$ 92,283	\$ 82,291	\$ 86,730	\$ 112,585
JEFFERSON ELEMENTARY SCHOOL	N/A	51,959	82,148	72,977	57,191	58,685	61,332	64,611	57,615	61,984	81,243
LINCOLN ELEMENTARY SCHOOL	N/A	41,116	44,675	30,190	32,248	33,089	34,582	29,298	26,126	30,782	34,711
MCKINLEY ELEMENTARY SCHOOL	N/A	70,831	64,098	66,222	73,077	74,986	78,366	94,148	83,954	78,026	98,216
TAMAQUES ELEMENTARY SCHOOL	N/A	54,558	44,557	47,277	57,790	59,299	61,973	74,817	66,716	61,099	64,206
WASHINGTON ELEMENTARY SCHOOL	N/A	60,822	44,099	38,639	43,864	45,010	47,041	71,123	63,422	47,234	59,841
WILSON ELEMENTARY SCHOOL	N/A	44,637	57,136	88,365	95,475	55,921	58,443	79,118	70,551	67,173	89,165
EDISON INTERMEDIATE SCHOOL	N/A	151,442	124,974	129,150	144,118	153,305	160,218	134,436	119,879	148,111	197,184
ROOSEVELT INTERMEDIATE SCHOOL	N/A	139,627	138,299	124,232	134,930	138,453	144,698	146,200	130,370	158,919	175,527
WESTFIELD HIGH SCHOOL	N/A	355,399	316,957	324,952	359,594	400,056	362,503	577,055	514,572	363,350	473,885
ADMINISTRATION BULDING	N/A	33,066	35,291	45,420							
GRAND TOTAL		\$ 1,078,360	\$ 1,023,795	\$ 1,031,802	\$ 1,076,950	\$ 1,099,521	\$ 1,093,514	\$ 1,363,090	\$ 1,215,496	\$ 1,103,408	\$ 1,386,563

SOURCE: DISTRICT RECORDS.

WESTFIELD TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
6/30/2018
UNAUDITED

Exhibit J-20

	Coverage	Deductible
Commercial Package Policy - NJ Schools Insurance Group (NJSIG):		
<u>PROPERTY SECTION:</u>		
Blanket Building and Contents (fund Limit)	\$ 500,000,000.00	\$ 5,000.00
Accounts Receivable	250,000.00	5,000.00
Automobile Physical Damage	In Blanket Limit	1,000.00
Electronic Data Processing Equipment	1,000,000.00	1,000.00
<u>LIABILITY SECTION:</u>		
Comprehensive General Liability	11,000,000.00	
Automobile Liability	11,000,000.00	
Employee Benefit Liability	11,000,000.00	1,000.00
<u>UMBRELLA: Starstone</u>		
Umbrella Coverage	29,000,000.00	11,000,000.00
<u>CRIME</u>		
Blanket Employee Dishonesty	1,000,000.00	1,000.00
Forgery	1,000,000.00	1,000.00
Theft/Disappearance/Destruction:		
Inside	50,000.00	500.00
Outside	50,000.00	500.00
Computer Fraud	100,000.00	1,000.00
<u>SCHOOL BOARD LEGAL LIABILITY -NJSIG</u>	11,000,000.00	25,000.00
<u>ENVIRONMENTAL IMPAIRMENT LIABILITY :</u>		
Zurich Insurance Company (NJSIG)		
Limit of Liability		
Incident	1,000,000.00	10,000.00
Fund Annual Aggregate	11,000,000.00	
<u>WORKERS COMPENSATION</u>		
(a) Statutory Benefits	Included	
(b) Employer's Liability	5,000,000.00	
<u>SUPPLEMENTAL WORKERS' COMPENSATION:</u>		
Chubb	Statutory	
<u>Public Employees' Faithful Performance Blanket Position Bond-</u>		
Selective Insurance Company		
Business Administrator - D. Sullivan	200,000.00	
<u>Environmental Impairment (Mold)</u>		
Philadelphia Ins Co	1,000,000.00	10,000.00

Source: District Records.

SINGLE AUDIT SECTION

SECTION – K

HODULIK & MORRISON, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
PUBLIC SCHOOL ACCOUNTANTS
1102 RARITAN AVENUE, P.O. BOX 1450
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K-1

NDREW G. HODULIK, CPA, RMA, PSA
OBERT S. MORRISON, CPA, RMA, PSA

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

**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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 25, 2019.

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 January 25, 2019.

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.

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
January 25, 2019

HODULIK & MORRISON, P.A.
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REGISTERED MUNICIPAL ACCOUNTANTS
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K-2

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**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, 2018. 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, the 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 or 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, 2018.

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 the 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.

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 for any other purposes.



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



Robert S. Morrison
Public School Accountant
PSA # 871

Highland Park, New Jersey
January 25, 2019

WESTFIELD SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at Balance at June 30, 2017		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance June 30, 2018 (Accounts Receivable)
				From	To		Deferred Revenue/ (Accounts Receivable)	Deferred Revenue					
Enterprise Fund:													
U.S. Department of Agriculture													
Passed through State Department of Education:													
Child Nutrition Cluster:													
Federal Food Distribution Program	10.555	171NJ304N1099	N/A	7/1/17	6/30/18	\$ 35,721	\$	\$ 2,698.26	\$	33,022.55	\$ (35,720.81)	\$	\$
National School Lunch Program	10.555	171NJ304N1099	17-100-010-3350-026	7/1/16	6/30/17					5,490.14			
National School Lunch Program	10.555	171NJ304N1099	18-100-010-3350-026	7/1/17	6/30/18	67,096				61,844.56	(67,096.38)		(5,251.82)
Total Child Nutrition Cluster										<u>100,357.25</u>	<u>(102,817.19)</u>		<u>(5,251.82)</u>
Total Enterprise Fund										<u>100,357.25</u>	<u>(102,817.19)</u>		<u>(5,251.82)</u>
General Fund:													
U.S. Department of Education													
Passed through State Department of Education:													
Medical Assistance Program (SEMI)	93.778	1705NJ5MAP	18-100-054-7540-211	7/1/17	6/30/18	55,517				55,516.99	(55,516.99)		
Total General Fund										<u>55,516.99</u>	<u>(55,516.99)</u>		
Special Revenue Fund:													
U.S. Department of Education													
Passed through State Department of Education:													
Special Education Cluster:													
I.D.E.A. - Part B, Basic Regular	84.027	H027A160100	17-100-034-5065-016	7/1/16	6/30/17			(136,438.00)		(19,303.03)	155,741.00	0.03	
I.D.E.A. - Part B, Basic Regular	84.027	H027A170100	18-100-034-5065-016	7/1/17	6/30/18	1,416,009				19,303.03	(1,416,009.12)		(491,034.09)
I.D.E.A. - Part B, Preschool	84.173	H173A160114	IDEA-17	7/1/16	6/30/17	16,439					(16,439.00)		(16,439.00)
Total Special Education Cluster								<u>(136,438.00)</u>		<u>1,061,413.00</u>	<u>(1,432,448.12)</u>	<u>0.03</u>	<u>(507,473.09)</u>
Emergency Impact Aid	84.938C			7/1/17	6/30/18	4,250					(4,250.00)		(4,250.00)
No Child Left Behind (NCLB):													
Title I, Part A	84.010A	S010A160030	NCLB-17	7/1/16	6/30/17			(32,371.00)		(21,346.33)	53,717.00	0.33	
Title I, Part A	84.010A	S010A160030	NCLB-18	7/1/17	6/30/18	157,078				21,346.33	(157,078.30)		(92,225.97)
Title II, Part A	84.367A	S367A170029	NCLB-18	7/1/17	6/30/18	96,560				8,869.00	(96,560.02)		(47,518.02)
Title II, Part A	84.367A	S367A160029	NCLB-17	7/1/16	6/30/17			(32,365.00)		(8,869.00)	41,234.00		
Title III	84.365A	S365A170030	NCLB-18	7/1/17	6/30/18	9,032				5,188.00	(9,031.53)		3,586.47
Title III	84.365A	S365A160030	NCLB-17	7/1/16	6/30/17			(743.00)		(5,188.00)	5,931.00		
Title III - Immigrant	84.365A	S365A170030	NCLB-17	7/1/17	6/30/18	7,141				1,822.64	(7,140.64)		
Title III - Immigrant	84.365A	S365A160030	NCLB-17	7/1/16	6/30/17			(484.00)		(1,822.64)	2,307.00	(0.36)	
Total Special Revenue Fund								<u>(202,401.00)</u>		<u>1,261,029.00</u>	<u>(1,706,508.61)</u>		<u>(647,880.61)</u>
TOTAL FEDERAL AWARDS								<u>\$ (207,891.14)</u>	<u>\$ 2,698.26</u>	<u>\$ 1,416,903.24</u>	<u>\$ (1,864,842.79)</u>		<u>\$ (653,132.43)</u>

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 STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Schedule - B
 Exhibit K-4

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NO.	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2017			CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAY. OF PR. YRS. BALANCES	BALANCE AT JUNE 30, 2018		MEMO	
				GAAP DEF.REV./ (ACCTS.REC.)	MEMO BUDGETARY (ACCTS.REC.)	DUE TO GRANTOR				(ACCTS.REC.)	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
General Fund													
State Department of Education:													
Special Education Categorial Aid	17-495-034-5120-089		7/1/16-6/30/17	\$	(250,517.38)		\$ 250,517.38						
Special Education Categorial Aid	18-495-034-5120-089	2,815,067	7/1/17-6/30/18				2,542,166.00	(2,815,067.00)				(272,901.00)	(2,815,067.00)
Transportation Aid	17-495-034-5120-014		7/1/16-6/30/17		(13,315.63)		13,315.63						
Transportation Aid	18-495-034-5120-014	138,112	7/1/17-6/30/18				124,304.00	(138,112.00)				(13,808.00)	(138,112.00)
Security Aid	17-495-034-5120-084		7/1/16-6/30/17		(10,651.87)		10,651.87						
Security Aid	18-495-034-5120-084	110,483	7/1/17-6/30/18				99,432.00	(110,483.00)				(11,051.00)	(110,483.00)
Extraordinary Aid	17-495-034-5120-044		7/1/16-6/30/17		(1,239,317.00)		1,239,317.00						
Extraordinary Aid	18-495-034-5120-044	1,402,361	7/1/17-6/30/18					(1,402,361.00)				(1,402,361.00)	(1,402,361.00)
Non-Public Transportation	17-495-034-5120-014		7/1/16-6/30/17	(51,156.00)			51,156.00						
Non-Public Transportation	18-495-034-5120-014	81,200	7/1/17-6/30/18					(81,200.00)		(81,200.00)		(81,200.00)	(81,200.00)
Per Pupil Growth Aid	17-495-034-5120-097		7/1/16-6/30/17		(5,977.53)		5,977.53						
Per Pupil Growth Aid	18-495-034-5120-097	62,000	7/1/17-6/30/18				55,800.00	(62,000.00)				(6,200.00)	(62,000.00)
PARCC Readiness	17-495-034-5120-098		7/1/16-6/30/17		(5,977.53)		5,977.53						
PARCC Readiness	18-495-034-5120-098	62,000	7/1/17-6/30/18				55,800.00	(62,000.00)				(6,200.00)	(62,000.00)
Prof. Learning Community Aid	17-495-034-5120-101		7/1/16-6/30/17		(5,977.06)		5,977.06						
Prof. Learning Community Aid	18-495-034-5120-101	61,995	7/1/17-6/30/18				55,798.00	(61,995.00)				(6,197.00)	(61,995.00)
T.P.A.F. Social Security Aid	17-495-034-5095-003		7/1/16-6/30/17	(168,751.12)			168,751.12						
T.P.A.F. Social Security Aid	18-495-034-5095-003	3,449,186	7/1/17-6/30/18				3,449,185.87	(3,449,185.87)					
On-behalf T.P.A.F. Pension Contribution	18-495-034-5095-002	6,575,720	7/1/17-6/30/18				6,575,720.00	(6,575,720.00)					(6,575,720.00)
On-behalf T.P.A.F. Post Retirement Medical	18-495-034-5095-001	4,350,184	7/1/17-6/30/18				4,350,184.00	(4,350,184.00)					(4,350,184.00)
On-behalf T.P.A.F. NCGI Premiums	18-495-034-5094-004	168,794	7/1/17-6/30/18				168,794.00	(168,794.00)					(168,794.00)
Total General Fund				(219,907.12)	(1,531,734.00)		19,228,824.99	(19,277,101.87)		(81,200.00)		(1,718,718.00)	(15,827,916.00)
Special Revenue Fund													
State Department of Education:													
N.J. Nonpublic Aid:													
Textbook Aid	17-100-034-5120-064		7/1/16-6/30/17			2,076.21			(2,076.21)				
Textbook Aid	18-100-034-5120-064	23,855	7/1/17-6/30/18				25,471.00	(23,854.88)			1,616.12		(23,854.88)
Auxiliary Services:													
Compensatory Education	17-100-034-5120-067		7/1/16-6/30/17										
Compensatory Education	18-100-034-5120-067	34,993	7/1/17-6/30/18				35,434.00	(34,993.05)			440.95		(34,993.05)
English As A Second Language	17-100-034-5120-067		7/1/16-6/30/17			2,741.00			(2,741.00)				
English As A Second Language	16-100-034-5120-067		7/1/17-6/30/18										
Transportation	18-100-034-5120-067	10,630	7/1/17-6/30/18				10,631.00	(10,630.00)			1.00		(10,630.00)
Handicapped Services:													
Supplementary Instruction	17-100-034-5120-066		7/1/16-6/30/17			235.37			(235.37)				
Supplementary Instruction	18-100-034-5120-066	23,235	7/1/17-6/30/18				23,789.00	(23,234.90)			554.10		(23,234.90)
Examination & Classification	17-100-034-5120-066		7/1/16-6/30/17			4,693.00			(4,693.00)				
Examination & Classification	18-100-034-5120-066	6,931	7/1/17-6/30/18				7,296.00	(6,931.20)			364.80		(6,931.20)
Corrective Speech	17-100-034-5120-066		7/1/16-6/30/17			36,665.25			(36,665.25)				
Corrective Speech	18-100-034-5120-066	15,356	7/1/17-6/30/18				43,747.00	(15,356.16)			28,390.84		(15,356.16)
Initial Exam & Classification	17-100-034-5120-066		7/1/16-6/30/17			2,519.84			(2,519.84)				
Initial Exam & Classification	16-100-034-5120-066	21,643	7/1/17-6/30/18				21,643.00	(21,643.00)					(21,643.00)
Nursing Services:													
Nursing Services	17-100-034-5120-070		7/1/16-6/30/17			6,350.58			(6,350.58)				
Nursing Services	18-100-034-5120-070	35,547	7/1/17-6/30/18				45,105.00	(35,547.48)			9,557.52		(35,547.48)
Technology Initiative	17-100-034-5120-373		7/1/16-6/30/17			829.56			(829.56)				
Technology Initiative	18-100-034-5120-373	15,873	7/1/17-6/30/18				17,205.00	(15,872.78)			1,332.22		(15,872.78)
Nonpublic Security	17-100-034-5120-509		7/1/16-6/30/17			784.39			(784.39)				
Nonpublic Security	18-100-034-5120-509	32,233	7/1/17-6/30/18				34,875.00	(32,232.57)		2,642.43	2,642.43		(32,232.57)
Total Special Revenue Fund						56,895.20	265,196.00	(220,296.02)	(56,895.20)	2,642.43	44,899.98		(220,296.02)

WESTFIELD SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Schedule - B
 Exhibit K -4

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NO.	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2017				ADJUSTMENTS/ REPAY. OF PR. YRS. BALANCES	BALANCE AT JUNE 30, 2018		MEMO		
				GAAP DEF REV / (ACCTS.REC.)	MEMO BUDGETARY (ACCTS. REC.)	DUE TO GRANTOR	CASH RECEIVED		BUDGETARY EXPENDITURES	(ACCTS.REC.)	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
Debt Service Fund													
State Department of Education: Debt Service Aid	18-495-034-5120-017	795,151	7/1/17-6/30/18				795,151.00	(795,151.00)				(795,151.00)	
Total Debt Service Fund							795,151.00	(795,151.00)				(795,151.00)	
Capital Projects Fund													
State Department of Education: SDA Grants - Cluster	5730-XXXX-XX-XXXX		Indefinite	(186,516.62)						(186,516.62)		(186,516.62)	
Total Capital Projects Fund				(186,516.62)						(186,516.62)		(186,516.62)	
Enterprise Fund													
State Department of Education: National School Lunch Prog. (State Share)	17-100-010-3350-023		7/1/16-6/30/17	(329.04)			329.04						
National School Lunch Prog. (State Share)	18-100-010-3350-023	5,179	7/1/17-6/30/18				4,803.15	(5,178.67)		(375.52)		5,178.67	
Total Enterprise Fund				(329.04)			5,132.19	(5,178.67)		(375.52)		5,178.67	
Total State Financial Assistance				\$ (406,752.78)	\$ (1,531,734.00)	56,895.20	\$ 20,294,304.18	\$ (20,297,727.56)	\$ (56,895.20)	\$ (265,449.71)	\$ 44,899.98	\$ (1,718,718.00)	\$ (17,024,697.97)

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 NJOMB Circular 15-08.

Reconciliation:

Budgetary Expenditures	\$ 20,297,727.56
Less:	
On-behalf T.P.A.F. Post Retirement Medical	(4,350,184.00)
On-behalf T.P.A.F. Pension Contribution	(6,575,720.00)
On-behalf T.P.A.F. NCGI Premiums	(168,794.00)
Amount Subject to State Single Audit.	\$ 9,203,029.56

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

WESTFIELD SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2018

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 2017-2018 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:

**WESTFIELD SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2018**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$55,516.99	\$19,098,965.37	\$19,154,482.36
Special Revenue Fund	1,706,508.61	220,296.02	1,926,804.63
Capital Projects Fund	0.00	0.00	0.00
Debt Service Fund	0.00	795,151.00	795,151.00
Food Service Fund	<u>102,817.19</u>	<u>5,178.67</u>	<u>107,995.86</u>
Total Assistance	<u>\$1,864,842.79</u>	<u>\$20,119,591.06</u>	<u>\$21,984,433.85</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, Post-Retirement Medical, and Long Term Disability Benefits represents the amount paid by the state on behalf of the District for the year ended June 30, 2018. 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, 2018.

**WESTFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

K-6

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 None Reported

Noncompliance material to 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 section 2 CFR-200.516(a)? _____ Yes X No

Identification of major programs:

CFDA Number(s)	FAIN Numbers	Name of Federal Program or Cluster
84.027	H027A170100	Special Education (IDEA) Cluster: IDEA, Part B, Basic
84.173	H173A160114	IDEA, Part B, Preschool

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

Auditee qualified as low-risk auditee? X Yes _____ No

**WESTFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

K-6

Section II - Financial Statement Findings

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(ies)/Material Weaknesses

None Noted.

Noncompliance

None Noted.

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.

State Award Programs:

Significant Deficiency(ies)/Material Weaknesses

None Noted.

Noncompliance

None Noted.

**WESTFIELD SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Section I – Summary of Prior Year Federal and State Findings

N/A

Section II – Current Year Status

N/A