



**SCHOOL DISTRICT  
OF  
TOWN OF WESTFIELD**

**TOWN OF WESTFIELD BOARD OF EDUCATION**

**COUNTY OF UNION  
WESTFIELD, NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR  
ENDED JUNE 30, 2021**

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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
June 30, 2021**

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## **INTRODUCTORY SECTION**



# WESTFIELD PUBLIC SCHOOLS

*A Tradition of Excellence*

Raymond González  
Superintendent

302 Elm Street \* Westfield \* New Jersey \* 07090  
908-789-4414  
[www.westfieldnj12.org](http://www.westfieldnj12.org)

Dana Sullivan  
Business Administrator/  
Board Secretary

March 1, 2022

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

Dear Board Members:

The annual comprehensive financial report (ACFR) of the Town of Westfield School District (District) as of and for the fiscal year ended June 30, 2021, 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, created the current reporting model of financial information and disclosure. The reader will notice that the two main basic financial statements created by this standard, the Statement of Net Position 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 position 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 auditors' 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, Amendments of 1996, and single audit requirements contained in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform 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 auditors' report on internal control 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. All funds and the Government-wide financial statements 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>Average Daily Student Enrollment</u>	<u>Percent Change</u>
2020-2021	5,928	-4.4%
2019-2020	6,202	0.2%
2018-2019	6,191	-2.8%
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%

2. Economic Condition and Outlook: The Town of Westfield is a stable community with a 2020 census population of 31,032. 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 2020 census, the median household income was \$170,798 and per capita income was \$81,933. The per capita income for the County of Union as reported in the 2020 census was \$41,576.

There is little space for new housing expansion - thus, the tax base is rather stable. Housing units increased 3% since 1980. The Town underwent a property revaluation for 2019. Based upon the revaluation, the average home is assessed at \$800,800, and this amount also reflects the estimated current market value..

Property taxes provided 93% of the District's General Fund budgeted revenues for the 2020-21 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.



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 in 2020-2021 by Westfield students and staff included the following:

- 93% of Westfield High School graduates are pursuing a higher education.
- 163 Westfield High School students were inducted into the National Honor Society.
- 3 National Merit Finalists, and 9 Commended Students in the 2021 National Merit Scholarship Program.
- 2 Westfield High School seniors named 2020-2021 National Hispanic Scholars.
- 34 perfect SAT or ACT standardized test scores were earned by Westfield High School students.
- 2 Westfield High School 11<sup>th</sup> graders accepted in New Jersey Governor's School Scholar programs.
- 1 Westfield High School senior earned Academic All American Award from National Speech and Debate Association.
- 1 WHS 10<sup>th</sup> grader earns student legacy award from the Anti-Defamation League of New York/New Jersey (ADL) for "extraordinary leadership in the effort to make their school "No Place for Hate."
- Westfield High School Model United Nations Club student delegation received several awards at the annual conference, including the Outstanding Delegation Award.
- Westfield High School 11<sup>th</sup> grader elected to serve as Treasurer for the New Jersey Association of Student Councils.
- 83 Westfield High School students inducted into National Honor Societies for French, Spanish, Italian, and Chinese.
- 90 Westfield High School seniors attained the Seal of Biliteracy, an award granted to students who attain proficiency in two or more languages by high school graduation.
- For a 4<sup>th</sup> consecutive year, the Westfield Public School District was named one of the "Best Communities for Music Education" in the nation.
- 3 student vocalists from Westfield High School were accepted into the All-Eastern Chorus; 32 WHS choir students performed with New Jersey State Solo & Ensemble Festival.
- 3 Westfield High School Band students performed with the New Jersey State Solo and Ensemble Festival at the State Final Round; 10 WHS band and orchestra musicians performed with New Jersey State Solo and Ensemble Festival.
- 3 Roosevelt Intermediate School and 9 Edison Intermediate School band members performed with the New Jersey State Solo and Ensemble Festival.
- Westfield students received prestigious awards for virtual performances at the Montclair State University Theatre Night Awards and Paper Mill Playhouse Rising Star Awards.
- 28 of our 2020 graduating student-athletes are participating at the collegiate level.
- Student-athletes excelled on and off the field, with Boys Golf team winning Tournament of Champions and State title; Girls Lacrosse team sectional champions and State finalists; Boys Tennis team sectional champions; Softball sectional champs and State semi-finalists.

- A female WHS Track and Field runner was State and Sectional Champion and named an NJSIAA Scholar Athlete; Girls Track and Field 4x800 Relay Team won state championship; 2 Girls Track and Field members earned sectional titles in their events.
- 3 WHS Boys Track and Field competitors earned sectional titles in their events.
- 2 WHS student athletes were named county Scholar Athletes.
- WHS student journalism – Optic Magazine and Hi's Eye – earned top honors by the American Scholastic Press Association
- Charitable fundraising efforts across Westfield Public Schools continued throughout the year with food drives, winter coat collections, holiday gift giving, and many other service-based initiatives.

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 system is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, 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 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 assigned fund balance at June 30, 2021. General Fund encumbrances at June 30, 2021 were \$1,259,798.

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 the government-wide financial statements 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 and debt service fund for the fiscal year ended June 30, 2021 and the amount of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>2020-2021</u>	<u>Percent of Total</u>	<u>2019-2020</u>	<u>Increase/ (Decrease)</u>
Local Tax Levy	\$ 106,150,449	76.53%	\$ 104,749,790	\$ 1,400,659
Other Local Sources	1,385,484	1.00%	2,014,920	(629,436)
State Sources	28,605,095	20.62%	23,946,661	4,658,434
Federal Sources	<u>2,560,040</u>	<u>1.85%</u>	<u>1,757,887</u>	<u>802,153</u>
Total	<u>\$ 138,701,068</u>	<u>100.00%</u>	<u>\$ 132,469,258</u>	<u>\$ 6,231,810</u>

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

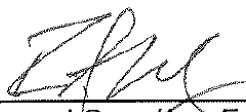
The following schedule presents a summary of general funds, special revenue fund, and debt service expenditures for the fiscal year ended June 30, 2021 and the amount of increases and decreases in relation to the prior year amounts.

<u>Expenditures</u>	<u>2020-2021</u>	<u>Percent of Total</u>	<u>2019-2020</u>	<u>Increase/ (Decrease)</u>
Current Expenses:				
Instruction	\$ 47,165,441	34.86%	\$ 46,041,421	\$ 1,124,020
Undistributed Expenditures	79,715,862	58.92%	71,560,497	8,155,365
Capital Outlay	1,395,637	1.03%	730,574	665,063
Special Revenues	3,363,499	2.49%	2,564,289	799,210
Debt Service:				
Principal	3,116,000	2.30%	3,500,000	(384,000)
Interest	<u>543,073</u>	<u>0.40%</u>	<u>608,513</u>	<u>(65,440)</u>
	<u>\$ 135,299,512</u>	<u>100.00%</u>	<u>\$ 125,005,294</u>	<u>\$ 10,294,218</u>

8. Debt Administration: The total debt outstanding for the District was \$20,325,000 as of June 30, 2021.

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, cyber liability, 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. The Board is a member of the New Jersey Schools Insurance Group.
  
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 PKF O'Connor Davies, LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, as amended, and related grant guidance and OMB Circular 15-08. The auditors' 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 auditors' 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.

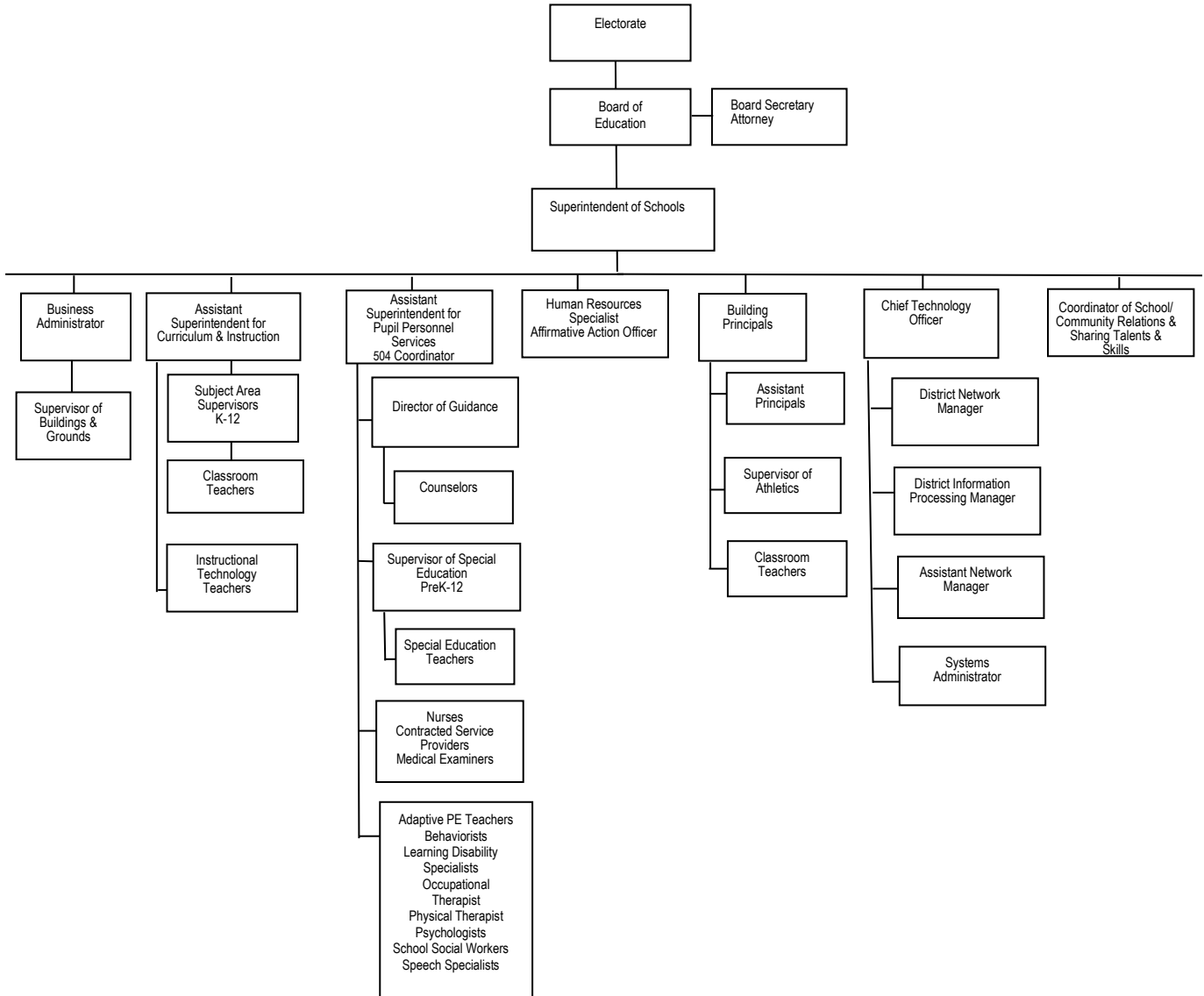
Respectfully submitted,

  
 \_\_\_\_\_  
 Raymond Gonzalez, Ed.D  
 Superintendent

  
 \_\_\_\_\_  
 Dana Sullivan  
 School Business Administrator/Board Secretary

*Lincoln Early Childhood Learning Center • Franklin Elementary School • Jefferson Elementary School • McKinley Elementary School • Tamaques Elementary School Washington Elementary School • Wilson Elementary School • Edison Intermediate School • Roosevelt Intermediate School • Westfield High School*

**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  
 Revised: February 4, 2020

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

**ROSTER OF OFFICIALS  
JUNE 30, 2021**

**Members of the Board of Education**

**Term Expires**

Amy Root, President	2022
J. Brendan Galligan, Vice-President	2022
Sahar Aziz	2023
Michael Bielen	2022
Robert Garrison	2021
Leila Morrelli	2023
Gretchan Ohlig	2021
Tara Oporto	2021
Sonal Patel	2023

**Other Officials**

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

**WESTFIELD SCHOOL DISTRICT  
Consultants and Advisors**

**Architects**

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

**Audit Firm**

PKF O'Connor Davies LLP  
20 Commerce Drive, Suite 301  
Cranford, NJ 07016

**Board Attorney**

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

**Labor/General Counsel**

Adams Gutierrez & Lattiboudere, LLC  
1037 Raymond Boulevard, Suite 900  
Newark, NJ 07102

**Bond Counsel**

McManimon, Scotland & Baumann, LLC  
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**





## **INDEPENDENT AUDITORS' 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, 2021, 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 fraud or error.

### **Auditors' 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

PKF O'CONNOR DAVIES, LLP  
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | [www.pkfod.com](http://www.pkfod.com)

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

We draw attention to Note 21 and Note 22 in the notes to financial statements which disclose the effects of the District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities*. 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 management's discussion and analysis, schedule of the District's proportionate share of the net pension liability-PERS, schedule of District pension contributions-PERS, schedule of the State's proportionate share of the net pension liability associated with the District-TPAF, schedule of the State's proportionate share of the net OPEB liability and changes in the total OPEB liability and related ratios - PERS and TPAF, and budgetary comparison information as identified 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 District's basic financial statements. The accompanying 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 expenditures of state financial assistance, required by New Jersey OMB Circular 15-08, and the other information, such as the introductory section and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, long-term debt schedules, schedule of expenditures of federal awards and schedule of expenditures 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 expenditures of state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

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

**Other Reporting Required by Governmental Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

March 1, 2022  
Cranford, New Jersey



Andrew G. Hodulik  
Licensed Public School Accountant, No. 841

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**PART I**

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

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**  
**(Unaudited)**  
**June 30, 2021**

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, 2021. 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 Required Supplementary Information specified 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 presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

The key financial highlights for the 2020-2021 fiscal year include the following:

Governmental funds reported a total fund balance of \$24,878,719, which is a \$802,572 decrease from last year's total governmental fund balance. This decrease was due to increasing benefits costs in the current year. The general or operating fund balance was reported for GAAP purposes at \$16,110,132 which represents a decrease of \$7,656,476 over the prior year. Of this total, \$1,863,906 of excess surplus was appropriated toward the 2021-2022 budget, and an additional \$246,682 has been designated for the 2021-2022 budget. \$1,259,798 of general fund balance was assigned to cover open purchase orders at year-end. The unassigned general fund balance is reported at \$4,117,248. General fund balance is below the maximum permitted under the Department of Education regulations based upon 4% of general fund expenditures, with specified modifications. Total spending for all governmental funds was \$139,503,640. Total revenues were \$138,701,068 resulting in an excess of expenditures over revenues of \$802,572 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 Comprehensive Financial Report***

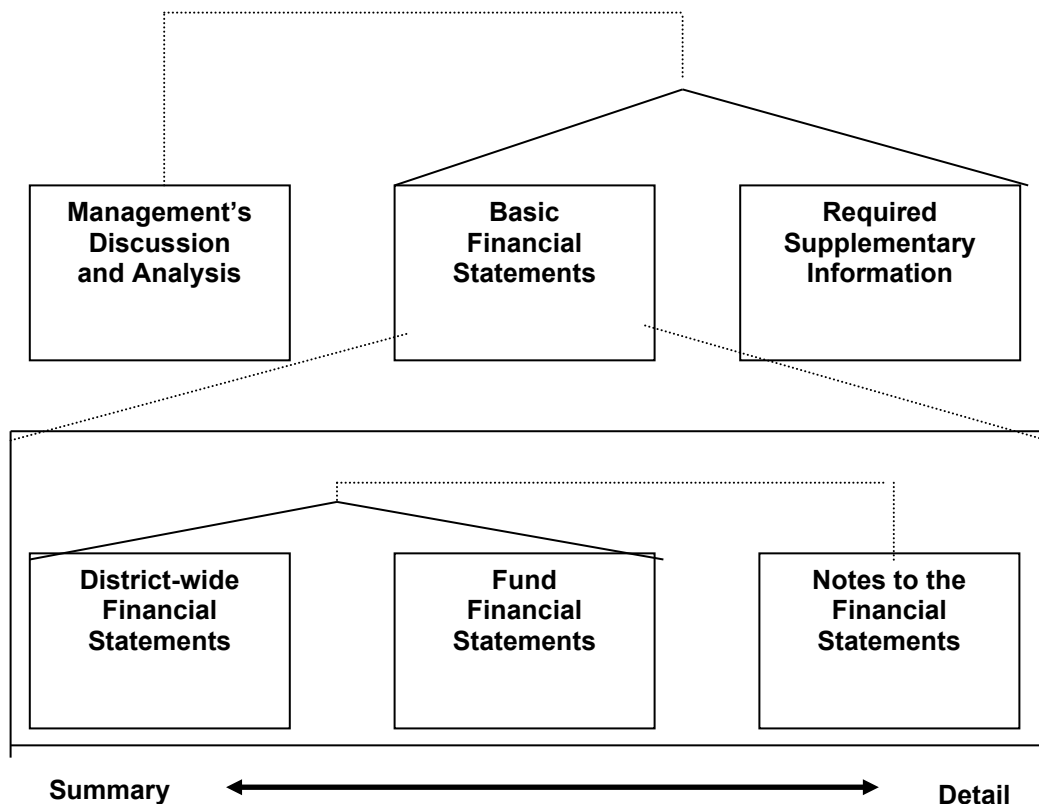


Figure A-2 summarizes the major features of the district’s financial statements, including the portion of the district’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
		Scope	Entire district (except fiduciary funds)
Required financial Statements	<ul style="list-style-type: none"> <li>Statement of net position</li> <li>Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>Balance Sheet</li> <li>Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>Statement of net position</li> <li>Statement of cash flows</li> </ul>
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial 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
Type of inflow/out-flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

## **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 deferred outflows of resources and liabilities and deferred inflows of resources - 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 WRAP program and food services are included here. The district also has a non-major proprietary internal service fund.

## **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 two types 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 health benefits self-insurance fund.

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

The school district's Governmental Activities net position was \$34,961,173 at June 30, 2021. Of this amount, a deficit amount of \$22,843,588 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 positions 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 at June 30, 2021**

	<b>Governmental Activities 2020</b>	<b>Governmental Activities 2021</b>	<b>Amount Difference</b>	<b>% Increase (Decrease)</b>
<b>Assets</b>				
Current and other assets	\$ 26,337,352	\$ 29,494,253	\$ 3,156,901	11.99%
Capital assets	<u>59,303,718</u>	<u>59,237,787</u>	<u>(65,931)</u>	-0.11%
<b>Total Assets</b>	<b>\$ <u>85,641,070</u></b>	<b>\$ <u>88,732,040</u></b>	<b>\$ <u>3,090,970</u></b>	<b>3.61%</b>
<b>Deferred Outflows of Resources</b>				
	<u>5,144,842</u>	<u>4,551,307</u>	<u>(593,535)</u>	-11.54%
<b>Total Deferred Outflows of Resources</b>	<b>\$ <u>5,144,842</u></b>	<b>\$ <u>4,551,307</u></b>	<b>\$ <u>(593,535)</u></b>	<b>-11.54%</b>
<b>Liabilities</b>				
Current and other liabilities	3,246,061	6,327,547	3,081,486	94.93%
Long-term liabilities	<u>47,405,115</u>	<u>42,583,963</u>	<u>(4,821,152)</u>	-10.17%
<b>Total Liabilities</b>	<b>\$ <u>50,651,176</u></b>	<b>\$ <u>48,911,510</u></b>	<b>\$ <u>(1,739,666)</u></b>	<b>-3.43%</b>
<b>Deferred Inflows of Resources</b>				
	<u>9,259,810</u>	<u>9,410,664</u>	<u>150,854</u>	1.63%
<b>Total Deferred Inflows of Resources</b>	<b>\$ <u>9,259,810</u></b>	<b>\$ <u>9,410,664</u></b>	<b>\$ <u>150,854</u></b>	<b>1.63%</b>
<b>Net Position</b>				
Net investment in capital assets	35,862,718	38,549,770	2,687,052	7.49%
Restricted	20,019,406	19,254,991	(764,415)	-3.82%
Unrestricted	<u>(25,007,199)</u>	<u>(22,843,588)</u>	<u>2,163,611</u>	-8.65%
<b>Total Net Position</b>	<b>\$ <u>30,874,925</u></b>	<b>\$ <u>34,961,173</u></b>	<b>\$ <u>4,086,248</u></b>	<b>13.23%</b>

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 for the Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Amount</u> <u>Difference</u>	<u>Percentage</u> <u>Increase</u> <u>(Decrease)</u>
	<u>2020</u>	<u>2021</u>		
<b>Revenues:</b>				
Program revenue				
Operating Grants and Contributions	\$ 24,396,371	\$ 40,939,510	\$ 16,543,139	67.81%
General revenue				
Local tax levy	104,749,790	106,150,449	1,400,659	1.34%
Federal and state aid	4,888,361	4,794,031	(94,330)	-1.93%
Miscellaneous revenues	1,952,576	1,198,529	(754,047)	-38.62%
<b>Total revenues</b>	<b>\$ 135,987,098</b>	<b>\$ 153,082,519</b>	<b>\$ 17,095,421</b>	<b>12.57%</b>
<b>Function/program expense:</b>				
Instruction				
Regular programs	36,944,281	40,657,247	3,712,966	10.05%
Special programs	11,312,698	9,875,847	(1,436,851)	-12.70%
Other Instructional programs	1,815,169	1,745,647	(69,522)	-3.83%
Support services				
Student services	14,170,552	15,634,183	1,463,631	10.33%
Tuition	5,597,633	6,237,009	639,376	11.42%
General administration and				
business services	3,512,032	4,605,815	1,093,783	31.14%
School administration	4,487,540	3,620,413	(867,127)	-19.32%
Plant services	6,232,723	5,706,850	(525,873)	-8.44%
Pupil transportation	2,949,490	3,167,718	218,228	7.40%
Unallocated benefits	38,579,855	55,552,717	16,972,862	43.99%
Unallocated depreciation and amortization	575,603	665,701	90,098	15.65%
Interest on long-term debt	629,941	520,872	(109,069)	-17.31%
<b>Total expenses</b>	<b>\$ 126,807,515</b>	<b>\$ 147,990,019</b>	<b>\$ 21,182,504</b>	<b>16.70%</b>
Transfers (From) or To	(30,866)	(1,988,606)	(1,957,740)	6342.71%
<b>Increase (Decrease) net position</b>	<b>\$ 9,148,717</b>	<b>\$ 3,103,894</b>	<b>\$ (6,044,823)</b>	<b>-66.07%</b>

**Figure A - 4**  
**Change in Net Position year ended June 30,**

	<b>Business-Type Activities</b>		<b>Amount Difference</b>	<b>Percentage Increase (Decrease)</b>
	<b>2020</b>	<b>2021</b>		
<b>Revenues:</b>				
Program revenue				
Charges for Services	\$ 1,518,904	\$ 172,461	\$ (1,346,443)	-88.65%
Operating Grants and Contributions	5,435		(5,435)	-100.00%
Miscellaneous revenues	23,780	6,668	(17,112)	-71.96%
<b>Total revenues</b>	<b>\$ 1,548,119</b>	<b>\$ 179,129</b>	<b>\$ 1,368,990</b>	<b>88.43%</b>
<b>Expenses :</b>				
Food Service	953,918	186,471	(767,447)	-80.45%
WRAP Program	404,657	396,738	(7,919)	-1.96%
<b>Total expenses</b>	<b>\$ 1,358,575</b>	<b>\$ 583,209</b>	<b>\$ (775,366)</b>	<b>-57.07%</b>
<b>Increase (Decrease) net position</b>	<b>\$ 189,544</b>	<b>\$ (404,080)</b>	<b>\$ (593,624)</b>	<b>-313.19%</b>

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**

			<b>Increase (Decrease)</b>	
	<u>2020</u>	<u>2021</u>	<u>\$</u>	<u>%</u>
<b>Function/program expense:</b>				
Instruction				
Regular programs	\$ 36,944,281	\$ 40,657,247	\$ 3,712,966	10.1%
Special programs	11,312,698	9,875,847	(1,436,851)	-12.7%
Other Instructional programs	1,815,169	1,745,647	(69,522)	-3.8%
Support services				
Student services	14,170,552	15,634,183	1,463,631	10.3%
Tuition	5,597,633	6,237,009	639,376	11.4%
Instructional staff support				
General administration and business services	4,487,540	4,605,815	118,275	2.6%
School administration	3,512,032	3,620,413	108,381	3.1%
Plant services	6,232,723	5,706,850	(525,873)	-8.4%
Student transportation	2,949,490	3,167,718	218,228	7.4%
Unallocated benefits	38,579,855	55,552,717	16,972,862	44.0%
Unallocated depreciation and amortization	575,603	520,872	(54,731)	-9.5%
Interest on long-term debt	629,941	665,701	35,760	5.7%
<b>Total</b>	<b>\$ <u>126,807,515</u></b>	<b>\$ <u>147,990,019</u></b>	<b>\$ <u>21,182,504</u></b>	<b><u>16.7%</u></b>

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 \$24,878,719, which is an decrease of \$802,572 from last year. This amount includes the general fund (decrease of \$7,656,476), special revenue fund (decrease of \$37,657) capital projects fund (increase of \$6,939,432), and debt service fund (decrease of \$47,871). The primary reasons for the increase/decrease are:

1. Favorable budget variances of general fund balance, and contributions to capital and maintenance reserve accounts.
2. Use of capital reserves to finance capital projects without the need for debt issuances.

### **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. Actual revenues reflect a positive variance of \$21.89 million. This is due primarily to the State reimbursement/on behalf payments in the amount of \$20.91 million for TPAF pension, post retirement and social security contributions. This is always a non-budgeted item that the State (and GAAP) require to be included in the final audited financial statements.

Actual expenditures reflect a negative variance of \$14.87 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 ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

At June 30, 2021, the school district reported \$113,935,913 invested in a broad range of capital assets, including land, buildings, building improvements, other improvements, vehicles, furniture and equipment. This amount represents a net increase (including additions, trade-ins and retirements) of \$3,584,041 from the prior year. Figure A-6 details the composition of capital assets at June 30<sup>th</sup> of the current and prior year and the net changes for the current year.

**Figure A - 6**  
**Governmental Activity Capital Assets at Year-End June 30**

	<u>FY 2020</u>	<u>FY 2021</u>	<u>Increase Decrease</u>
Land	\$ 4,488,200	\$ 4,488,200	\$ -
Construction in Progress	6,773,172	7,270,833	497,661
Buildings and Improvements	83,036,387	85,445,429	2,409,042
Furniture, Equipment and Vehicles	<u>16,054,112</u>	<u>16,731,451</u>	<u>677,339</u>
<b>Total</b>	\$ <u>110,351,871</u>	\$ <u>113,935,913</u>	\$ <u>3,584,042</u>

**Long-Term Liabilities**

At the end of this year, the school district had \$20,325,000 in bonds (Type II debt) outstanding versus \$23,441,000 last year – a decrease of 13%. The summary of year-end long-term liabilities and changes for the 2020-2021 school year is as follows:

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

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2021</u>
School Serial Bonds Payable	\$ 23,441,000	\$ 20,325,000
Other Long Term Liabilities:		
Net Pension Liability	22,436,433	20,847,106
Compensated Absences Payable	902,541	877,245
Unamortized Premium on Bonds	<u>625,141</u>	<u>534,612</u>
<b>Total</b>	\$ <u>47,405,115</u>	\$ <u>42,583,963</u>

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

- The largest expenditure in the school budget is for employee salaries and wages. The contract with the Association of Educational Secretaries expired on June 30, 2021. 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**

**GOVERNMENT-WIDE FINANCIAL  
STATEMENTS SECTION – A**

**WESTFIELD SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 26,054,950	\$ 1,113,247	\$ 27,168,197
Other Receivables	756,468	1,586	758,054
Receivables from Other Governments	2,655,764		2,655,764
Inventory		21,208	21,208
Restricted Cash Held With Fiscal Agent	27,071		27,071
Capital Assets, Net	59,237,787	325,553	59,563,340
<b>Total Assets</b>	<b>88,732,040</b>	<b>1,461,594</b>	<b>90,193,634</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension Deferrals	4,379,712		4,379,712
Deferred Amount on Refinancing	171,595		171,595
<b>Total Deferred Outflows of Resources</b>	<b>4,551,307</b>	<b>-</b>	<b>4,551,307</b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	2,052,244	6,426	2,058,670
Accrued Interest Payable	186,955		186,955
Accrued Liabilities	3,351,406		3,351,406
Payable to Other Governments	86,942		86,942
Payroll Deductions and Withholdings Payable	93,126		93,126
Unemployment Compensation Claims Payable	249,549		249,549
Unearned Revenue	307,325	112,059	419,384
Noncurrent Liabilities:			
Due Within One Year	3,189,917		3,189,917
Due Beyond One Year	18,546,940		18,546,940
Net Pension Liability	20,847,106		20,847,106
<b>Total Liabilities</b>	<b>48,911,510</b>	<b>118,485</b>	<b>49,029,995</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension Deferrals	9,410,664		9,410,664
<b>Total Deferred Inflows of Resources</b>	<b>9,410,664</b>	<b>-</b>	<b>9,410,664</b>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	38,549,770	325,553	38,875,323
Restricted for:			
Debt Service	75,864		75,864
Capital Reserve	6,154,605		6,154,605
Maintenance Reserve	1,096,012		1,096,012
Emergency Reserve	1,000,000		1,000,000
Capital Projects	8,116,976		8,116,976
Unemployment Compensation	371,881		371,881
Student Activities	575,747		575,747
Excess Surplus	1,863,906		1,863,906
Unrestricted (Deficit)	(22,843,588)	1,017,556	(21,826,032)
<b>Total Net Position</b>	<b>\$ 34,961,173</b>	<b>\$ 1,343,109</b>	<b>\$ 36,304,282</b>

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

**WESTFIELD SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

Functions/Programs	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		TOTAL
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
Governmental Activities:						
Instruction:						
Regular	\$ 40,657,247	\$	\$ 2,135,856	\$ (38,521,391)	\$	\$ (38,521,391)
Special Education	8,566,376			(8,566,376)		(8,566,376)
Other Special Instruction	1,309,471			(1,309,471)		(1,309,471)
Other Instruction	1,745,647			(1,745,647)		(1,745,647)
Support Services:						
Tuition	6,237,009		2,026,585	(4,210,424)		(4,210,424)
Student & Instruction Related Services	15,634,183		755,975	(14,878,208)		(14,878,208)
School Administrative Services	3,620,413			(3,620,413)		(3,620,413)
General and Business Administrative Services	4,605,815			(4,605,815)		(4,605,815)
Plant Operations and Maintenance	5,706,850		58,143	(5,648,707)		(5,648,707)
Pupil Transportation	3,167,718		666,741	(2,500,977)		(2,500,977)
Unallocated Benefits	55,552,717		35,296,210	(20,256,507)		(20,256,507)
Interest on Long-Term Debt	520,872			(520,872)		(520,872)
Unallocated Depreciation and Amortization	665,701			(665,701)		(665,701)
<b>Total Governmental Activities</b>	<b>147,990,019</b>		<b>40,939,510</b>	<b>(107,050,509)</b>		<b>(107,050,509)</b>
Business-Type Activities:						
Food Service	186,471	10,752			(175,719)	(175,719)
WRAP School	396,738	161,709			(235,029)	(235,029)
<b>Total Business-Type Activities</b>	<b>583,209</b>	<b>172,461</b>			<b>(410,748)</b>	<b>(410,748)</b>
<b>Total Primary Government</b>	<b>\$ 148,573,228</b>	<b>\$ 172,461</b>	<b>\$ 40,939,510</b>	<b>\$ (107,050,509)</b>	<b>\$ (410,748)</b>	<b>\$ (107,461,257)</b>
General Revenues:						
Taxes:						
Taxes Levied for General Purposes, Net			\$ 103,448,805	\$	\$	\$ 103,448,805
Taxes Levied for Debt Service			2,701,644			2,701,644
Federal and State Aid Not Restricted			3,960,336			3,960,336
Federal and State Aid Restricted			833,695			833,695
Tuition Received			44,542			44,542
Investment Earnings			192,273	6,668		198,941
Miscellaneous Income			961,714			961,714
<b>Total General Revenues</b>			<b>112,143,009</b>	<b>6,668</b>		<b>112,149,677</b>
Transfers			(1,988,606)			(1,988,606)
<b>Total General Revenues and Other Sources/(Uses)</b>			<b>110,154,403</b>	<b>6,668</b>		<b>110,161,071</b>
<b>Change in Net Position</b>			<b>3,103,894</b>	<b>(404,080)</b>		<b>2,699,814</b>
Net Position—Beginning (restated), See Note 22			31,857,279	1,747,189		33,604,468
<b>Net Position—Ending</b>			<b>\$ 34,961,173</b>	<b>\$ 1,343,109</b>		<b>\$ 36,304,282</b>

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

**FUND FINANCIAL STATEMENTS**

**SECTION – B**

**GOVERNMENTAL FUNDS**

**WESTFIELD SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

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	\$ 14,124,699	\$ 781,678	\$ 7,721,303	\$ 75,864	\$ 22,703,544
Other Receivables	756,468				756,468
Receivables from Other Governments	2,117,645	142,446	395,673		2,655,764
Restricted Cash and Cash Equivalents	27,071				27,071
<b>Total Assets</b>	<b>\$ 17,025,883</b>	<b>\$ 924,124</b>	<b>\$ 8,116,976</b>	<b>\$ 75,864</b>	<b>\$ 26,142,847</b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>					
Liabilities:					
Accounts Payable	\$ 480,490	\$ 46,696		\$	\$ 527,186
Intergovernmental Payable		86,942			86,942
Payroll Deductions and Withholdings Payable	93,126				93,126
Unemployment Compensation Claims Payable	249,549				249,549
Unearned Revenue	92,586	214,739			307,325
Total liabilities	915,751	348,377			1,264,128
Fund Balances:					
Restricted for:					
Capital Reserve Account	6,154,605				6,154,605
Maintenance Reserve Account	1,096,012				1,096,012
Emergency Reserve	1,000,000				1,000,000
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	1,863,906				1,863,906
Unemployment Compensation	371,881				371,881
Student Activities		575,747			575,747
Assigned for:					
Year-end Encumbrances	1,259,798				1,259,798
Designated for Subsequent Year's Expenditures	246,682				246,682
Debt Service Fund				75,864	75,864
Capital Projects Fund			8,116,976		8,116,976
Unassigned, Reported in:					
General Fund	4,117,248				4,117,248
<b>Total Fund Balances</b>	<b>16,110,132</b>	<b>575,747</b>	<b>8,116,976</b>	<b>75,864</b>	<b>24,878,719</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 17,025,883</b>	<b>\$ 924,124</b>	<b>\$ 8,116,976</b>	<b>\$ 75,864</b>	<b>\$ 26,142,847</b>

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

**WESTFIELD SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

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

Total Governmental Fund Balances	\$	24,878,719
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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 \$113,935,913, and the accumulated depreciation is \$54,698,126.	59,237,787
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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.	(21,736,857)
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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.	(186,955)
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The Net Pension Liability, and associated Deferred Inflows and Outflows of the District relating to its participation in the PERS are not recognized in the funds using the current financial resources measurement focus, but are recognized in the Statement of Net Position using the economic resources measurement focus.

The carrying amounts of the individual components are as follows:

Deferred Outflows of Resources	4,379,712
Net Pension Liability	(20,847,106)
Deferred Inflows of Resources	(9,410,664)
Payment Subsequent to Measurement Date	(1,525,058)

The difference between the face amount of Refunded Bonds and the escrow deposit required to legally defease the Bonds 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 \$492,495 and accumulated amortization is \$320,900.

171,595

<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>34,961,173</u></b>
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The accompanying Notes to Financial Statements are an integral part of this statement.



**WESTFIELD SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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

	<b>GENERAL FUND</b>	<b>SPECIAL REVENUE FUND</b>	<b>CAPITAL PROJECTS FUND</b>	<b>DEBT SERVICE FUND</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b><u>REVENUES</u></b>					
Local Tax Levy	\$ 103,448,805	\$	\$	\$ 2,701,644	\$ 106,150,449
Tuition Charges	44,542				44,542
Transportation	300				300
Other Restricted Miscellaneous Revenues	2,932				2,932
Miscellaneous	774,887				774,887
Local Sources		562,823			562,823
State Sources	27,527,645	243,755		833,695	28,605,095
Federal Sources	40,776	2,519,264			2,560,040
	<b>131,839,887</b>	<b>3,325,842</b>	<b>-</b>	<b>3,535,339</b>	<b>138,701,068</b>
<b><u>EXPENDITURES</u></b>					
Current:					
Regular Instruction	35,601,413	2,135,856			37,737,269
Special Education Instruction	8,508,910				8,508,910
Other Special Instruction	1,309,471				1,309,471
Other Instruction	1,745,647				1,745,647
Support Services and Undistributed Costs:					
Tuition	6,237,009				6,237,009
Student & Instruction Related Services	14,464,683	1,169,500			15,634,183
School Administrative Services	3,620,413				3,620,413
Other Administrative Services	4,605,815				4,605,815
Plant Operations and Maintenance	5,679,056				5,679,056
Pupil Transportation	3,167,718				3,167,718
Unallocated Benefits	21,026,409				21,026,409
On-behalf TPAF Social Security and Pension Contributions	20,914,759				20,914,759
Debt Service:					
Principal				3,116,000	3,116,000
Interest and Other Charges				543,073	543,073
Capital Outlay	1,395,637	58,143	2,158,056		3,611,836
Total Expenditures	<b>128,276,940</b>	<b>3,363,499</b>	<b>2,158,056</b>	<b>3,659,073</b>	<b>137,457,568</b>

**WESTFIELD SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Exhibit B-2  
Page 2 of 2

	<b>GENERAL FUND</b>	<b>SPECIAL REVENUE FUND</b>	<b>CAPITAL PROJECTS FUND</b>	<b>DEBT SERVICE FUND</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
Excess (Deficiency) of Revenues over Expenditures	\$ 3,562,947	\$ (37,657)	\$ (2,158,056)	\$ (123,734)	\$ 1,243,500
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfer to Charter School	(57,466)				(57,466)
Transfers in			9,173,351	75,863	9,249,214
Transfers out	(11,161,957)		(75,863)		(11,237,820)
Total Other Financing Sources and Uses	(11,219,423)	-	9,097,488	75,863	(2,046,072)
Net Change in Fund Balances	(7,656,476)	(37,657)	6,939,432	(47,871)	(802,572)
Fund Balance—Beginning, Restated, See Note 22	23,766,608	613,404	1,177,544	123,735	25,681,291
<b>Fund Balance—Ending</b>	<b>\$ 16,110,132</b>	<b>\$ 575,747</b>	<b>\$ 8,116,976</b>	<b>\$ 75,864</b>	<b>\$ 24,878,719</b>

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

**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, 2021**

**Total net change in fund balances - governmental funds (from B-2)** \$ **(802,572)**

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	\$ (3,649,973)	
	Capital Outlays - Net	<u>3,584,042</u>	(65,931)

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 position and is not reported in the statement of activities.

3,116,000

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 (+).

22,201

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 (+).

25,296

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.

744,606

Amortization Expenses - Net

64,294

**Change in net position of governmental activities**

**\$ 3,103,894**

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, 2021**

	<u>MAJOR FUNDS</u>			<u>NON-MAJOR FUNDS</u>
	<u>BUSINESS TYPE ACTIVITIES -</u>			<u>INTERNAL</u>
	<u>ENTERPRISE FUNDS</u>			<u>SERVICE FUND</u>
	<u>FOOD</u>	<u>WRAP</u>	<u>TOTALS</u>	<u>SELF</u>
	<u>SERVICE</u>	<u>PROGRAM</u>		<u>INSURANCE</u>
				<u>FUND</u>
<b><u>ASSETS</u></b>				
Current assets:				
Cash and Cash Equivalents	\$ 1,040,759	\$ 72,488	\$ 1,113,247	\$ 3,351,406
Accounts Receivable	1,586		1,586	
Inventory	21,208		21,208	
	<u>1,063,553</u>	<u>72,488</u>	<u>1,136,041</u>	<u>3,351,406</u>
Total Current Assets				
Noncurrent Assets:				
Furniture, Machinery & Equipment	835,922		835,922	
Less Accumulated Depreciation	(510,369)		(510,369)	
	<u>325,553</u>	<u>-</u>	<u>325,553</u>	
Total Noncurrent Assets				
<b>Total Assets</b>	<b><u>\$ 1,389,106</u></b>	<b><u>\$ 72,488</u></b>	<b><u>\$ 1,461,594</u></b>	<b><u>\$ 3,351,406</u></b>
<b><u>LIABILITIES</u></b>				
Current Liabilities:				
Accounts Payable	\$ 6,426		\$ 6,426	
Unearned Revenue	77,659	34,400	112,059	
Accrued Liability for Insurance Claims				3,351,406
	<u>84,085</u>	<u>34,400</u>	<u>118,485</u>	<u>3,351,406</u>
<b>Total Current Liabilities</b>				
<b><u>NET POSITION</u></b>				
Investment in Capital Assets	325,553		325,553	
Unrestricted	979,468	38,088	1,017,556	
	<u>1,305,021</u>	<u>38,088</u>	<u>1,343,109</u>	
<b>Total Net Position</b>	<b><u>\$ 1,305,021</u></b>	<b><u>\$ 38,088</u></b>	<b><u>\$ 1,343,109</u></b>	<b><u>\$</u></b>

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 FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>MAJOR FUNDS</b>			<b>NON-MAJOR FUNDS</b>
	<b>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</b>			<b>INTERNAL SERVICE FUND</b>
	<b>FOOD SERVICE</b>	<b>WRAP PROGRAM</b>	<b>TOTALS</b>	<b>SELF INSURANCE FUND</b>
<b><u>OPERATING REVENUES</u></b>				
Local Sources:				
Daily Sales - Non-Reimbursable Programs	\$ 10,752		\$ 10,752	
Charges for Services				1,362,800
Total Local Sources	10,752		10,752	1,362,800
Program Fees		161,709	161,709	
Total Operating Revenues	10,752	161,709	172,461	1,362,800
<b><u>OPERATING EXPENSES</u></b>				
Cost of Sales:				
Non-Program Sales	16,594		16,594	
Total Cost of Sales	16,594		16,594	
Direct Labor	5,236	392,865	398,101	
Employee Benefits				3,351,406
Administrative Labor	104,245		104,245	
Supplies	8,333	3,873	12,206	
Office and Administrative	22,947		22,947	
Outside Services	1,801		1,801	
Utilities				
Management Fees	995		995	
Depreciation	26,320		26,320	
Total Operating Expenses	186,471	396,738	583,209	3,351,406
<b>Operating Loss</b>	<b>(175,719)</b>	<b>(235,029)</b>	<b>(410,748)</b>	<b>(1,988,606)</b>
Non-Operating Revenues (Expenses):				
Interest on Deposits	6,668		6,668	
<b>Total Non-Operating Revenues</b>	<b>6,668</b>		<b>6,668</b>	<b>-</b>
Income (Loss) Before Operating Transfers	(169,051)		(404,080)	(1,988,606)
Operating Transfers In				1,988,606
<b>Change in Net Position</b>	<b>(169,051)</b>	<b>(235,029)</b>	<b>(404,080)</b>	
Total Net Position Beginning	1,474,072	273,117	1,747,189	
<b>Total Net Position Ending</b>	<b>\$ 1,305,021</b>	<b>\$ 38,088</b>	<b>\$ 1,343,109</b>	<b>\$</b>

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

**WESTFIELD SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>MAJOR FUNDS</b>			<b>NON-MAJOR FUNDS</b>
	<b>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</b>			<b>INTERNAL SERVICE FUND SELF INSURANCE FUND</b>
	<b>FOOD SERVICE</b>	<b>WRAP PROGRAM</b>	<b>TOTALS</b>	
Cash Flows from Operating Activities:				
Receipts from Customers	\$ (423)	\$ 138,825	\$ 138,402	\$
Payments for Employee Services	(109,481)	(392,865)	(502,346)	
Payments to Suppliers	(63,469)	(4,249)	(67,718)	
Receipts from Services Provided				1,362,800
<b>Net Cash (Used in) Provided by Operating Activities</b>	<b>(173,373)</b>	<b>(258,289)</b>	<b>(431,662)</b>	<b>1,362,800</b>
Cash Flows from Non-Capital Financing Activities:				
Transfers from Other Funds			-	1,988,606
<b>Net Cash Provided by Non-Capital Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,988,606</b>
Cash Flows from Investing Activities:				
Interest on Deposits	6,668		6,668	
<b>Net Cash Provided by Investing Activities</b>	<b>6,668</b>	<b>-</b>	<b>6,668</b>	<b>-</b>
Net (Decrease) Increase in Cash and Cash Equivalents	(166,705)	(258,289)	(424,994)	3,351,406
Cash and Cash Equivalents, July 1	1,207,464	330,777	1,538,241	-
<b>Cash and Cash Equivalents, June 30</b>	<b>\$ 1,040,759</b>	<b>\$ 72,488</b>	<b>\$ 1,113,247</b>	<b>\$ 3,351,406</b>
<b>Reconciliation of Operating (Loss) Income to Net Cash (Used in) Provided by Operating Activities:</b>				
Operating Loss	\$ (175,719)	\$ (235,029)	\$ (410,748)	\$ (1,988,606)
Adjustments to Reconcile Operating Loss to Cash (Used in) Provided by Operating Activities:				
Depreciation	26,320		26,320	
Decrease in Accounts Receivable	561		561	
(Increase) in Inventory	(1,257)		(1,257)	
(Decrease) in Deferred Revenue	(11,736)	(22,884)	(34,620)	
(Decrease) in Accounts Payable	(11,542)	(376)	(11,918)	
Increase in Accrued Liability for Insurance Claims				3,351,406
<b>Net Cash (Used in) Provided by Operating Activities</b>	<b>\$ (173,373)</b>	<b>\$ (258,289)</b>	<b>\$ (431,662)</b>	<b>\$ 1,362,800</b>

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

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**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, 2021 of 5,937 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 non-instructional equipment, which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Since the District's unemployment, flexible spending plan, and payroll agency funds do not meet the new criteria defined by the new GASB Statement No. 84, the unemployment compensation fund which is used to account for contributions from the District and employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims and the flexible spending plan and payroll agency funds which are used to account for the assets that the District holds on behalf of others as their agent are reported in the general fund as governmental activities effective July 1, 2020.

**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.

Since the District's student activity funds do not meet the criteria defined by GASB Statement No. 84, the student activities which is used to account for funds derived from athletic events or other activities of pupil organizations and to account for the accumulation of money to pay for student group activities are reported in the special revenue fund as governmental activities effective July 1, 2020.

## NOTES TO FINANCIAL STATEMENTS

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

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

**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.

The District reports the following non-major proprietary fund:

**Internal Service Fund (Self Insurance):** The self-insurance internal service fund is used to account for the District's various insurance expenses and the funds reserved by the District to cover the self-insured limits of the various insurance policies of the District.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements, however, interfund services provided and used are not eliminated in the process of consolidation.

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.

#### **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.

## NOTES TO FINANCIAL STATEMENTS

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

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

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.

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.

#### **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.

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

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

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. 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.

**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. At June 30, 2021, encumbered balances of grant funds advanced amounted to \$64,997.

## NOTES TO FINANCIAL STATEMENTS

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

#### **G. Encumbrances (Cont'd):**

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.

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 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 2020-2021 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.

## NOTES TO FINANCIAL STATEMENTS

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

#### **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, 2021.

#### **K. Interfund Receivables/Payables:**

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.

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

## NOTES TO FINANCIAL STATEMENTS

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

#### **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 were recorded in the amount of \$877,245 at June 30, 2021 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 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.

#### **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 July 1, 2019.

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

**N. Deferred Outflows/Inflows of Resources (Cont'd):**

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.

**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 (Government-Wide and Proprietary Fund Financial Statements)**

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



## NOTES TO FINANCIAL STATEMENTS

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

#### **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.

#### **U. Government-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 Capital 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 Capital Assets as a component of net position for the governmental activities and business-type activities.

## NOTES TO FINANCIAL STATEMENTS

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

#### **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. The District's WRAP program proprietary fund accounts for all revenues and expenditures for the after school enrichment programs similar to a private business enterprise.

#### **W. Reconciliation of Government-Wide and Fund Financial Statements**

##### **Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable, net of unamortized premiums and discounts and compensated absences payable are not due and payable in the current period and therefore are not reported in the funds.

The details of this \$21,736,857 difference are as follows:

Bonds payable	\$ 20,325,000
Premium on bonds	534,612
Compensated absences	<u>877,245</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 21,736,857</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.

## NOTES TO FINANCIAL STATEMENTS

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

Cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:941, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums.

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

The Westfield School District 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	\$ 621,478
NJGUDPA (N.J.S.A. 17:941)	28,033,728
Uninsured	<u>881,110</u>
Total	<u>\$ 29,536,316</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 District does not have a deposit policy for custodial credit risk. Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2021, the carrying amount of the District's deposits was \$27,168,197 and the bank balance was \$29,536,316. Of the bank balance, \$621,478 of the District's cash deposits on June 30, 2021 was covered by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$28,033,728. \$795,492 held in the District agency accounts and \$85,618 of cash equivalents are not covered by GUDPA.

As of June 30, 2021, based upon the insured balances as provided by FDIC and NJGUDPA coverage, none of the Board's book balance of \$27,168,197 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 \$85,618 on deposit with the New Jersey Cash Management Fund at June 30, 2021. Pursuant to GASB 40, the NJCMF, which is a pooled investment, is exempt from custodial credit exposure. The District does not have a policy for custodial credit risk.

## NOTES TO FINANCIAL STATEMENTS

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

**Money Market Mutual Funds** – At June 30, 2021, the District had \$121,490 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 publicly traded under the symbol FCSXX. These funds are uninsured.

**Concentration of Credit Risk** – The District places no limit on the amount the District may invest in any one issuer.

### **NOTE 3. 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 that 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	\$ 113,935,913
Less: Accumulated Depreciation	<u>(54,698,126)</u>
 Governmental Activities Capital Assets, Net	 <u>\$ 59,237,787</u>

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 4,488,200	\$	\$	\$ 4,488,200
Construction in Progress	<u>6,773,172</u>	<u>2,089,448</u>	<u>(1,591,787)</u>	<u>7,270,833</u>
<b>Total Capital Assets Not Being Depreciated</b>	<b><u>11,261,372</u></b>	<b><u>2,089,448</u></b>	<b><u>(1,591,787)</u></b>	<b><u>11,759,033</u></b>
Building and Building Improvements	83,036,387	817,255	1,591,787	85,445,429
Machinery, Equipment, Furniture & Vehicles	<u>16,054,112</u>	<u>677,339</u>	<u></u>	<u>16,731,451</u>
<b>Totals at Historical Cost</b>	<b><u>99,090,499</u></b>	<b><u>1,494,594</u></b>	<b><u>1,591,787</u></b>	<b><u>102,176,880</u></b>
Less Accumulated Depreciation For:				
Building and Building Improvements	(38,183,102)	(3,009,044)		(41,192,146)
Equipment, Furniture, and Vehicles	<u>(12,865,051)</u>	<u>(640,929)</u>	<u></u>	<u>(13,505,980)</u>
<b>Total Accumulated Depreciation</b>	<b><u>(51,048,153)</u></b>	<b><u>(3,649,973)</u></b>	<b><u></u></b>	<b><u>(54,698,126)</u></b>
<b>Government Activities Capital Assets, Net</b>	<b><u>\$ 59,303,718</u></b>	<b><u>\$ (65,931)</u></b>	<b><u>\$</u></b>	<b><u>\$ 59,237,787</u></b>
<b>Business-type Activities</b>				
Equipment	\$ 835,922	\$	\$	\$ 835,922
Less Accumulated Depreciation for:				
Equipment	<u>(484,049)</u>	<u>(26,320)</u>	<u></u>	<u>(510,369)</u>
<b>Business-type Activities Capital Assets, Net</b>	<b><u>\$ 351,873</u></b>	<b><u>\$ (26,320)</u></b>	<b><u>\$</u></b>	<b><u>\$ 325,553</u></b>

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 3. CAPITAL ASSETS (CONT'D)**

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

Instruction - Regular	\$ (2,919,978)
Unallocated	<u>(729,995)</u>
Total Deprecation Expense	<u>\$ (3,649,973)</u>

### **NOTE 4. LONG-TERM LIABILITIES**

During the year ended June 30, 2021, the following changes occurred to long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Debt	\$ 23,441,000	\$ -	\$ 3,116,000	\$ 20,325,000	\$ 3,100,000
Total Bonds Payable	<u>23,441,000</u>	<u>-</u>	<u>3,116,000</u>	<u>20,325,000</u>	<u>3,100,000</u>
Other Liabilities:					
Compensated Absences Payable	902,541	-	25,296	877,245	-
Total Other Liabilities	<u>902,541</u>	<u>-</u>	<u>25,296</u>	<u>877,245</u>	<u>-</u>
Net Pension Liability (PERS)	22,436,433	-	1,589,327	20,847,106	-
Unamortized Bond Premium	625,141	-	90,529	534,612	89,917
<b>Total Liabilities</b>	<b><u>\$ 47,405,115</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,821,152</u></b>	<b><u>\$ 42,583,963</u></b>	<b><u>\$ 3,189,917</u></b>

A. **Bonds Payable** – Bonds are authorized in accordance with State law by 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. Bonds payable at June 30, 2021 consisted of the following issues and amounts:

- a. 2013 School Bonds, originally issued August 1, 2013 in the amount of \$6,916,000. The outstanding balance of this issue at June 30, 2021 was \$3,680,000, which is payable in annual installments due August 1, 2021 through August 1, 2028 at interest rates ranging from 2.000% to 3.000%.
- b. 2014 School Bonds, originally issued July 10, 2024 in the amount of \$3,200,000. The outstanding balance of this issue at June 30, 2021 was \$1,400,000, which is payable in annual installments due August 1, 2021 through August 1, 2024 at interest rates ranging from 2.000% to 2.375%.
- c. Refunding School Bonds, Series 2015A, originally issued March 24, 2015 in the amount of \$5,700,000. The outstanding balance of this issue at June 30, 2021 was \$4,225,000, which is payable in annual installments due October 1, 2021 through October 1, 2027 at interest rates ranging from 2.400% to 4.000%.
- d. School Bonds, Series 2015B, originally issued March 24, 2015 in the amount of \$261,000. Final installment of \$56,000 was paid October 1, 2020 at an interest rate of 3.000% and is paid in full as of June 30, 2021.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 4. LONG-TERM LIABILITIES (CONT'D)**

- e. Refunding School Bonds, Series 2016A, originally issued July 13, 2016 in the amount of \$6,675,000. The outstanding balance of this issue at June 30, 2021 was \$870,000, which is payable in a final annual installment due August 1, 2021 at an interest rate of 1.500%.
- f. School Bonds, Series 2016B, originally issued July 13, 2016 in the amount of \$12,600,000. The outstanding balance of this issue at June 30, 2021 was \$10,150,000, which is payable in annual installments due August 1, 2021 through August 1, 2031 at interest rates ranging from 2.000% to 2.500%.

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>
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	850,000	10,625	860,625
<b>Totals</b>	<b>\$ 20,325,000</b>	<b>\$ 2,670,836</b>	<b>\$ 22,995,836</b>

- B. Bonds Authorized but not Issued (ABNI) – At June 30, 2021, the District had no unissued bond authorizations.

### **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

## NOTES TO FINANCIAL STATEMENTS

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

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

#### **A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

The Public Employee Retirement System (PERS) 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, 2021:

Inactive plan members or beneficiaries currently receiving benefits	182,492
Inactive plan members entitled to but not yet receiving benefits	942
Active plan members	<u>249,045</u>
Total	<u>432,479</u>

*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, 2021 the Board's total payroll for all employees was \$59,819,378. Total PERS covered payroll was \$9,492,238. 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 completed the phase-in period for State fiscal year 2019 and member contributions increased to 7.5% effective July 1, 2019. 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 District's

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

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

cash basis contributions to the Plan for the years ended June 30, 2021 and 2020 were \$1,398,490 and \$1,211,203, respectively equal to the required contribution. 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

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

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – At June 30, 2021, the District reported a liability of \$20,847,106 for its proportionate share of the net pension liability. The net pension liability was determined by actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2020, the District's proportion was 0.1278384349%, which was an increase of 0.0033194433% from its proportion measure as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expenses of \$744,606. At June 30, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



**NOTES TO FINANCIAL STATEMENTS**

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

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ 676,304	\$ 8,728,880
Net difference between projected and actual earnings on pension plan investments	712,571	
Changes in proportion	1,086,189	608,060
Difference between expected and actual experience	379,592	73,724
District contributions subsequent to the measurement date	1,525,056	
	<b>\$ 4,379,712</b>	<b>\$ 9,410,664</b>

The \$ 1,525,056 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense by PERS as follows:

**Year ended June 30:**

2022	\$ (2,700,189)
2023	(2,207,667)
2024	(1,101,980)
2025	(446,741)
2026	(99,431)
	<b>\$ (6,556,008)</b>

*Actuarial Assumptions* - The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases: Through 2026	2.00-6.00%
Based on years of service	
Thereafter	3.00-7.00%
Based on years of service	
Investment rate of return	7.00%

## NOTES TO FINANCIAL STATEMENTS

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

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

*Mortality Rates* - Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

*Long-Term Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is 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 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 PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	<u>3.00%</u>	3.40%
	<u>100%</u>	

## NOTES TO FINANCIAL STATEMENTS

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

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

*Discount Rate* – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

*Sensitivity of Collective Net Pension Liability to Changes in the Discount Rate* – the following presents the collective net pension liability of the participating employers, as of June 30, 2020, 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:

	<b>At 1% Decrease (6.00%)</b>	<b>At Current Discount Rate (7.00%)</b>	<b>At 1% Increase (8.00%)</b>
District's proportionate share of the net pension liability	\$ 26,243,029	\$ 20,847,106	\$ 16,268,518

#### *Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

#### *Additional Information*

Collective balances of the local group at June 30, 2020 are as follows:

Deferred outflows of resources	\$ 2,347,583,337
Deferred inflows of resources	7,849,949,467
Net pension liability	16,435,616,426
District's proportion	0.1140435576%

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 is \$407,705,399.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years, respectively.

## NOTES TO FINANCIAL STATEMENTS

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

#### **B. TEACHERS PENSION AND ANNUITY FUND**

The Teachers Pension and Annuity Fund (TPAF) 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. TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). The more significant aspects of the TPAF Plan are as follows:

*Plan Membership and Contributing Employers-* Substantially all teachers or members of the professional staff of Local Education Agencies that are certified by the State Board of Examiners, and Employees of the Department of Education who have titles that are unclassified, professional and certified are enrolled in the TPAF. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2020:

Inactive plan members or beneficiaries currently receiving benefits	106,388
Inactive plan members entitled to but not yet receiving benefits	432
Active plan members	<u>156,066</u>
Total	<u>262,886</u>

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

*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, 2021 the Board's total payroll for all employees was \$59,819,378. Total TPAF covered payroll was \$50,327,140. 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 for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

*Vesting Provisions* - 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. 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 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65.

Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

*Special Funding Situation* – Employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

*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.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities’ total proportionate share of the net pension liability that is associated with the local participating employer.

## NOTES TO FINANCIAL STATEMENTS

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

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

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2020 was \$294,014,300. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State's proportionate share of the TPAF net pension liability associated with the District was 0.4464991238%, which was a decrease of 0.0107516302% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$22,418,623 for contributions incurred by the State.

*Actuarial Assumptions-* The total pension liability in the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 – 4.45%
	based on years of service
Thereafter	2.75 – 5.65%
	based on years of service
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

## 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 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State. 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF’s target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100%</u>	

**NOTES TO FINANCIAL STATEMENTS**

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

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

*Sensitivity of Net Pension Liability to Changes in the Discount Rate* - the following presents the net pension liability of the State as of June 30, 2020 calculated using the discount rates as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage rate higher than the current rate:

	<u>At 1% Decrease (4.40%)</u>	<u>At current Discount rate (5.40%)</u>	<u>At 1% Increase (6.40%)</u>
TPAF	\$345,354,229	\$294,014,300	\$251,385,106

*Components of Net Pension Liability* – The components of the State as of June 30, 2020 are as follows:

Total pension liability	\$ 87,522,678,686
Plan fiduciary net position	<u>21,529,179,998</u>
 Net pension liability	 <u>\$ 65,993,498,688</u>

*Additional Information* – Collective balances at June 30, 2020 were as follows:

Collective Deferred Outflows of Resources	\$	9,626,548,228
Collective Deferred Inflows of Resources		14,591,988,841
State's Total Non-employer Net Pension Liability		65,993,498,688
 District's Proportion		 0.4464991238%

Collective pension expense for the plan for the measurement period ended June 30, 2020 is \$4,099,006,933.

The average of the expected remaining service lives of all employees that are provided pension benefits through the pension plan (active and inactive employees) determined at June 30, 2020, 2019, 2018, 2017, 2016, and 2015 is 7.99, 8.04, 8.29, 8.30, 8.30 and 8.30 years, respectively.

**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



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

**C: DEFINED CONTRIBUTION RETIREMENT PLAN (CONT'D)**

minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually.

*Contribution Requirement and Benefit Provisions* - State and local government employers contribute 3% of the employee's 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, 2021 the Board's total payroll for all employees was \$67,234,800. Total DCRP covered payroll was \$1,762,306. 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, 2021 was \$52,869.

**NOTE 6. POST-RETIREMENT BENEFITS**

**Plan Description**

The District contributes to the New Jersey State Health Benefits Program (the "SHBP"), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

**Funding Policy**

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2020, the State contributed \$1.578 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay as-you-go" contributions have decreased from Fiscal Year 2019

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6. POST-RETIREMENT BENEFITS (CONT'D)**

**Funding Policy (cont'd)**

amounts. Reductions are attributable to various cost savings initiatives implemented by the State, including new Medicare Advantage contracts. The State has appropriated \$1.775 billion in Fiscal Year 2021 as the State's contribution to fund pay-as-you-go PRM costs. The State's contributions to the SHBP for post-retirement benefits on behalf of the District for the years ended June 30, 2021, 2020, and 2019 were \$4,128,934, \$3,698,306, and \$4,164,606, respectively, which equaled the required contributions for each year.

As the employer contributions for local government education employers are legally required to be funded by the State, this constitutes a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity.

The State is also responsible for the cost attributable P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service.

The State of New Jersey Provides post-retirement (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2020, the State paid PRM benefits for 143,053 State and local retirees.

In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2020 total State OPEB liability to provide these benefits is \$65.5 billion, a decrease of \$10.5 billion or 13.8 percent from the \$76.0 billion liability recorded in Fiscal Year 2019.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

The State provides OPEB benefits through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

*Total OPEB Liability*

The nonemployer OPEB liability from New Jersey's plan is \$67,809,962,608.

The following members were covered by the benefit terms:

<u>Local Education</u>	<u>June 30, 2020</u>
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Bene	149,304
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	366,108

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6. POST-RETIREMENT BENEFITS (CONT'D)**

**Funding Policy (cont'd)**

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS 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. The State's proportionate share of the net OPEB liability associated with the District as of June 30, 2020 was \$261,817,044, or 0.39%. Additional information can be obtained from the State of New Jersey's comprehensive annual financial report.

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%	
	<b>TPA/ABP</b>	<b>PERS</b>
Salary Increases: Through 2026	1.55 - 4.45%	2.00 - 6.00%
	based on years of service	based on age
Thereafter	1.55 - 4.45%	3.00 - 7.00%
	based on years of service	based on age

**Actuarial Assumptions and Other Inputs**

Preretirement mortality rates were based on the Pub-2010 Headcount-Weighted Healthy Employee Male/Female mortality improvement projections from the central year using the MP-2020 scale. Postretirement mortality rates were based in the Pub-2010 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2020 scale. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational improvements projections from the central year using the MP-2020 scale.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of the actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 - June 30, 2018 for TPAF and PERS, respectively.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. POST-RETIREMENT BENEFITS (CONT'D)

#### Healthcare Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For Medicare Part B reimbursement, the trend rate is 5.0%.

#### Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is 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.

#### Changes in the Total Nonemployer OPEB Liability

The following represents the change in the State's proportionate share of the OPEB liability associated with the District:

Balance at June 30, 2020	\$ 160,191,054
Increased by:	
Service cost	6,885,785
Interest cost	5,771,007
Changes of assumptions	47,824,977
Member contributions	138,153
Differences between expected and actual experience	45,564,087
	266,375,063
Decreased by:	
Benefit payments	4,558,019
	4,558,019
Balance at June 30, 2021	\$ 261,817,044

The State's proportionate share of deferred outflows and inflows of resources associated with the District at June 30, 2020 was \$88,317,630 and \$65,514,567, respectively.

The following represents sensitivity of the State's proportionate share of the net OPEB liability associated with the District to changes in the discount rate and healthcare cost trend rate:

	1% Decrease (1.21%)	At Current Discount Rate (2.21%)	1% Increase (3.21%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 315,633,960	\$ 261,817,044	\$ 219,737,398

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6. POST-RETIREMENT BENEFITS (CONT'D)**

**Changes in the Total Nonemployer OPEB Liability (cont'd)**

The following presents the State's proportionate share of the net OPEB liability associated with the District calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 211,347,547	\$ 261,817,044	\$ 321,914,998

*OPEB Expense and Deferred Outflows of resources and Deferred Inflows of Resources Related to OPEB*

For the year ended June 30, 2021, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$13,402,623 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2020 are as follows:

Deferred outflows of resources	\$ 2,193,728,802
Deferred inflows of resources	\$ 19,101,933,244
Collective OPEB expense	\$ 3,337,755,596

**NOTE 7. 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:

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 7. COMPENSATED ABSENCES (CONT'D)**

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.

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 \$877,245 presented in the Government-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 8. 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.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 9. 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, 2021, the District was a member of the New Jersey Schools Insurance Group (the "Group"). The Group provides workers' compensation, property, liability errors and omissions and crime coverages to its members through self-insured risk pooling and reinsurance policy coverage to reduce exposure to large losses. Additional information relating to the Group is available from its Executive Director at 6000 Midlantic Drive, Mount Laurel, NJ 08054 or at the Group's webpage [www.njsig.org](http://www.njsig.org).

**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, 2021, the Board has incurred cost totaling \$17,790,549 for health and prescription benefits for all employees. In addition, the Board has provided for IBNR as calculated in the amount of \$1,362,800 and an aggregate stop loss corridor of \$1,988,606 for the year ended June 30, 2021.

### **NOTE 10. 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.

### **NOTE 11. TRANSFERS**

The following presents a reconciliation of transfers during the 2021 fiscal year:

	<u>In</u>	<u>Out</u>
General Fund		\$ 11,161,957
Capital Projects	\$ 9,173,351	
Internal Service Fund	1,988,606	
	<u>\$ 11,161,957</u>	<u>\$ 11,161,957</u>

\$9,173,351 was a combination of budgeted transfers and board approved transfers from the general fund to the capital projects fund to fund future capital projects. \$1,988,606 was transferred from the general fund to the internal service fund to fund an increase in the accrued liability for insurance claims. No interfund balances remained at June 30, 2021.

### **NOTE 12. FUND BALANCE APPROPRIATED**

**General Fund (Exhibit B-1)** - Of the \$16,110,132 General Fund balance at June 30, 2021, \$1,259,798 is assigned for encumbrances; \$2,110,588 has been appropriated and included as anticipated revenue for the year ending June 30, 2022; \$1,096,012 has been reserved for the Maintenance Reserve Account; \$6,154,605 has been reserved for the Capital Reserve Account; \$1,000,000 for Emergency Reserve; \$371,881 for Unemployment Compensation and \$4,117,248 is unassigned.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 12. FUND BALANCE APPROPRIATED (CONT'D)**

**Special Revenue Fund (Exhibit B-1)** – The entire amount of \$575,747 of Special Revenue Fund fund balance at June 30, 2021 is restricted for student activities.

**Capital Projects Fund (Exhibit B-1)** - The entire amount of \$8,116,976 of Capital Projects Fund fund balance at June 30, 2021 is assigned for Capital Projects Expenditures for authorized projects.

**Debt Service Fund (Exhibit B-1)** - Of the \$75,864 Debt Service Fund fund balance at June 30, 2021, the entire amount is assigned for Debt Service Expenditures.

### **NOTE 13. 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 designated for subsequent year's expenditures at June 30, 2021 in the amount of \$1,863,906.

### **NOTE 14. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the District 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, 2020 to June 30, 2021 school year is as follows:



**NOTES TO FINANCIAL STATEMENTS**

**NOTE 14. CAPITAL RESERVE ACCOUNT (CONT'D)**

Beginning balance, July 1, 2020	\$ 12,896,987
Deposit:	
Approved by June 2021 board resolution	1,300,000
Budgeted increase	<u>1,130,969</u>
Total Deposits	<u>2,430,969</u>
Withdrawals	
Budgeted appropriation	8,423,390
Approved by board resolutions	<u>749,961</u>
Total Withdrawals	<u>9,173,351</u>
Ending Balance, June 30, 2021	<u>\$ 6,154,605</u>

**NOTE 15. MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account was established through a Board resolution by the District in the amount of \$2,200,000 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, 2020 to June 30, 2021 school year is as follows:

Beginning balance, July 1, 2020	\$ 1,633,475
Deposit:	
Approved by June 2021 board resolution	226,169
Budgeted increase	<u>100,000</u>
Total Deposits	<u>326,169</u>
Withdrawals	
Budgeted appropriation	441,105
Approved by board resolutions	<u>422,527</u>
Total Withdrawals	<u>863,632</u>
Ending Balance, June 30, 2021	<u>\$ 1,096,012</u>

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 16. EMERGENCY RESERVE ACCOUNT**

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

The activity of the emergency reserve for July 1, 2020 to June 30, 2021 school year is as follows:

Beginning balance, July 1, 2020	\$ 1,000,000
Ending Balance, June 30, 2021	<u>\$ 1,000,000</u>

### **NOTE 17. UNEMPLOYMENT RESERVE ACCOUNT**

An unemployment reserve account was established by the District by transferring \$371,881 to an unemployment reserve from the unemployment fund in 2021 to fund future unemployment claims billed by the state. This reserve was established in the general fund in 2021 resulting from the implementation of Governmental Accounting Standards Board Statement No. 84, which required the District to record these funds as governmental activities.

### **NOTE 18. 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 Town of Westfield reported no tax abatements for calendar years 2020 or 2021 in its "User Friendly Budgets", which are required to be filed with the Division of Local Government Services, in the Department of Community Affairs, State of New Jersey, on an annual basis.

### **NOTE 19. CONTINGENT LIABILITIES**

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 19. CONTINGENT LIABILITIES (CONT'D)**

The District is involved in several claims and lawsuits incidental to its operation, which are generally defended through the Board's insurance carriers. Certain claims are in their discovery stage and the potential financial exposure to the Board, if any, cannot currently be ascertained.

During fiscal year 2021, the New Jersey Department of Labor has been delayed in issuing bills to New Jersey governmental units and as such the District has not been billed for any quarters during the fiscal year. Unemployment claims for the fiscal year are estimated to be approximately \$189,886, however, it is expected that the Federal Government through the CARES act will reimburse the State of New Jersey between 50 and 75 percent of all claims incurred. Based on potential of disputed unemployment claims we cannot determine accurate liability at year end of June 30, 2021, therefore no provision has been made in the District's financial statements for any liability.

### **NOTE 20. SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions from June 30, 2021 through March 1, 2022, the date that the financial statements are issued and the effects of those that provide additional pertinent information about conditions that existed at the statement of net position date, have been recognized in the accompanying financial statements.

### **NOTE 21. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

The GASB issued Statement No. 84, *Fiduciary Activities*, which requires compliance by June 30, 2021. GASB 84 establishes specific criteria for identifying fiduciary activities based primarily on whether the school district is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. If the activity is not a "fiduciary activity," then it is a "governmental activity." The school district examined its current fiduciary funds and determined they do not meet the new terms and conditions of a fiduciary activity, as set forth by GASB 84. Therefore, the District's payroll and agency activity and unemployment compensation activity are reported in the general fund and the District's scholarship and student activity funds are reported in the special revenue funds as governmental activities accordingly. Management has appropriately implemented this standard for the year ended June 30, 2021.

The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after December 15, 2019. Due to the COVID-19 pandemic, the effective date has been postponed by eighteen months. Management has not determined the impact of the Statement on the financial statements.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 22. CHANGE IN ACCOUNTING PRINCIPLE/RESTATEMENT**

Beginning General Fund Budgetary Fund Balance Per Schedule C-1 at June 30, 2020	\$ 23,819,463
General Fund Adjustments	
Recognition of the Following June 30, 2020 Balances:	
Unemployment compensation net position	<u>368,950</u>
Beginning General Fund Budgetary Fund Balance Per Schedule C-1 at June 30, 2020 (as restated)	<u>\$ 24,188,413</u>
Beginning Special Revenue Budgetary and Modified Accrual Fund Balances Per Schedules B-2, C-2 and E-1 at June 30, 2020	\$ -
Special Revenue Fund Adjustments	
Recognition of the Following June 30, 2020 Balances:	
Due to student groups	<u>613,404</u>
Total	<u>613,404</u>
Beginning Special Revenue Fund Budgetary Fund Balance Per Schedules E-1 and C-2 at June 30, 2020 (as restated)	<u>\$ 613,404</u>
Beginning General Fund Modified Accrual Fund Balance Per Schedule B-2 at June 30, 2020	\$ 23,397,658
General Fund Adjustments	
Recognition of the Following June 30, 2020 Balances:	
Unemployment compensation net position	<u>368,950</u>
Beginning General Fund Modified Accrual Fund Balance - June 30, 2020 (as restated)	<u>\$ 23,766,608</u>
Beginning Full Accrual Net Position Per Schedule A-2 at June 30, 2020	\$ 30,874,925
Adjustments to Government-Wide Net Position	
Recognition of the Following June 30, 2020 Balances:	
Unemployment compensation net position	368,950
Due to student groups	<u>613,404</u>
Total	<u>982,354</u>
Beginning Full Accrual Net Position Per Schedule A-2 at June 30, 2020 (as restated)	<u>\$ 31,857,279</u>

Effective in the fiscal year ended June 30, 2021, the District implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities* as described in the recently issued accounting pronouncements footnote above. The implementation of this Statement required a restatement of prior year fund balance and net position in the governmental fund financial statements.

**REQUIRED SUPPLEMENTARY  
INFORMATION  
PART II**

**Westfield School District  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Public Employees' Retirement System  
Required Supplementary Information  
Last Ten Fiscal Years**

	2021	2020	2019	2018	Year Ended June 30, 2017	2016	2015	2014
District's proportion of the net pension liability (asset) - Local Group	0.1278384349%	0.1245189916%	0.122689485%	0.120931697%	0.131258639%	0.129135621%	0.124742721%	0.117876054%
District's proportionate share of the net pension liability (asset)	\$ 20,847,106	\$ 22,436,433	\$ 24,156,948	\$ 28,150,966	\$ 38,875,044	\$ 28,988,359	\$ 23,355,249	\$ 22,528,456
District's covered-employee payroll	\$ 9,220,819	\$ 9,098,895	\$ 8,668,982	\$ 8,486,779	\$ 8,296,182	\$ 8,812,161	\$ 8,635,918	\$ 8,635,918
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	226.09%	246.58%	278.66%	331.70%	468.59%	328.96%	270.44%	260.87%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	42.51%	44.09%	53.60%	48.10%	40.14%	47.93%	48.62%	48.72%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Note to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 6.28% as of June 30, 2019 to 7.00% as of June 30, 2020.

**Westfield School District  
Schedule of District Contributions  
Public Employees' Retirement System  
Required Supplementary Information  
Last Ten Fiscal Years**

	Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014		
Contractually required contribution	\$ 1,398,490	\$ 1,211,203	\$ 1,269,432	\$ 1,120,303	\$ 1,166,083	\$ 1,110,220	\$ 1,028,361	\$ 888,172		
Contributions in relation to the contractually required contribution	(1,398,490)	(1,211,203)	(1,269,432)	(1,120,303)	(1,166,083)	(1,110,220)	(1,028,361)	(888,172)		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 9,492,238	\$ 9,220,819	\$ 9,098,895	\$ 8,668,982	\$ 8,486,779	\$ 8,296,182	\$ 8,812,161	\$ 8,635,918		
Contributions as a percentage of covered-employee payroll	14.73%	13.14%	13.95%	12.92%	13.74%	13.38%	11.67%	10.28%		

The amounts presented for each fiscal year were determined as of the previous fiscal year-end. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**Westfield School District**  
**Schedule of the State's Proportionate Share of the Net Pension Liability Associated With the District**  
**Teachers' Pension and Annuity Fund**  
**Required Supplementary Information**  
**Last Ten Fiscal Years\***

	2021	2020	2019	2018	Year Ended June 30, 2017	2016	2015	2014
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.446499124%	0.457250754%	0.4465238057%	0.4503615479%	0.4490997116%	0.4569592579%	0.4503467692%	0.4289118351%
District's proportionate share of the net pension liability (asset)								
State's proportionate share of the net pension liability (asset) associated with the District	\$ 294,014,300	\$ 280,619,104	\$ 284,068,854	\$ 303,649,995	\$ 353,290,428	\$ 323,678,183	\$ 240,695,691	\$ 216,768,668
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 294,014,300</u>	<u>\$ 280,619,104</u>	<u>\$ 284,068,854</u>	<u>\$ 303,649,995</u>	<u>\$ 353,290,428</u>	<u>\$ 323,678,183</u>	<u>\$ 240,695,691</u>	<u>\$ 216,768,668</u>
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

\* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation in which the District does not make contributions to this plan.

Notes to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020.



Westfield School District  
Schedule of the State's Proportionate Share of the OPEB Liability Associated With the District  
State Health Benefit Local Education Retired Employees Plan

Last Ten Fiscal Years\*

	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
State's proportion of the OPEB Liability associated with the District -	0.39%	0.38%	0.38%	0.38%
District's proportionate share of the OPEB liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the OPEB liability associated with the District	\$ 261,817,044	160,191,054	177,158,722	202,388,345
Total proportionate share of the OPEB liability associated with the District	<u>\$ 261,817,044</u>	<u>\$ 160,191,054</u>	<u>\$ 177,158,722</u>	<u>\$ 202,388,345</u>
Beginning Balance	\$ 160,191,054	\$ 177,158,722	\$ 202,388,345	\$ 218,359,164
Increased by:				
Service cost	6,885,785	6,698,508	7,420,085	8,971,309
Interest cost	5,771,007	7,023,820	7,429,997	6,415,030
Changes of assumptions	47,824,977	2,388,462		
Member contributions	138,153	145,765	163,724	172,614
Differences between expected and actual experience	45,564,087			
	<u>106,184,009</u>	<u>16,256,555</u>	<u>15,013,806</u>	<u>15,558,953</u>
Decreased by:				
Differences between expected and actual experiences	-	28,306,835	15,176,418	
Changes of assumptions			20,329,850	26,842,028
Gross benefit payments	4,558,019	4,917,388	4,737,161	4,687,744
	<u>4,558,019</u>	<u>33,224,223</u>	<u>40,243,429</u>	<u>31,529,772</u>
Ending Balance	<u>\$ 261,817,044</u>	<u>\$ 160,191,054</u>	<u>\$ 177,158,722</u>	<u>\$ 202,388,345</u>
Covered by employee payroll	\$ 59,819,378	\$ 59,148,038	\$ 58,203,496	\$ 53,013,600
Total OPEB liability as a percentage of covered employee payroll.	437.68%	270.83%	304.38%	381.77%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Notes to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020.

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

**BUDGETARY COMPARISON SCHEDULES**  
**SECTION – C**

WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 103,448,805	\$	\$ 103,448,805	\$ 103,448,805	\$
Tuition from Individuals	80,000		80,000	44,542	(35,458)
Transportation Fees from Individuals	36,000		36,000	300	(35,700)
Miscellaneous	830,000		830,000	774,887	(55,113)
Other Restricted Miscellaneous Revenue	50,000		50,000	2,932	(47,068)
<b>Total - Local Sources</b>	<b>104,444,805</b>		<b>104,444,805</b>	<b>104,271,466</b>	<b>(173,339)</b>
State Sources:					
Categorical Transportation Aid	575,681		575,681	575,681	
Extraordinary Aid	975,000		975,000	2,026,585	1,051,585
Categorical Special Ed. Aid	3,992,194	(494,219)	3,497,975	3,497,975	
Categorical Security Aid	437,833		437,833	437,833	
Non-Public Transportation Aid				91,060	91,060
State of New Jersey On-Behalf Contributions:					
TPAF Pension Contrib. (non-budgeted)				13,175,299	13,175,299
TPAF Post Retire Med. Contrib. (non-budgeted)				4,128,934	4,128,934
TPAF NCGI/LTDI Premiums (non-budgeted)				6,628	6,628
TPAF Employer FICA Contrib. (non-budgeted)				3,603,898	3,603,898
<b>Total - State Sources</b>	<b>5,980,708</b>	<b>(494,219)</b>	<b>5,486,489</b>	<b>27,543,893</b>	<b>22,057,404</b>
Federal Sources:					
Medical Reimbursement	38,503		38,503	35,927	(2,576)
FFCRA SEMI and ARRA/SEMI				4,849	4,849
<b>Total - Federal Sources</b>	<b>38,503</b>		<b>38,503</b>	<b>40,776</b>	<b>2,273</b>
<b>Total Revenues</b>	<b>110,464,016</b>	<b>(494,219)</b>	<b>109,969,797</b>	<b>131,856,135</b>	<b>21,886,338</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	\$ 220,429	\$ 27,557	\$ 247,986	\$ 247,743	\$ 243
Kindergarten	631,446	19,370	650,816	650,814	2
Grades 1- 5	12,864,954	(73,930)	12,791,024	12,770,016	21,008
Grades 6- 8	9,043,217	134,000	9,177,217	9,162,371	14,846
Grades 9-12	11,141,935	(166,940)	10,974,995	10,894,191	80,804
Regular Programs - Home Instr.:					
Salaries of Teachers	133,154		133,154	56,757	76,397
Purchased Prof./Educational Services	80,600	2,150	82,750	81,369	1,381
Regular Programs - Undistrib. Instr.:					
Other Salaries for Instruction	125,444	23,322	148,766	147,765	1,001
Unused Sick/Vacation		35,160	35,160	35,160	
Purchased Prof./Educational Services	32,871	(22,958)	9,913	8,942	971
Purchased Technical Services	186,000	(70,609)	115,391	107,950	7,441
Other Purchased Services (400-500 series)	345,001	(19,313)	325,688	177,776	147,912
General Supplies	1,060,586	536,990	1,597,576	1,075,581	521,995
Textbooks	147,789	49,995	197,784	184,733	13,051
Other Objects	1,275		1,275	245	1,030
<b>Total Regular Programs - Instruction</b>	<b>36,014,701</b>	<b>474,794</b>	<b>36,489,495</b>	<b>35,601,413</b>	<b>888,082</b>
Learning/Language Disabilities:					
Salaries of Teachers	483,208		483,208	415,569	67,639
Other Salaries for Instruction	133,232	14,498	147,730	145,313	2,417
Unused Sick/Vacation					
Purchased Prof./Educational Services	6,631	(3,500)	3,131	1,620	1,511
General Supplies	8,383	(1,543)	6,840	4,977	1,863
Textbooks	315		315		315
<b>Total Learning/Language Disabilities</b>	<b>631,769</b>	<b>9,455</b>	<b>641,224</b>	<b>567,479</b>	<b>73,745</b>
Behavioral Disabilities:					
Salaries of Teachers	213,339		213,339	164,680	48,659
Other Salaries for Instruction	40,894		40,894	36,214	4,680
General Supplies	8,766	(4,266)	4,500	4,182	318
<b>Total Behavioral Disabilities</b>	<b>262,999</b>	<b>(4,266)</b>	<b>258,733</b>	<b>205,076</b>	<b>53,657</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (CONT'D.):</b>					
Multiple Disabilities:					
Salaries of Teachers	\$	\$ 79,791	\$ 79,791	\$ 79,791	\$
Other Salaries for Instruction		27,744	27,744	27,743	1
General Supplies		1,657	1,657	1,655	2
<b>Total Resource Room/Resource Center</b>		<b>109,192</b>	<b>109,192</b>	<b>109,189</b>	<b>3</b>
Resource Room/Resource Center:					
Salaries of Teachers	6,764,638	(92,113)	6,672,525	6,588,580	83,945
Other Salaries for Instruction	242,125	(16,571)	225,554	173,053	52,501
Unused Sick/Vacation		55,355	55,355	55,355	
Purchased Prof. Educational Serv.	318	(243)	75	75	
General Supplies	36,908	(11,839)	25,069	20,508	4,561
Textbooks	3,352	(1,381)	1,971	1,908	63
<b>Total Resource Room/Resource Center</b>	<b>7,047,341</b>	<b>(66,792)</b>	<b>6,980,549</b>	<b>6,839,479</b>	<b>141,070</b>
Autism:					
Salaries of Teachers	459,857	(79,791)	380,066	336,617	43,449
Other Salaries for Instruction	228,991	12,598	241,589	237,313	4,276
General Supplies	11,218	(5,276)	5,942	2,279	3,663
<b>Total Autism</b>	<b>700,066</b>	<b>(72,469)</b>	<b>627,597</b>	<b>576,209</b>	<b>51,388</b>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	164,312		164,312	151,215	13,097
Other Salaries for Instruction	67,245		67,245	60,263	6,982
<b>Total Preschool Disabilities - Full-Time</b>	<b>231,557</b>		<b>231,557</b>	<b>211,478</b>	<b>20,079</b>
<b>Total Special Education</b>	<b>8,873,732</b>	<b>(24,880)</b>	<b>8,848,852</b>	<b>8,508,910</b>	<b>339,942</b>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,131,158	46,353	1,177,511	1,052,938	124,573
General Supplies	5,350	(920)	4,430	2,896	1,534
Textbooks	200		200	78	122
<b>Total Basic Skills/Remedial - Instruction</b>	<b>1,136,708</b>	<b>45,433</b>	<b>1,182,141</b>	<b>1,055,912</b>	<b>126,229</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (CONT'D.):</b>					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 217,102	\$ 56,946	\$ 274,048	\$ 253,559	\$ 20,489
Total Bilingual Education - Instruction	217,102	56,946	274,048	253,559	20,489
School - Sponsored Cocurricular & Extra Curric - Instr. Activities:					
Salaries	446,206	-	446,206	374,292	71,914
Purchased Services (300-500 series)	8,100	(2,663)	5,437	1,564	3,873
Supplies and Materials	20,564	(1,211)	19,353	18,570	783
Other Objects	9,225	(8,776)	449	359	90
Total School - Sponsored Cocurricular Activities & Extra Curric. - Instr.	484,095	(12,650)	471,445	394,785	76,660
School - Sponsored Athletics:					
Salaries	1,117,932	4,868	1,122,800	1,084,882	37,918
Purchased Services (300-500 series)	55,830	2,023	57,853	55,290	2,563
Supplies and Materials	95,900	46,982	142,882	122,469	20,413
Misc. Expenditures	139,900	(43,185)	96,715	88,221	8,494
Total School - Sponsored Athletics	1,409,562	10,688	1,420,250	1,350,862	69,388
Summer School - Instruction					
Salaries	6,984	300	7,284		7,284
General Supplies	800	(300)	500		500
Total - Summer School - Instruction	7,784	-	7,784	-	7,784
Total Instruction	48,143,684	550,331	48,694,015	47,165,441	1,528,574

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (CONT'D.):</b>					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	\$ 1,237,583	\$ 117,352	\$ 1,354,935	\$ 1,329,434	\$ 25,501
Tuition to County Vocational School Dist. - Regular	520,000	14,000	534,000	534,000	
Tuition to County Vocational School Dist. - Special	48,000	(14,000)	34,000	34,000	
Tuition to Priv. Schools for the Disabled-W/I State	4,567,204	(657,467)	3,909,737	3,851,042	58,695
Tuition to Priv. Schools for the Disabled and Other LEAs- Special, Outside the State	260,906	171,483	432,389	426,589	5,800
Tuition - State Facilities	61,944		61,944	61,944	
<b>Total Undistrib. Expend. - Instruc.</b>	<b>6,695,637</b>	<b>(368,632)</b>	<b>6,327,005</b>	<b>6,237,009</b>	<b>89,996</b>
Attendance and Social Work Services:					
Salaries	43,596		43,596	42,435	1,161
<b>Total Attendance and Social Work Serv.</b>	<b>43,596</b>		<b>43,596</b>	<b>42,435</b>	<b>1,161</b>
Health Services:					
Salaries	1,215,052	5,034	1,220,086	1,165,870	54,216
Unused Sick/Vacation		11,720	11,720	11,720	
Purchased Professional and Technical Services	202,124	(54,198)	147,926	121,907	26,019
Supplies and Materials	17,725	224,815	242,540	237,805	4,735
Other Objects	850		850	850	
<b>Total Health Services</b>	<b>1,435,751</b>	<b>187,371</b>	<b>1,623,122</b>	<b>1,538,152</b>	<b>84,970</b>
Speech, OT, PT & Related Services					
Salaries	1,876,620	(100,658)	1,775,962	1,738,422	37,540
Purchased Professional/Educational Services	1,308,663	135,912	1,444,575	1,420,186	24,389
Supplies and Materials	21,380	4,179	25,559	25,134	425
<b>Total Other Support Services-Student Related</b>	<b>3,206,663</b>	<b>39,433</b>	<b>3,246,096</b>	<b>3,183,742</b>	<b>62,354</b>
Other Support Services-Student Extra					
Salaries	1,834,277	(280,941)	1,553,336	1,464,999	88,337
Purchased Professional/Educational Services	503,469	164,112	667,581	657,471	10,110
Other Objects	3,681	(3,681)			
<b>Total Other Support Services-Student Extra</b>	<b>2,341,427</b>	<b>(120,510)</b>	<b>2,220,917</b>	<b>2,122,470</b>	<b>98,447</b>



**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (CONT'D.):</b>					
Other Support Services - Guidance					
Salaries of Other Professional Staff	\$ 2,217,306	\$ (39,864)	\$ 2,177,442	\$ 2,143,354	\$ 34,088
Salaries of Secret. & Clerical Assts.	252,470	(2,416)	250,054	227,616	22,438
Other Salaries	3,200	3	3,203	267	2,936
Unused Sick/Vacation		31,810	31,810	31,810	
Purchased Professional/Educational Services	30,385	(7,932)	22,453	21,148	1,305
Other Purchased Services (400-500 series)	9,710	(6,350)	3,360	3,360	
Supplies and Materials	10,873	7,651	18,524	16,398	2,126
Other Objects	2,275	(1,030)	1,245	1,245	
<b>Total Other Support Services - Students - Regular</b>	<u>2,526,219</u>	<u>(18,128)</u>	<u>2,508,091</u>	<u>2,445,198</u>	<u>62,893</u>
Other Support Services - Child Study Teams					
Salaries of Other Professional Staff	1,843,154	32,476	1,875,630	1,872,686	2,944
Salaries of Secr. & Clerical Assts.	306,586	1,105	307,691	304,697	2,994
Unused Sick/Vacation		11,720	11,720	11,720	
Purchased Professional/Educational Services	121,797	126,553	248,350	230,878	17,472
Other Purchased Services (400-500 series)	12,594	140	12,734	12,201	533
Residential Costs	40,332	6,100	46,432	18,683	27,749
Supplies and Materials	10,026	18,172	28,198	26,833	1,365
<b>Total Other Support Services - Students - Child Study Teams</b>	<u>2,334,489</u>	<u>196,266</u>	<u>2,530,755</u>	<u>2,477,698</u>	<u>53,057</u>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (CONT'D.):</b>					
Improv. of Instruction Services/Other Support Services - Instruct. Staff:					
Salaries of Supervisors of Instruction	\$ 1,089,866	\$ 28,175	\$ 1,118,041	\$ 1,111,540	\$ 6,501
Salaries of Secr. and Clerical Assts.	204,215		204,215	201,449	2,766
Other Salaries	14,474		14,474	5,145	9,329
Purchased Professional/Educational Services	65,196	28,968	94,164	86,823	7,341
Other Purchased Prof./Tech. Services					
Other Purchased Services (400-500 series)	35,378	(2,050)	33,328	6,133	27,195
Supplies and Materials	55,813	(16,968)	38,845	30,138	8,707
Miscellaneous Expenditures	13,012	(2,333)	10,679	10,679	
<b>Total Improv. of Instruction Services/ Other Support Serv. - Instruct. Staff</b>	<b>1,477,954</b>	<b>35,792</b>	<b>1,513,746</b>	<b>1,451,907</b>	<b>61,839</b>
<b>Educational Media Serv./School Library:</b>					
Salaries	996,569		996,569	947,391	49,178
Salaries of Technology Coordinators	96,745		96,745	93,750	2,995
Unused Sick/Vacation		30,016	30,016	30,016	
Purch. Prof. and Tech. Serv.	60,628	693	61,321	60,590	731
Other Purchased Services (400-500 series)	1,968	(1,212)	756	756	
Supplies and Materials	31,785	(2,413)	29,372	27,234	2,138
<b>Total Educa. Media Serv./School Library</b>	<b>1,187,695</b>	<b>27,084</b>	<b>1,214,779</b>	<b>1,159,737</b>	<b>55,042</b>
<b>Instructional Staff Training Services:</b>					
Salaries of Supervisors of Instruction	10,270		10,270	6,080	4,190
Purchased Professional/Educational Services	41,530	(7,250)	34,280	19,310	14,970
Other Purchased Services (400-500 series)	42,163	(25,648)	16,515	5,758	10,757
Supplies and Materials	19,726	(371)	19,355	12,196	7,159
<b>Total Instr. Staff Training Serv.</b>	<b>113,689</b>	<b>(33,269)</b>	<b>80,420</b>	<b>43,344</b>	<b>37,076</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (CONT'D.):</b>					
Support Serv. General Administration:					
Salaries	\$ 834,012	\$ (22,185)	\$ 811,827	\$ 801,754	\$ 10,073
Unused Sick/Vacation		156,914	156,914	156,914	
Legal Services	337,500	(14,431)	323,069	123,562	199,507
Audit Fees	40,590	(2,888)	37,702	37,701	1
Other Purch. Professional Services	6,250	15,000	21,250	12,500	8,750
Purchased Technical Services	9,500		9,500	2,000	7,500
Communications/Telephone	364,542	55,448	419,990	326,588	93,402
BOE Other Purchased Services	2,500		2,500	1,046	1,454
Misc. Purch. Serv. (400-500, exc. 530 & 585)	523,127	(27,455)	495,672	479,265	16,407
General Supplies	24,347		24,347	6,277	18,070
Judgements Against School District	58,500		58,500		58,500
Misc. Expenditures	51,605	(760)	50,845	44,745	6,100
BOE Membership Dues and Fees	27,000		27,000	26,663	337
<b>Total Support Serv. General Administration</b>	<b>2,279,473</b>	<b>159,643</b>	<b>2,439,116</b>	<b>2,019,015</b>	<b>420,101</b>
Support Serv. School Administration:					
Salaries of Principals/Asst. Principals	2,353,974	(74,528)	2,279,446	2,272,023	7,423
Salaries of Secr. and Clerical Assts.	1,093,426	(8,246)	1,085,180	1,061,665	23,515
Unused Sick/Vacation - General Admin.		71,413	71,413	71,413	
Purch. Professional & Technical Serv.	12,800	1,139	13,939	11,815	2,124
Other Purchased Services (400-500 series)	64,042	2,914	66,956	18,334	48,622
Supplies and Materials	93,440	80,740	174,180	164,564	9,616
Other Objects	26,475	(5,286)	21,189	20,599	590
<b>Total Support Serv. School Admin.</b>	<b>3,644,157</b>	<b>68,146</b>	<b>3,712,303</b>	<b>3,620,413</b>	<b>91,890</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (CONT'D.):</b>					
Central Services:					
Salaries	\$ 1,206,929		\$ 1,206,929	\$ 1,146,143	\$ 60,786
Unused Sick/Vacation - General Admin.		23,953	23,953	23,953	
Purch. Professional Services	11,000		11,000	9,625	1,375
Purch. Technical Services	88,904	(1,036)	87,868	73,207	14,661
Misc. Purchased Services (400-500 O/T 594)	84,765	(14,963)	69,802	31,644	38,158
Supplies and Materials	44,351	(6,973)	37,378	26,204	11,174
Miscellaneous Expenditures	18,846	12,529	31,375	8,221	23,154
<b>Total Central Services</b>	<b>1,454,795</b>	<b>13,510</b>	<b>1,468,305</b>	<b>1,318,997</b>	<b>149,308</b>
Admin. Info Technology					
Salaries	763,138		763,138	750,331	12,807
Unused Sick/Vacation		5,225	5,225	5,225	
Purch. Technical Serv.	429,013	47,592	476,605	475,055	1,550
Other Purchased Services (400-500 series)	3,500		3,500	998	2,502
Supplies and Matierals	30,000	10,763	40,763	36,194	4,569
<b>Total Admin Info Technology</b>	<b>1,225,651</b>	<b>63,580</b>	<b>1,289,231</b>	<b>1,267,803</b>	<b>21,428</b>
Required Maint for School Facilities:					
Salaries	668,694		668,694	567,787	100,907
Unused Sick/Vacation		4,798	4,798	4,798	
Cleaning, Repair & Maint. Services	316,019	(3,769)	312,250	274,675	37,575
General Supplies	145,649	8,838	154,487	146,402	8,085
Other Objects	17,974	(2,000)	15,974	5,310	10,664
<b>Total Required Maint for School Facilities</b>	<b>1,148,336</b>	<b>7,867</b>	<b>1,156,203</b>	<b>998,972</b>	<b>157,231</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (CONT'D.):</b>					
Custodial Services:					
Salaries	\$ 2,940,944	\$	\$ 2,940,944	\$ 2,620,236	\$ 320,708
Salaries Non-Instructional Aides	197,700	(156,716)	40,984	35,480	5,504
Unused Sick/Vacation		30,371	30,371	30,371	
Purch. Professional & Technical Serv.	44,776	(2,999)	41,777	38,363	3,414
Cleaning, Repair & Maint. Services	173,043	(37,033)	136,010	116,823	19,187
Rental of Land & Bldg. Other than Lease Pur Agrmt	1,775	11,283	13,058	12,255	803
Other Purchased Property Services	158,493	3,289	161,782	134,859	26,923
Insurance	158,442	7,455	165,897	165,897	
General Supplies	287,634	(899)	286,735	282,153	4,582
Energy (Natural Gas)	394,292	26,725	421,017	372,392	48,625
Energy (Electricity)	668,548	(133,470)	535,078	432,237	102,841
Miscellaneous Expenditures	1,780		1,780	925	855
<b>Total Operation of Plant</b>	<b>5,027,427</b>	<b>(251,994)</b>	<b>4,775,433</b>	<b>4,241,991</b>	<b>533,442</b>
Care & Upkeep Grounds					
Salaries	166,033		166,033	139,869	26,164
Cleaning, Repair, and Maintenance Services	18,482	4,550	23,032	19,063	3,969
General Supplies	39,223	(4,519)	34,704	34,703	1
<b>Total Care &amp; Upkeep Grounds</b>	<b>223,738</b>	<b>31</b>	<b>223,769</b>	<b>193,635</b>	<b>30,134</b>
Security					
Salaries	87,833		87,833	80,904	6,929
Purchased Professional and Technical Services	169,000		169,000	162,875	6,125
General Supplies	5,500		5,500	679	4,821
<b>Total Security</b>	<b>262,333</b>		<b>262,333</b>	<b>244,458</b>	<b>17,875</b>
<b>Total Operation &amp; Maint. Of Plant Serv.</b>	<b>6,661,834</b>	<b>(244,096)</b>	<b>6,417,738</b>	<b>5,679,056</b>	<b>738,682</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (CONT'D.):</b>					
Student Transportation Services:					
Contracted Services (Between Home & School) - Vendors	\$ 399,614	\$ (7,974)	\$ 391,640	\$ 351,919	\$ 39,721
Contracted Services (Other Than Between Home & School) - Vendors	406,561	(138,193)	268,368	110,117	158,251
Contracted Services (Special Ed. Students) - Vendors	572,796	(43,930)	528,866	462,971	65,895
Contracted Services (Regular Students) - ESCs & CTSA's	82,526	72,317	154,843	143,494	11,349
Contracted Services (Special Ed. Students) - ESCs & CTSA's	2,111,384	(6,350)	2,105,034	1,819,917	285,117
Contracted Services - Aid in Lieu of Payments - NonPublic Schools	304,000	80,298	384,298	279,300	104,998
<b>Total Student Transportation Services</b>	<b>3,876,881</b>	<b>(43,832)</b>	<b>3,833,049</b>	<b>3,167,718</b>	<b>665,331</b>
Unallocated Employee Benefits:					
Group Insurance	236,443	(56,836)	179,607	126,418	53,189
Social Security Contributions	1,026,385	56,836	1,083,221	1,083,220	1
Other Retirement Contributions - PERS	1,590,428		1,590,428	1,513,792	76,636
Unemployment Compensation	60,000		60,000		60,000
Workmen's Compensation	411,613	(41,439)	370,174	358,179	11,995
Health Benefits	18,616,438		18,616,438	17,790,549	825,889
Tuition Reimbursements	172,365	1,354	173,719	75,911	97,808
Other Employee Benefits	375,732	(297,392)	78,340	78,340	
<b>Total Unallocated Employee Benefits</b>	<b>22,489,404</b>	<b>(337,477)</b>	<b>22,151,927</b>	<b>21,026,409</b>	<b>1,125,518</b>
TPAF Pension Contrib. (non-budgeted)				13,175,299	(13,175,299)
TPAF Post Retire Med. Contrib. (non-budgeted)				4,128,934	(4,128,934)
TPAF NCGI/LTDI Premiums (non-budgeted)				6,628	(6,628)
TPAF Employer FICA Contrib. (non-budgeted)				3,603,898	(3,603,898)
<b>Total On-Behalf Benefits Contributions</b>				<b>20,914,759</b>	<b>(20,914,759)</b>
<b>Total Undistributed Expenditures</b>	<b>62,995,315</b>	<b>(375,119)</b>	<b>62,620,196</b>	<b>79,715,862</b>	<b>(17,095,666)</b>
<b>Total Operating Expenditures</b>	<b>111,138,999</b>	<b>175,212</b>	<b>111,314,211</b>	<b>126,881,303</b>	<b>(15,567,092)</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (CONT'D.):</b>					
CAPITAL OUTLAY:					
Regular Programs - Instruction:					
Grades 1-5	\$	\$ 117,977	\$ 117,977	\$ 68,502	\$ 49,475
Grades 6-8		14,803	14,803	14,803	
Grades 9-12		84,274	84,274	37,814	46,460
Special Education - Instruction:					
Resource Room		6,167	6,167	6,167	
Other Instruction:					
School Sponsored Cocurricular		25,696	25,696	23,846	1,850
School Sponsored Athletic		26,885	26,885	26,885	
Undistributed Expenditures-Support Services:					
Related Services		16,460	16,460	11,694	4,766
Instructional Staff		2,304	2,304	2,304	
General Administration		3,935	3,935	3,690	245
School Administration		9,445	9,445	9,445	
Central Services					
Admin. Info. Tech.		35,592	35,592	35,592	
Req. Maint. For School Facilities		1,505,793	1,505,793	1,048,581	457,212
Custodial Services		119,063	119,063	25,473	93,590
Care and Upkeep of Grounds		13,183	13,183	13,183	
Security		64,848	64,848	19,642	45,206
<b>Total Equipment</b>		<b>2,046,425</b>	<b>2,046,425</b>	<b>1,347,621</b>	<b>698,804</b>
Facilities Acquis. & Constr. Services:					
Construction Services					
Assessment for Debt Service on SDA Funding	48,016		48,016	48,016	
<b>Total Facil. Acquis. &amp; Constr. Services</b>	<b>48,016</b>		<b>48,016</b>	<b>48,016</b>	
<b>Total Capital Outlay</b>	<b>48,016</b>	<b>2,046,425</b>	<b>2,094,441</b>	<b>1,395,637</b>	<b>698,804</b>
<b>Total Expenditures</b>	<b>111,187,015</b>	<b>2,221,637</b>	<b>113,408,652</b>	<b>128,276,940</b>	<b>(14,868,288)</b>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(722,999)	(2,715,856)	(3,438,855)	3,579,195	7,018,050

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources (Uses)					
Transfer Capital Reserve to Capital Projects Fund	\$ (8,423,390)	\$ (749,961)	\$ (9,173,351)	\$ (9,173,351)	\$ (1,988,606)
Transfer to Internal Service Fund				(1,988,606)	(1,988,606)
Transfer to Charter School	(27,001)	(36,596)	(63,597)	(57,466)	6,131
	(8,450,391)	(786,557)	(9,236,948)	(11,219,423)	(1,982,475)
Total Other Financing Sources (Uses)					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(9,173,390)	(3,502,413)	(12,675,803)	(7,640,228)	5,035,575
Fund Balances, July 1 - Restated, See Note 22	24,188,413		24,188,413	24,188,413	
<b>Fund Balances, June 30</b>	<b>\$ 15,015,023</b>	<b>\$ (3,502,413)</b>	<b>\$ 11,512,610</b>	<b>\$ 16,548,185</b>	<b>\$ 5,035,575</b>
<b>Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)</b>					
Budgeted fund balance	\$ (1,980,969)	\$	\$ (1,980,969)	\$ 4,185,575	\$ 6,166,544
Increase in capital reserve	1,130,969		1,130,969		(1,130,969)
Withdrawal from capital reserve to capital projects	(8,423,390)	(749,961)	(9,173,351)	(9,173,351)	
Increase in maintenance reserve	100,000		100,000	100,000	
Budgeted withdrawal from unassigned		(494,219)	(494,219)	(494,219)	
Appropriations from maintenance reserve		(863,632)	(863,632)	(863,632)	
Adjustment for prior year encumbrances		(1,394,601)	(1,394,601)	(1,394,601)	
Total	<b>\$ (9,173,390)</b>	<b>\$ (3,502,413)</b>	<b>\$ (12,675,803)</b>	<b>\$ (7,640,228)</b>	<b>\$ 5,035,575</b>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 1,863,906	
Emergency Reserve				1,000,000	
Maintenance Reserve				1,096,012	
Capital Reserve				6,154,605	
Unemployment Compensation				371,881	
Assigned Fund Balance:					
Year-end Encumbrances				1,259,798	
Assigned:					
Designated for Subsequent Year's Expenditures				246,682	
Unassigned Fund Balance				4,555,301	
				<b>\$ 16,548,185</b>	
<u>Reconciliation to Governmental Funds Statements (GAAP):</u>					
Delayed State Aid Payments not recognized on GAAP basis				(438,053)	
<b>Fund Balance per Governmental Funds (GAAP)</b>				<b>\$ 16,110,132</b>	



**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND (Budgetary Basis)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	\$ 243,376	\$ 87,321	\$ 330,697	\$ 243,755	\$ (86,942)
Federal Sources	1,471,430	1,183,878	2,655,308	2,578,066	(77,242)
Local Sources		741,257	187,767	484,612	296,845
<b>Total Revenues</b>	<b>1,714,806</b>	<b>2,012,456</b>	<b>3,173,772</b>	<b>3,306,433</b>	<b>132,661</b>
<b>EXPENDITURES:</b>					
Instruction					
Teacher Salaries	133,631	56,091	189,722	164,132	25,590
Other Salaries for Instruction	19,502	(3,367)	16,135	4,855	11,280
Tuition	1,081,949	384,267	1,466,216	1,466,216	-
Purchased Professional/Educational Services		1,844	1,844	1,000	844
General Supplies	16,546	503,145	519,691	447,676	72,015
Textbooks	19,223	4,908	24,131	17,504	6,627
Instructional Equipment		162,687	162,687	9,198	153,489
Other Objects	404	6,037	6,441	5,866	575
<b>Total Instruction</b>	<b>1,271,255</b>	<b>1,115,612</b>	<b>2,386,867</b>	<b>2,116,447</b>	<b>270,420</b>
Support Services					
Salaries of Other Professional Staff	171,240	63,341	234,581	213,627	20,954
Salaries of Sec & Cler Assts	22,100	(6,284)	15,816	4,548	11,268
Other Salaries	56,948	24,679	81,627	73,836	7,791
Personal Services - Employee Benefits	42,444	9,432	51,876	46,696	5,180
Purchased Professional/Educational Services	46,339	89,473	135,812	62,523	73,289
Other Purchased Professional Services	35,371	9,544	44,915	27,621	17,294

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND (Budgetary Basis)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Support Services (Cont'd.)					
Contracted Services-Trans. (Other Than Home/School)	\$ 10,924	\$ 4,823	\$ 15,747	\$ 3,112	\$ 12,635
Contracted Services-Trans. (Special Ed.)		-		9,929	(9,929)
Contracted Services-Trans. (Regular-ESCs/CTSAs)	1,594	(1,594)			-
Travel	56	1,144	1,200		1,200
Supplies and Materials	56,535	295,439	351,974	313,233	38,741
Student Activities				413,525	(413,525)
<b>Total Support Services</b>	<b>443,551</b>	<b>489,997</b>	<b>933,548</b>	<b>1,169,500</b>	<b>(235,952)</b>
 Facilities Acquisition and Construction Services:					
Construction Services		58,004	58,004	54,091	3,913
Instructional Equipment		4,216	4,216	4,052	164
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>62,220</b>	<b>62,220</b>	<b>58,143</b>	<b>4,077</b>
 <b>Total Expenditures</b>	<b>1,714,806</b>	<b>1,667,829</b>	<b>3,382,635</b>	<b>3,344,090</b>	<b>38,545</b>
 Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<b>\$ -</b>	<b>\$ 344,627</b>	<b>\$ (208,863)</b>	<b>(37,657)</b>	<b>\$ (171,206)</b>
 Fund Balance, July 1 - Restated, See Note 22				613,404	
 Fund Balance, June 30				<b>\$ 575,747</b>	
 Recapitulation:					
Restricted:					
Student Activities				\$ 575,747	
<b>Total Fund Balance</b>				<b>\$ 575,747</b>	

**WESTFIELD SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 131,856,135	(C-2) \$ 3,306,433
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
Prior year		84,406
Current year		(64,997)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements (Net)	(16,248)	
<b>Total revenues as reported on the statement of revenues, expenditures and change in fund balances - governmental funds</b>	<b>(B-2) \$ <u>131,839,887</u></b>	<b>(B-2) \$ <u>3,325,842</u></b>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ 128,276,940	(C-2) \$ 3,344,090
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.		
Prior year		84,406
Current year		(64,997)
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<b>(B-2) \$ <u>128,276,940</u></b>	<b>(B-2) \$ <u>3,363,499</u></b>

## **SUPPLEMENTARY INFORMATION**

**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, 2021

Exhibit - E-1  
Page 1 of 1

	TOTAL BROUGHT FORWARD (EX. E-1a)	TOTAL BROUGHT FORWARD (EX. E-1b)	TITLE I PART A REGULAR	TITLE IIA PART A	TITLE III	TITLE IV	I.D.E.A. PART B BASIC	I.D.E.A. PRESCHOOL	CORONAVIRUS RELIEF FUNDS (CRF)				CARES ACT STABILIZATION FUND	TOTALS 2020-2021
									SCHOOL REOPENING AND REMOTE LEARNING	CRF PASSED THROUGH UNION COUNTY	NONPUBLIC TECHNOLOGY	BRIDGING THE DIGITAL DIVIDE		
<b>REVENUES</b>														
State Sources	\$ 243,755	\$	\$ 154,862	\$ 72,971	\$ 11,953	\$ 9,589	\$ 1,616,966	\$ 66,365	\$ 170,774	\$ 308,700	\$ 13,581	\$ 25,350	\$ 126,955	\$ 243,755
Federal Sources														2,578,066
Local Sources		484,612												484,612
<b>Total Revenues</b>	<b>243,755</b>	<b>484,612</b>	<b>154,862</b>	<b>72,971</b>	<b>11,953</b>	<b>9,589</b>	<b>1,616,966</b>	<b>66,365</b>	<b>170,774</b>	<b>308,700</b>	<b>13,581</b>	<b>25,350.00</b>	<b>126,955</b>	<b>3,306,433</b>
<b>EXPENDITURES</b>														
Instruction:														
Salaries of Teachers	83,824		74,448		5,860									164,132
Other Salaries for Instruc.			4,855											4,855
Tuition							1,399,851	66,365						1,466,216
Purchased Prof. - Educational Services		1,000												1,000
General Supplies		37,900	43,555		5,782				170,774	91,932	13,581	25,350	58,802	447,676
Textbooks	17,504													17,504
Instructional Equipment		9,198												9,198
Misc. Expenditures		5,866												5,866
<b>Total Instruction</b>	<b>101,328</b>	<b>53,964</b>	<b>122,858</b>		<b>11,642</b>		<b>1,399,851</b>	<b>66,365</b>	<b>170,774</b>	<b>91,932</b>	<b>13,581</b>	<b>25,350</b>	<b>58,802</b>	<b>2,116,447</b>
Support Services:														
Salaries of Other Prof. Staff	63,627			64,928										128,555
Salaries of Sec & Cler Assts							4,548							4,548
Other Salaries						8,908	150,000							158,908
Personal Services - Empl. Benefits			32,004	4,967	311	681	8,732							46,695
Purch. Prof. - Educ. Services	542	10,792		2,576			53,835							67,745
Other Purch. Prof. Services	27,621													27,621
Contract Serv. - Trans. (Other Than Home & School)		2,070												2,070
Travel		6,100		500										6,600
Supplies and Materials	50,637	13,675								180,768			68,153	313,233
Student Activities		413,525												413,525
<b>Total Support Services</b>	<b>142,427</b>	<b>446,162</b>	<b>32,004</b>	<b>72,971</b>	<b>311</b>	<b>9,589</b>	<b>217,115</b>			<b>180,768</b>			<b>68,153</b>	<b>1,169,500</b>
Facilities Acquis. & Const. Serv.:														
Buildings		18,091								36,000				54,091
Instructional Equipment		4,052												4,052
<b>Total Facil. Acquis. &amp; Const. Serv.</b>		<b>22,143</b>								<b>36,000</b>				<b>58,143</b>
<b>Total Expenditures</b>	<b>243,755</b>	<b>522,269</b>	<b>154,862</b>	<b>72,971</b>	<b>11,953</b>	<b>9,589</b>	<b>1,616,966</b>	<b>66,365</b>	<b>170,774</b>	<b>308,700</b>	<b>13,581</b>	<b>25,350</b>	<b>126,955</b>	<b>3,344,090</b>
Excess (Deficiency) of Revenues Over Expenditures		(37,657)												(37,657)
Fund Balance, July 1 - Restated, See Note 22		613,404												613,404
Fund Balance, June 30	\$ -	\$ 575,747	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 575,747

**WESTFIELD SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Exhibit - E-1a  
Page 1 of 1

	<u>NONPUBLIC TEXTBOOKS</u>	<u>NONPUBLIC NURSING</u>	<u>NONPUBLIC SECURITY</u>	<u>N.J. NONPUBLIC AUXILIARY SERV., CH.192 COMP. EDUCATION</u>	<u>ESL</u>	<u>N.J. NONPUBLIC HANDICAPPED SERV., CH. 193 SUPPL. INST.</u>	<u>EXAM. AND CLASS.</u>	<u>CORR. SPEECH</u>	<u>TOTAL CARRIED FORWARD</u>
<b><u>REVENUES</u></b>									
State Sources	\$ 17,504	\$ 27,621	\$ 51,179	\$ 55,302	\$ 355	\$ 28,167	\$ 49,227	\$ 14,400	\$ 243,755
<b>Total Revenues</b>	<u>17,504</u>	<u>27,621</u>	<u>51,179</u>	<u>55,302</u>	<u>355</u>	<u>28,167</u>	<u>49,227</u>	<u>14,400</u>	<u>243,755</u>
<b><u>EXPENDITURES</u></b>									
Instruction:									
Salaries of Teachers				55,302	355	28,167			83,824
Textbooks	17,504								17,504
Total Instruction	<u>17,504</u>	<u>-</u>	<u>-</u>	<u>55,302</u>	<u>355</u>	<u>28,167</u>	<u>-</u>	<u>-</u>	<u>101,328</u>
Support Services:									
Salaries of Other Prof. Staff							49,227	14,400	63,627
Purch. Prof./Educational Serv.			542						542
Other Purch. Prof. Services		27,621							27,621
Supplies and Materials			50,637						50,637
Total Support Services	<u>-</u>	<u>27,621</u>	<u>51,179</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,227</u>	<u>14,400</u>	<u>142,427</u>
<b>Total Expenditures</b>	<u>17,504</u>	<u>27,621</u>	<u>51,179</u>	<u>55,302</u>	<u>355</u>	<u>28,167</u>	<u>49,227</u>	<u>14,400</u>	<u>243,755</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1 - Restated, See Note 22									
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WESTFIELD SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Exhibit - E-1b  
Page 1 of 1

	LOCAL PROGRAMS	STUDENT ACTIVITY FUND	CARRIED FORWARD
<b><u>REVENUES</u></b>			
State Sources	\$	\$	\$ -
Federal Sources			-
Local Sources	108,744	375,868	484,612
<b>Total Revenues</b>	108,744	375,868	484,612
<b><u>EXPENDITURES</u></b>			
Instruction:			
Purchased Prof. - Educational Services	1,000		1,000
General Supplies	37,900		37,900
Instructional Equipment	9,198		9,198
Misc. Expenditures	5,866		5,866
Total Instruction	53,964	-	53,964
Support Services:			
Purch. Prof. Ed. Services	10,792		10,792
Contract Serv. - Trans. (Other Than Home & School)	2,070		2,070
Travel	6,100		6,100
Supplies and Materials	13,675		13,675
Student Activities		413,525	413,525
Total Support Services	32,637	413,525	446,162
Facilities Acquis. & Const. Serv.:			
Construction Services	18,091		18,091
Instructional Equipment	4,052		4,052
Total Facil. Acquis. & Const. Serv.	22,143	-	22,143
<b>Total Expenditures</b>	108,744	413,525	522,269
Excess (Deficiency) of Revenues Over Expenditures		(37,657)	(37,657)
Fund Balance, July 1 - Restated, See Note 22		613,404	613,404
Fund Balance, June 30	\$	575,747	\$ 575,747



**CAPITAL PROJECTS FUND**

**SECTION – F**

**WESTFIELD SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
YEAR ENDED JUNE 30, 2021**

<u>ISSUE/PROJECT TITLE</u>	<u>REVISED APPROPRIATION</u>	<u>EXPENDITURES TO DATE</u>		<u>TRANSFERRED</u>	<u>UNEXPENDED BALANCE</u>
		<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>		
Replacement Fire Alarms, Emergency Comm. Equipment/Public Address Systems, Switches and WI-FI Upgrades, Gym/Multi-Purpose Room Floors, 8 Boilers, Retractable Gym Door, and Handicapped Accessibility.	\$ 8,449,362	\$ 8,383,008		\$ 66,354	\$ -
Replacement Seats, Handicapped Accessible Seats, Sound System, Acoustical Treatments, Accessible Stage Access, Lighting Upgrades Flooring, and Air Conditioning.	4,150,638	4,141,129		9,509	-
Kehler Field, High School and Elementary School Renovations	<u>20,861,335</u>	<u>10,586,303</u>	<u>\$ 2,158,056</u>		<u>8,116,976</u>
<b>Total</b>	<b><u>\$ 33,461,335</u></b>	<b><u>\$ 23,110,440</u></b>	<b><u>\$ 2,158,056</u></b>	<b><u>\$ 75,863</u></b>	<b><u>\$ 8,116,976</u></b>

**WESTFIELD SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGE IN FUND BALANCE - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

Revenues and Other Financing Sources	
Transfer from Capital Reserve	\$ <u>9,173,351</u>
Total revenues	<u>9,173,351</u>
Expenditures and Other Financing Uses	
Purchased Professional and Technical Services	551,398
Construction Services	1,606,658
Transfer to Debt Service Fund	<u>75,863</u>
Total expenditures	<u>2,233,919</u>
Excess (deficiency) of revenues over (under) expenditures	6,939,432
Fund balance - beginning	<u>1,177,544</u>
<b>Fund balance - ending</b>	<b>\$ <u><u>8,116,976</u></u></b>
<u>Analysis of Fund Balance - June 30, 2021:</u>	
Assigned for Capital Projects	\$ <u>8,116,976</u>
<b>Fund balance (GAAP Basis) - June 30, 2021</b>	<b>\$ <u><u>8,116,976</u></u></b>

**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, 2021**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Bond proceeds and transfers	\$ 8,449,362	\$ _____	\$ 8,449,362	\$ 8,449,362
Total revenues	8,449,362	_____	8,449,362	8,449,362
Expenditures and Other Financing Uses				
Purchased professional and technical services	492,678		492,678	567,916
Construction services	7,890,330		7,890,330	7,881,446
Transfer to debt service fund		66,354	66,354	
Total expenditures	8,383,008	66,354	8,449,362	8,449,362
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ 66,354</b>	<b>\$ (66,354)</b>	<b>\$ _____</b>	<b>\$ _____</b>

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	12/31/11
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	100%
Original target completion date	2016
Revised target completions date	2020

**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, 2021**

	<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	4,150,638		4,150,638	4,150,638
Total revenues	<u>4,150,638</u>	<u>-</u>	<u>4,150,638</u>	<u>4,150,638</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	328,730		328,730	328,730
Construction services	3,812,399		3,812,399	3,821,908
Transfer to debt service fund		9,509	9,509	
Total expenditures	<u>4,229,479</u>	<u>9,509</u>	<u>4,150,638</u>	<u>4,150,638</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b><u>\$ (78,841)</u></b>	<b><u>\$ (9,509)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	12/31/11
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	100%
Original target completion date	2016
Revised target completions date	2019

**WESTFIELD SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS  
KEHLER FIELD, HIGH SCHOOL AND ELEMENTARY SCHOOL UPGRADES  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Other Projects	\$ 76,621	\$	\$ 76,621	\$ 76,621
Transfer from Capital Reserve	11,611,364	9,173,351	20,784,715	10,925,539
Total revenues	<u>11,687,985</u>	<u>9,173,351</u>	<u>20,861,336</u>	<u>11,002,160</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	749,341	551,398	1,300,739	670,834
Construction services	9,836,963	1,606,658	11,443,621	10,331,326
Total expenditures	<u>10,586,304</u>	<u>2,158,056</u>	<u>12,744,360</u>	<u>11,002,160</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b><u>\$ 1,101,681</u></b>	<b><u>\$ 7,015,295</u></b>	<b><u>\$ 8,116,976</u></b>	<b><u>\$ -</u></b>

Additional project information:

Project Number	N/A	
Grant Date	N/A	
Bond Authorization Date	N/A	
Bonds Authorized	N/A	
Bonds Issued	N/A	
Original Authorized Cost	\$3,770,972	
Additional Authorized Cost	\$17,090,364	
Revised Authorized Cost	\$20,861,336	

Percentage Increase over Original Authorized Cost	453.21%	
Percentage completion	116%	
Original target completion date	2018	
Revised target completions date	2022	

**PROPRIETARY FUNDS**

**SECTION – G**

**ENTERPRISE FUND**



**WESTFIELD SCHOOL DISTRICT  
COMBINING STATEMENT OF NET POSITION  
ENTERPRISE FUND  
AS OF JUNE 30, 2021**

<b><u>ASSETS</u></b>	<b><u>FOOD SERVICE</u></b>	<b><u>WRAP PROGRAM</u></b>	<b><u>TOTALS</u></b>
Current Assets:			
Cash and Cash Equivalents	\$ 1,040,759	\$ 72,488	\$ 1,113,247
Accounts Receivable:			
Other	1,586		1,586
Inventory	21,208		21,208
Total Current Assets	<u>1,063,553</u>	<u>72,488</u>	<u>1,136,041</u>
Noncurrent Assets:			
Capital Assets:			
Equipment	835,922		835,922
Accumulated Depreciation	<u>(510,369)</u>		<u>(510,369)</u>
Total Noncurrent Assets	<u>325,553</u>		<u>325,553</u>
<b>Total Assets</b>	<b><u>\$ 1,389,106</u></b>	<b><u>\$ 72,488</u></b>	<b><u>\$ 1,461,594</u></b>
<b><u>LIABILITIES AND NET POSITION</u></b>			
Current Liabilities:			
Accounts Payable	\$ 6,426	\$	\$ 6,426
Unearned Revenue	<u>77,659</u>	<u>34,400</u>	<u>112,059</u>
Total Current Liabilities	<u>84,085</u>	<u>34,400</u>	<u>118,485</u>
Net Position:			
Net Investment in Capital Assets	325,553		325,553
Unrestricted	<u>979,468</u>	<u>38,088</u>	<u>1,017,556</u>
Total Net Position	<u>1,305,021</u>	<u>38,088</u>	<u>1,343,109</u>
<b>Total Liabilities and Net Position</b>	<b><u>\$ 1,389,106</u></b>	<b><u>\$ 72,488</u></b>	<b><u>\$ 1,461,594</u></b>

**WESTFIELD SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>FOOD SERVICE</u>	<u>WRAP PROGRAM</u>	<u>TOTAL</u>
<b><u>OPERATING REVENUES</u></b>			
Local Sources:			
Daily Sales - Non-Reimbursable Programs	\$ 10,752	\$	\$ 10,752
Program Fees		161,709	161,709
Total Operating Revenues	<u>10,752</u>	<u>161,709</u>	<u>172,461</u>
<b><u>OPERATING EXPENSES</u></b>			
Cost of Sales	16,594		16,594
Direct Labor	5,236	392,865	398,101
Administrative Labor	104,245		104,245
Supplies	8,333	3,873	12,206
Office and Administrative	22,947		22,947
Outside Services	1,801		1,801
Management Fees	995		995
Depreciation	26,320		26,320
Total Operating Expenses	<u>186,471</u>	<u>396,738</u>	<u>583,209</u>
<b>Operating Income (Loss)</b>	<b><u>(175,719)</u></b>	<b><u>(235,029)</u></b>	<b><u>(410,748)</u></b>
Non-Operating Revenues (Expenses):			
Interest on Deposits	6,668		6,668
<b>Total Non-Operating Revenues</b>	<b><u>6,668</u></b>	<b><u>-</u></b>	<b><u>6,668</u></b>
<b>Change in Net Position</b>	<b><u>(169,051)</u></b>	<b><u>(235,029)</u></b>	<b><u>(404,080)</u></b>
Total Net Position Beginning	<u>1,474,072</u>	<u>273,117</u>	<u>1,747,189</u>
<b>Total Net Position Ending</b>	<b><u>\$ 1,305,021</u></b>	<b><u>\$ 38,088</u></b>	<b><u>\$ 1,343,109</u></b>

**WESTFIELD SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>FOOD SERVICE</u>	<u>WRAP PROGRAM</u>	<u>TOTAL</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ (423)	\$ 138,825	\$ 138,402
Payments for Employee Services	(109,481)	(392,865)	(502,346)
Payments to Suppliers	(63,469)	(4,249)	(67,718)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>(173,373)</b>	<b>(258,289)</b>	<b>(431,662)</b>
Cash Flows from Investing Activities			
Interest on Deposits	6,668		6,668
<b>Net Cash Provided by (Used for) Investing Activities</b>	<b>6,668</b>	<b>-</b>	<b>6,668</b>
Net Increase (Decrease) in Cash and Cash Equivalents	(166,705)	(258,289)	(424,994)
Cash and Cash Equivalents, July 1	1,207,464	330,777	1,538,241
<b>Cash and Cash Equivalents, June 30</b>	<b>\$ 1,040,759</b>	<b>\$ 72,488</b>	<b>\$ 1,113,247</b>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ (175,719)	\$ (235,029)	\$ (410,748)
Adjust. to Reconcile Operating Income (Loss) to Cash Provided (Used) by Oper. Activities:			
Depreciation	26,320		26,320
(Increase) Decrease in Accounts Receivable	561		561
(Increase) Decrease in Inventory	(1,257)		(1,257)
Increase (Decrease) in Deferred Revenue	(11,736)	(22,884)	(34,620)
Increase (Decrease) in Accounts Payable	(11,542)	(376)	(11,918)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ (173,373)</b>	<b>\$ (258,289)</b>	<b>\$ (431,662)</b>

**LONG-TERM DEBT**

**SECTION – I**

WESTFIELD SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2021

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2020	RETIRED	BALANCE JUNE 30, 2021
			DATE	AMOUNT				
School Bonds	8/1/2013	\$ 6,916,000	8/1/2021	\$ 460,000	2.375%			
			8/1/2022	460,000	2.500%			
			8/1/2023	460,000	3.000%			
			8/1/2024	460,000	3.000%			
			8/1/2025	460,000	3.000%			
			8/1/2026	460,000	3.000%			
			8/1/2027	460,000	3.000%			
			8/1/2028	460,000	3.000%			
School Bonds	7/10/2014	3,200,000	8/1/2021	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%			
Refunding School Bonds, Series 2015 A	3/24/2015	5,700,000	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%			

WESTFIELD SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2021

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE	RETIRED	BALANCE
			DATE	AMOUNT		JUNE 30, 2020		JUNE 30, 2021
School Bonds, Series 2015 B	3/24/2015	\$ 261,000				\$ 56,000	\$ 56,000	\$
Refunding School Bonds, Series 2016 A	7/13/2016	6,675,000	8/1/2021	\$ 870,000	1.500%	1,770,000	900,000	870,000
School Bonds, Series 2016 B	7/13/2016	12,600,000	8/1/2021	950,000	2.000%	11,100,000	950,000	10,150,000
			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%			
<b>Total</b>						<b>\$ 23,441,000</b>	<b>\$ 3,116,000</b>	<b>\$ 20,325,000</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 2,701,644	\$ -	\$ 2,701,644	\$ 2,701,644	\$ -
Total Local Sources	2,701,644	-	2,701,644	2,701,644	-
State Aid - Debt Service	833,695	-	833,695	833,695	-
Total Revenues	3,535,339	-	3,535,339	3,535,339	-
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Redemption of Bond Principal	3,116,000	-	3,116,000	3,116,000	-
Bond Interest	543,073	-	543,073	543,073	-
Total Regular Debt Service	3,659,073	-	3,659,073	3,659,073	-
Total expenditures	3,659,073	-	3,659,073	3,659,073	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(123,734)	-	(123,734)	(123,734)	-
Other Financing Sources/(Uses):					
Transfer from Capital Projects Fund	-	-	-	75,863	75,863
Net Change in Fund Balance	(123,734)	-	(123,734)	(47,871)	75,863
Fund Balance, July 1	123,735	-	123,735	123,735	-
<b>Fund Balance, June 30</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 75,864</b>	<b>\$ 75,863</b>

**STATISTICAL SECTION**  
**SECTION – J**



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

**Exhibit J-1**

June 30,

	Restated 2012	Restated 2013	GASB #68 Restated 2014	2015	2016	2017	2018	2019	GASB #84 Restated 2020	2021
<b>Governmental activities</b>										
Net investment in capital assets	\$ 6,299,851	\$ 10,724,623	\$ 11,658,528	\$ 14,113,937	\$ 17,621,502	\$ 11,130,655	\$ 20,065,255	\$ 26,976,612	\$ 35,862,718	\$ 38,549,770
Restricted	5,859,508	3,525,144	5,732,998	5,886,394	8,428,307	22,660,315	21,908,541	21,059,726	20,019,406	19,254,991
Unrestricted/(deficit)	798,409	618,078	(22,651,303)	(23,325,495)	(24,717,778)	(28,030,698)	(27,600,573)	(26,310,130)	(24,024,845)	(22,843,588)
<b>Total governmental activities net position</b>	<b>\$ 12,957,768</b>	<b>\$ 14,867,845</b>	<b>\$ (5,259,778)</b>	<b>\$ (3,325,164)</b>	<b>\$ 1,332,031</b>	<b>\$ 5,760,272</b>	<b>\$ 14,373,224</b>	<b>\$ 21,726,208</b>	<b>\$ 31,857,279</b>	<b>\$ 34,961,173</b>
<b>Business-type activities</b>										
Invested in capital assets	\$ 43,630	\$ 37,294	\$ 30,955	\$ 24,616	\$ 18,277	\$ 322,433	\$ 459,157	\$ 316,024	\$ 351,873	\$ 325,553
Unrestricted	77,624	114,071	181,308	414,803	593,263	591,850	867,954	1,241,620	1,395,315	1,017,556
<b>Total business-type activities net position</b>	<b>\$ 121,254</b>	<b>\$ 151,365</b>	<b>\$ 212,263</b>	<b>\$ 439,419</b>	<b>\$ 611,540</b>	<b>\$ 914,283</b>	<b>\$ 1,327,111</b>	<b>\$ 1,557,645</b>	<b>\$ 1,747,188</b>	<b>\$ 1,343,109</b>
<b>Government-wide</b>										
Net investment in capital assets	\$ 6,343,481	\$ 10,761,917	\$ 11,689,483	\$ 14,138,553	\$ 17,639,779	\$ 11,453,088	\$ 20,524,413	\$ 27,292,636	\$ 36,214,591	\$ 38,875,323
Restricted	5,859,508	3,525,144	5,732,998	5,886,394	8,428,307	22,660,315	21,908,541	21,059,726	20,019,406	19,254,991
Unrestricted/(deficit)	876,033	732,149	(22,469,995)	(22,910,692)	(24,124,515)	(27,438,848)	(26,732,619)	(25,068,510)	(22,629,530)	(21,826,032)
<b>Total district net assets/position</b>	<b>\$ 13,079,022</b>	<b>\$ 15,019,210</b>	<b>\$ (5,047,515)</b>	<b>\$ (2,885,745)</b>	<b>\$ 1,943,571</b>	<b>\$ 6,674,555</b>	<b>\$ 15,700,335</b>	<b>\$ 23,283,852</b>	<b>\$ 33,604,467</b>	<b>\$ 36,304,282</b>

Source: CAFR Schedule A-1.

**Westfield Board of Education  
Changes in Net Asset/Position  
Last Ten Fiscal Years  
Unaudited**

**Exhibit J-2**

	<u>Fiscal Year Ending June 30,</u>									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>EXPENSES</b>										
Governmental Activities										
Instruction										
Regular	\$ 30,085,810	\$ 33,216,431	\$ 33,171,669	\$ 32,170,882	\$ 33,945,264	\$ 34,753,267	\$ 36,122,785	\$ 37,571,944	\$ 36,944,281	\$ 40,657,247
Special Education	6,959,573	7,347,902	8,076,449	8,152,638	7,980,420	8,190,781	8,361,149	9,766,996	10,011,544	8,566,376
Other Special Instruction	895,340	984,132	1,024,005	2,155,957	1,081,477	1,184,559	1,140,743	1,178,793	1,301,154	1,309,471
Other Instruction	1,409,614	1,537,375	1,567,943	1,675,043	1,567,029	1,627,761	1,643,247	1,763,297	1,815,169	1,745,647
Support Services										
Tuition	6,253,142	5,997,483	5,839,281	6,686,758	6,688,650	6,570,330	6,640,145	5,139,929	5,597,633	6,237,009
Student & Instruction Related Services	12,372,419	11,303,844	11,450,450	11,684,484	12,153,419	12,458,158	13,283,367	14,151,973	14,170,552	15,634,183
School Administrative Services	3,380,507	3,354,346	3,495,703	3,575,510	3,472,539	3,613,535	3,423,415	3,420,531	3,512,032	3,620,413
General & Business Administrative Services	3,841,033	3,577,560	3,708,227	3,689,079	4,013,438	4,552,751	4,066,604	4,141,012	4,487,540	4,605,815
Plant Operations and Maintenance	5,879,272	5,762,483	5,878,848	5,954,354	5,943,911	6,029,301	5,972,184	6,152,407	6,232,723	5,706,850
Pupil Transportation	2,496,987	2,456,187	2,744,174	2,505,294	2,550,903	2,618,167	2,746,357	3,171,761	2,949,490	3,167,718
Unallocated Benefits	21,474,960	24,322,921	24,007,770	26,417,254	26,368,620	52,176,028	53,851,627	47,488,977	38,579,855	55,552,717
Interest on Long-Term Debt	859,740	813,870	889,586	808,442	952,171	758,829	733,389	744,088	629,941	520,872
Unallocated Depreciation & Amortization	1,967,528	1,316,041	1,201,462	1,255,944	1,771,245	705,067	390,741	632,123	575,603	665,701
Total Governmental Activities	<u>97,875,924</u>	<u>101,990,575</u>	<u>103,055,566</u>	<u>106,731,639</u>	<u>108,489,286</u>	<u>135,238,535</u>	<u>138,375,754</u>	<u>135,323,832</u>	<u>126,807,517</u>	<u>147,990,019</u>
Business-Type Activities:										
Food Service	1,090,730	1,158,886	1,242,856	1,161,518	1,189,123	1,231,331	1,307,660	1,348,600	953,918	186,471
Child Care			89,922	197,980	485,571	480,757	523,935	512,422	404,657	396,738
Total Business-Type Activities	<u>1,090,730</u>	<u>1,158,886</u>	<u>1,332,778</u>	<u>1,359,498</u>	<u>1,674,695</u>	<u>1,712,088</u>	<u>1,831,594</u>	<u>1,861,022</u>	<u>1,358,575</u>	<u>583,209</u>
Total Primary Government Expenses	<u>\$ 98,966,654</u>	<u>\$ 103,149,461</u>	<u>\$ 104,388,345</u>	<u>\$ 108,091,137</u>	<u>\$ 110,163,981</u>	<u>\$ 136,950,623</u>	<u>\$ 140,207,348</u>	<u>\$ 137,184,854</u>	<u>\$ 128,166,092</u>	<u>\$ 148,573,228</u>
<b>Program Revenues</b>										
Governmental Activities										
Operating Grants and Contributions	\$ 7,192,491	\$ 9,269,748	\$ 8,415,719	\$ 9,210,875	\$ 11,209,759	\$ 34,156,080	\$ 40,360,685	\$ 32,625,857	\$ 24,396,372	\$ 40,939,510
Interest on Long-Term Debt	342,105	353,654	363,541	306,218	245,926	774,814				
Total Governmental Activities Program Revenues	<u>7,534,596</u>	<u>9,623,402</u>	<u>8,779,260</u>	<u>9,517,093</u>	<u>11,455,685</u>	<u>34,930,894</u>	<u>40,360,685</u>	<u>32,625,857</u>	<u>24,396,372</u>	<u>40,939,510</u>
Business-Type Activities										
Charges for Services										
Food Service	1,044,113	1,109,513	1,164,484	1,226,149	1,314,583	1,410,190	1,482,337	1,568,419	1,059,004	10,752
Child Care			138,600	278,053	430,003	494,800	640,605	526,400	459,900	161,709
Operating Grants and Contributions	87,346	79,054	89,977	80,768	99,531	104,733	107,996	89,447		5,435
Total Business Type Activities Program Revenues	<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>	<u>2,184,266</u>	<u>1,524,339</u>	<u>172,461</u>
Total District Program Revenues	<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>	<u>\$ 34,810,122</u>	<u>\$ 25,920,711</u>	<u>\$ 41,111,971</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (90,341,328)	\$ (92,367,173)	\$ (94,276,307)	\$ (97,214,546)	\$ (97,033,601)	\$ (100,307,641)	\$ (98,015,069)	\$ (102,697,975)	\$ (102,411,145)	\$ (107,050,509)
Business-Type Activities	40,729	29,681	60,283	225,471	169,422	297,635	399,344	323,244	165,764	(410,748)
Total District-Wide Net Expense	<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>	<u>\$ (102,374,731)</u>	<u>\$ (102,245,381)</u>	<u>\$ (107,461,257)</u>

**Westfield Board of Education  
Changes in Net Asset/Position  
Last Ten Fiscal Years  
Unaudited**

**Exhibit J-2  
(continued)**

	<u>Fiscal Year Ending June 30,</u>									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>General Revenues and Other Changes in Net Assets/Position</b>										
Governmental Activities										
Property Taxes, Levied for General Purposes, Net	\$ 83,007,187	\$ 84,667,331	\$ 86,360,677	\$ 88,967,333	\$ 91,791,272	\$ 94,193,247	\$ 96,710,506	\$ 98,644,716	\$ 101,420,397	\$ 103,448,805
Taxes Levied for Debt Service	2,537,247	2,527,277	2,551,925	2,848,413	3,201,836	2,685,543	3,459,971	3,289,272	3,329,393	2,701,644
Unrestricted Grants and Contributions	3,506,246	4,194,340	4,115,308	4,180,857	4,354,644	4,886,435	3,236,885	5,240,839	4,478,011	3,960,336
Restricted Grants and Contributions	2,492,779	2,172,729	1,906,840	2,212,314	2,163,177	2,174,893	988,965	322,393	410,349	833,695
Tuition Received	159,866	135,874	138,397	210,478	162,071	77,540	67,437	101,757	37,005	44,542
Investment earnings	65,400	29,515	29,129	41,146	58,023	167,841	21,542	911,216	571,427	192,273
Miscellaneous Income	530,961	550,740	411,212	688,620	619,234	550,383	2,165,431	1,580,941	1,344,144	961,714
Cancellation of Accounts Receivable										
Cancellation of Accrued Liability										
Transfers	(9,873)	(557)	9,135				(22,716)	(40,175)	(30,866)	(1,988,606)
<b>Total Governmental Activities</b>	<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>104,735,882</u>	<u>106,628,021</u>	<u>110,050,959</u>	<u>111,559,860</u>	<u>110,154,403</u>
Business-Type Activities										
Miscellaneous Income		430	616	1,684	2,700	5,108		27,652	23,780	6,668
Transfers							13,485	(120,362)		
<b>Total Business-Type Activities</b>	<u>-</u>	<u>430</u>	<u>616</u>	<u>1,684</u>	<u>2,700</u>	<u>5,108</u>	<u>13,485</u>	<u>(92,711)</u>	<u>23,780</u>	<u>6,668</u>
<b>Total Primary Government</b>	<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>	<u>\$ 109,958,248</u>	<u>\$ 111,583,640</u>	<u>\$ 110,161,071</u>
<b>Change in Net Assets/Net Position</b>										
Governmental Activities	\$ 1,948,485	\$ 1,910,076	\$ 1,246,316	\$ 1,934,614	\$ 5,316,657	\$ 4,428,241	\$ 8,612,952	\$ 7,352,984	\$ 9,148,715	\$ 3,103,894
Business-Type Activities	40,729	30,111	60,898	227,155	172,122	302,742	412,828	230,533	189,544	(404,080)
<b>Total District</b>	<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>	<u>\$ 7,583,517</u>	<u>\$ 9,338,259</u>	<u>\$ 2,699,814</u>

Source: CAFR Schedule A-2.

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

Exhibit J-3

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted:	\$ 4,006,555	\$ 5,022,670	\$ 4,468,499	\$ 4,807,697	\$ 9,041,326	\$ 14,861,873	\$ 16,566,982	\$ 13,549,452	\$ 18,860,064	\$ 10,486,404
Committed:	1,537,139	1,154,265	880,573	722,022	510,251	430,764	1,021,507	393,297	1,394,601	1,259,798
Assigned:	1,106,658		308,774	3,041		163,799	105,935	357,639	1,009,492	246,682
Unassigned:	858,583	587,609	659,053	654,598	653,439	652,507	812,931	2,349,996	2,133,501	4,117,248
Total General Fund	<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>	<u>\$ 16,650,384</u>	<u>\$ 23,397,658</u>	<u>\$ 16,110,132</u>
All Other Governmental Funds										
Restricted:										
Student Activities										\$ 575,747
Assigned, Reported In:										
Capital Projects Fund	\$ 272,720	\$ (1,527,195)	\$ 658,442	\$ 353,633	\$ (1,147,567)	\$ 7,313,383	\$ 5,192,415	\$ 7,668,196	\$ 1,177,544	8,116,976
Debt Service Fund	43,095	1	2	2	24,297	54,295	54,296	123,735	123,735	75,864
Total All Other Governmental Funds	<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>	<u>\$ 7,791,931</u>	<u>\$ 1,301,279</u>	<u>\$ 8,768,587</u>

Source: CAFR Schedule B-1.

**WESTFIELD BOARD OF EDUCATION  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

**Exhibit J-4**

*(modified accrual basis of accounting)*

**Unaudited**

Fiscal Year Ending June 30,

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Tax levy	\$ 85,544,434	\$ 87,194,608	\$ 88,912,602	\$ 91,815,746	\$ 94,993,108	\$ 96,878,790	\$ 100,170,477	\$ 101,933,988	\$ 104,749,790	\$ 106,150,449
Tuition charges	159,866	135,874	138,397	210,478	162,071	77,540	67,437	101,757	37,005	44,542
Miscellaneous	596,361	580,255	580,277	729,765	864,554	983,213	2,380,787	2,492,157	1,977,914	1,340,942
State sources	11,108,358	14,155,460	12,845,146	14,270,874	16,116,374	18,518,748	20,114,412	24,584,827	23,946,661	28,605,095
Federal sources	2,425,263	1,835,010	1,816,326	2,196,857	1,669,836	1,729,306	1,762,026	1,803,964	1,757,887	2,560,040
Total revenue	99,834,282	103,901,208	104,292,747	109,223,720	113,805,944	118,187,597	124,495,139	130,916,693	132,469,258	138,701,068
<b>Expenditures</b>										
Instruction										
Regular Instruction	30,076,015	33,216,431	33,171,669	32,170,882	33,945,264	33,231,684	34,218,969	35,028,570	34,465,074	37,737,269
Special education instruction	6,954,087	7,347,902	8,076,449	8,152,638	7,980,420	8,190,781	8,354,649	9,766,996	10,021,974	8,508,910
Other special instruction	895,340	984,132	1,024,005	2,155,957	1,081,477	1,184,559	1,133,696	1,178,793	1,301,154	1,309,471
Other instruction	1,409,614	1,537,375	1,567,943	1,675,043	1,567,029	1,627,762	1,643,247	1,763,297	1,815,169	1,745,647
Support Services:										
Tuition	6,253,142	5,997,483	5,839,281	6,686,758	6,688,650	6,570,330	6,640,145	5,139,929	5,597,633	6,237,009
Student & inst. related services	12,384,045	11,303,844	11,450,450	11,684,484	12,153,419	12,458,158	13,325,341	14,134,781	14,138,354	15,634,183
General administration	1,941,964	3,354,346	3,495,703	3,575,510	3,472,539	3,613,535	3,437,646	3,430,924	3,512,032	3,620,413
School administrative services	3,402,281	3,577,560	3,708,227	3,689,079	3,932,882	3,822,747	4,066,604	4,139,435	4,470,032	4,605,815
Central services	1,126,129									
Admin. information technology	747,492									
Plant operations and maintenance	5,879,522	5,762,483	5,878,848	5,954,354	5,943,911	6,029,301	5,978,362	6,150,307	6,222,552	5,679,056
Pupil transportation	2,496,987	2,456,187	2,744,174	2,505,294	2,550,903	2,618,167	2,746,357	3,171,761	2,949,490	3,167,718
Employee benefits	21,474,960	24,350,801	23,663,574	26,389,347	25,200,825	27,621,203	30,408,685	35,483,009	35,066,593	41,941,168
Capital outlay	674,997	3,645,813	6,248,288	5,155,835	3,324,404	6,304,593	7,986,155	6,684,991	8,513,202	3,611,836
Debt service:										
Principal	1,985,000	2,095,000	2,150,000	2,236,000	2,585,000	2,750,000	3,381,000	3,435,000	3,500,000	3,116,000
Interest and other charges	895,929	829,025	765,465	918,631	838,467	650,359	874,121	680,475	608,513	543,073
Total expenditures	98,597,503	106,458,383	109,784,075	112,949,812	111,265,190	116,673,180	124,194,978	130,188,268	132,181,770	137,457,568
Excess (Deficiency) of revenues over (under) expenditures	1,236,779	(2,557,175)	(5,491,327)	(3,726,093)	2,540,753	1,514,417	300,161	728,424	287,487	1,243,500
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing			6,916,000	6,331,360		12,600,000				
Proceeds from refunding				3,474,143		6,675,000				
Premium/Discount on Bonds Issued						320,415				
Payments to escrow agent				(6,239,243)		(6,714,957)				
Transfer to Charter School							(22,716)	(40,175)	(30,866)	(57,466)
Transfers in		9,477	9,135	522,017	341,140	280,859	3,694,351	7,354,924	685,825	9,249,214
Transfers out	(9,873)	(10,034)		(522,017)	(341,140)	(280,859)	(3,694,351)	(7,354,924)	(685,825)	(11,237,820)
Total other financing sources (uses)	(9,873)	(557)	6,925,135	3,566,260	-	12,880,458	(22,716)	(40,175)	(30,866)	(2,046,072)
Net change in fund balances	\$ 1,226,906	\$ (2,557,732)	\$ 1,433,808	\$ (159,833)	\$ 2,540,753	\$ 14,394,875	\$ 277,445	\$ 688,249	\$ 256,621	\$ (802,572)
Debt service as a percentage of noncapital expenditures	2.94%	2.84%	2.82%	2.93%	3.17%	3.08%	3.66%	3.33%	3.32%	2.73%

**Source: District records**

Note: Noncapital expenditures are total expenditures less capital outlay.

**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>Miscellaneous</u>	<u>Annual Totals</u>
Fiscal Year						
Ending June 30,						
2012					\$ 401,122	\$ 401,122
2013					403,936	403,936
2014	\$ 16,004	\$ 153,466		\$ 29,129	241,742	440,341
2015	12,654	145,874		41,146	225,219	424,893
2016	30,876	152,063	\$ 143,262	58,023	296,034	680,257
2017	18,766			167,841	531,617	718,224
2018	21,542	221,026	170,605	584,385	1,189,415	2,186,973
2019	12,831	339,734	113,610	911,216	1,114,766	2,492,157
2020	32,099	163,561	96,500	571,427	461,991	1,325,579
2021	1,891	142,355		192,273	438,368	774,887

Source: District records (Exhibit B-2).

**WESTFIELD SCHOOL DISTRICT  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 Unaudited**

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value) <sup>c</sup>
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
2019	57,049,700	7,312,278,400	0	5,900	748,327,100	5,819,200	124,288,300	8,247,768,600	0	6,569,291	8,254,337,891	1.270	8,101,346,600
2020	66,169,800	7,307,388,600	0	5,900	753,423,800	5,819,200	119,874,800	8,252,682,100	0	6,668,594	8,259,350,694	1.286	8,116,615,626
2021	47,404,400	7,391,810,800	0	5,900	757,543,900	5,819,200	120,130,000	8,322,714,200	0	7,040,677	8,329,754,877	1.299	8,514,363,789

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. Property values for 2019 and subsequent periods reflect a revaluation of taxable properties. Revaluation occurs when authorized by the Governing Body or 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** Union County Abstract of Ratables, when available. Or other local sources

N/A - Not Available.

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

**Exhibit J-7**

Year Ended Dec. 30	Total Direct School Tax Rate	Town of Westfield	Union County	Total Tax Rate**
2012	\$ 4.646	\$ 1.459	\$ 1.757	\$ 7.862
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
2019	1.270	0.371	0.509	2.150
2020	1.286	0.379	0.493	2.158
2021	1.299	0.386	0.478	2.163

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

**Note:** 2019 and subsequent tax rate reflect a 2019 revaluation of real property. See "J-6" for changes in assessed valuations.

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 SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT AND TEN YEARS AGO  
Unaudited**

Taxpayer	YEAR ENDED DEC. 31, 2021			YEAR ENDED DEC. 31, 2012		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
WYCHWOOD GARDENS	\$ 38,991,400	1	0.47%	\$		
HC WESTFIELD 2015 LLC	24,363,900	2	0.30%			
ECHO LAKE COUNTRY CLUB	23,504,700	3	0.28%			
EAST COAST DUNCAN HILL, LLC	23,384,300	4	0.28%			
LT WESTFIELD LLC	19,781,600	5	0.24%			
WEILL, MAURICE	19,500,000	6	0.24%	N/A		
WESTFIELD MERDIAN LLP	17,057,900	7	0.21%			
SUNRISE ASSISTED LIVING	16,849,400	8	0.20%			
ERNSTOFF, ROBERT	16,474,400	9	0.20%			
CFGR, LLC	12,444,000	10	0.15%			
<b>TOTAL</b>	<b>\$ 212,351,600</b>		<b>2.57%</b>	<b>\$</b>		<b>\$</b>

SOURCE(S): MUNICIPAL TAX ASSESSOR

N/A - Not Available.

**WESTFIELD SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS,  
LAST TEN FISCAL YEARS  
Unaudited**

**Exhibit J-9**

Fiscal Year Ended Dec. 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 85,544,434	\$ 85,544,434	100.00%	N/A
2012	87,194,608	87,194,608	100.00%	N/A
2013	88,912,602	88,912,602	100.00%	N/A
2014	91,815,746	91,815,746	100.00%	N/A
2015	94,993,108	94,993,108	100.00%	N/A
2016	96,878,790	96,878,790	100.00%	N/A
2017	100,170,477	100,170,477	100.00%	N/A
2018	101,933,988	101,933,988	100.00%	N/A
2019	104,749,790	104,749,790	100.00%	N/A
2020	106,150,449	106,150,449	100.00%	N/A

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

N/A - Not Available.

**WESTFIELD SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
Unaudited**

**Exhibit J-10**

Fiscal Year Ended June 30,	Governmental Activities				Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)			
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
2019	26,941,000				26,941,000	1.400%	902
2020	23,441,000				23,441,000	1.153%	794
2021	20,325,000				20,325,000	1.01%	689

Source: District CAFR Schedule I-1.

a) 2017 Union County per capita income, computed by the Bureau of Economic Analysis using Census Bureau midyear population estimates.

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

**WESTFIELD SCHOOL DISTRICT**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**Unaudited**

**Exhibit J-11**

Fiscal Year Ended June 30,	GENERAL BONDED DEBT OUTSTANDING			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2012	\$ 22,682,000	\$	\$ 22,682,000	1.21%	\$ 746
2013	20,587,000		20,587,000	1.11%	676
2014	25,353,000		25,353,000	1.37%	835
2015	26,507,000		26,507,000	1.44%	877
2016	23,922,000		23,922,000	1.29%	796
2017	33,757,000		33,757,000	1.82%	1,129
2018	30,376,000	(54,296)	30,321,704	1.62%	1,018
2019	26,941,000	(123,735)	26,817,265	0.32%	909
2020	23,441,000	(123,735)	23,317,265	0.28%	783
2021	20,325,000	(75,863)	20,249,137	0.24%	686

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 SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2021  
Unaudited**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property Taxes</b>			
Town of Westfield	\$27,949,175	100.00%	\$27,949,175
<b>Other Debt</b>			
County of Union - Town's Share	551,314,136	10.778%	59,420,638
Rahway Valley Sewarge Authority - Town's Share	137,749,729	15.476%	21,317,908
<b>Subtotal Overlapping Debt</b>			108,687,721
<b>Net Direct Debt of School District as at June 30, 2021</b>			\$ 20,325,000
<b>Total Direct and Overlapping Debt</b>			<u>\$129,012,721</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 SCHOOL DISTRICT  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS  
 Unaudited

Exhibit J-13

Legal Debt Margin Calculation for Calendar Year 2021	
Equalized	Equalized Valuation Basis
2019	\$ 7,898,986,458
2020	8,094,777,309
2021	<u>8,109,947,032</u>
[A]	[A] \$ <u>24,103,710,799</u>
Avg Equalized Valuation of Taxable Pr	[A/3] \$ 8,034,570,266
School Borrowing Margin (4%)	[B] 321,382,811
Net Bonded School Debt (6/30/21)	[C] <u>20,325,000</u>
Legal Debt Margin	[B-C] <u>\$ 301,057,811</u>

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 296,709,540	\$ 290,803,202	\$ 289,534,541	\$ 290,575,027	\$ 294,519,299	\$ 299,749,036	\$ 304,663,804	\$ 310,091,292	\$ 316,106,816	\$ 321,382,811
Total Net Debt Applicable to Limit	<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>	<u>27,941,000</u>	<u>23,441,000</u>	<u>20,325,000</u>
Legal Debt Margin	<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>	<u>\$ 282,150,292</u>	<u>\$ 292,665,816</u>	<u>\$ 301,057,811</u>
Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit	7.64%	7.08%	8.76%	9.12%	13.58%	11.26%	9.97%	9.01%	7.42%	6.32%

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

**WESTFIELD SCHOOL DISTRICT  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS  
 Unaudited**

**Exhibit J-14**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2012	30,384	\$ 1,614,210,768	\$ 53,127	5.50%
2013	30,408	1,677,031,608	55,151	5.60%
2014	30,464	1,709,913,856	56,129	4.70%
2015	30,351	1,797,689,730	59,230	4.20%
2016	30,209	1,850,905,430	61,270	3.50%
2017	30,035	1,877,968,410	62,526	3.20%
2018	29,899	1,944,511,364	65,036	3.10%
2019	29,780	2,032,842,360	68,262	2.80%
2020	29,512	2,014,548,144	68,262	2.40%
2021	30,316	2,199,213,588	72,543	3.60%

**Source(s):**

<sup>a</sup> State of New Jersey, Department of labor and Workforce Development (Release Date 2020).

<sup>b</sup> Personal income has been estimated based upon the municipal population and the Union County personal income presented.

<sup>c</sup> Per Capita Data represents County of Union, estimated at 2017 levels for 2018.

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

WESTFIELD SCHOOL DISTRICT  
 PRINCIPAL EMPLOYERS  
 CURRENT AND TEN YEARS AGO  
 Unaudited

Exhibit J-15

Employer	2021			2012		
	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.



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

**Exhibit J-16**

**Unaudited**

<b><u>Function/Program</u></b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Instruction										
Teachers	475	475	478	475	480	484	482	483	485	484
Classroom Aides	12	14	38	31	26	30	45	43	39	42
Support Services:										
Student & Instruction Related Services	194	197	191	189	194	190	186	196	207	190
General Administrative Services	7	7	6	6	6	6	6	6	6	6
School Administrative Services	40	40	41	41	39	39	39	39	39	39
Business Administrative Services	14	15	15	15	14	14	14	14	15	15
Admin Info Technology Services	9	9	9	8	8	8	8	9	9	9
Plant Operations and Maintenance	61	61	61	61	61	61	61	61	61	61
Total	812	816	839	826	828	832	841	851	861	846

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

**WESTFIELD SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
Unaudited**

**Exhibit J-17**

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures <sup>a</sup></u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff <sup>b</sup></u>	<u>Average Daily Enrollment (ADE) <sup>c</sup></u>	<u>Average Daily Attendance (ADA) <sup>c</sup></u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
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%
2018-19	6,238	121,441,122	19,468	8.44%	481	6,191	5,975	-1.9%	96.5%
2019-20	6,227	120,896,781	19,415	8.15%	483	6,202	6,049	-1.7%	97.5%
2020-21	5,936	131,640,439	22,177	13.91%	483	5,928	5,843	-4.3%	98.6%

**Source(s):** District Records.

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff obtained from Budget Supporting Documentation.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**WESTFIELD SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS**

**Exhibit J-18**

**Unaudited**

	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
<b>BUILDING</b>										
<b>ELEMENTARY</b>										
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	636	636	570	575	569	584	594	580	604	541
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	469	483	502	496	489	481	474	442	466	466
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	355	349	344	350	353	361	348	340	353	329
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	431	441	439	439	438	429	408	401	431	424
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	325	319	330	326	320	330	311	309	270	283
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	393	389	385	387	394	388	371	354	347	314
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	260	283	234	313	315	300	311	300	283	247
<b>INTERMEDIATE</b>										
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	828	826	808	811	831	825	843	841	818	794
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	731	717	731	729	734	752	782	777	736	679
<b>HIGH SCHOOL</b>										
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	1,838	1,844	1,853	1,852	1,863	1,863	1,915	1,865	1,894	1,850
<b>OTHER</b>										
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 FOLLOW IN PARENTHESES.

WESTFIELD SCHOOL DISTRICT  
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)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FRANKLIN ELEMENTARY SCHOOL	N/A	\$ 71,791	\$ 84,209	\$ 75,771	\$ 74,903	\$ 71,561	\$ 64,378	\$ 78,663	\$ 80,717	\$ 84,358	\$ 92,283
JEFFERSON ELEMENTARY SCHOOL	N/A	50,375	54,128	56,965	51,959	82,148	72,977	57,191	58,685	61,332	64,611
LINCOLN ELEMENTARY SCHOOL	N/A	37,072	34,802	33,689	41,116	44,675	30,190	32,248	33,089	34,582	29,298
MCKINLEY ELEMENTARY SCHOOL	N/A	79,896	93,323	69,224	70,831	64,098	66,222	73,077	74,986	78,366	94,148
TAMAQUES ELEMENTARY SCHOOL	N/A	46,449	50,364	50,022	54,558	44,557	47,277	57,790	59,299	61,973	74,817
WASHINGTON ELEMENTARY SCHOOL	N/A	44,968	53,168	80,267	60,822	44,099	38,639	43,864	45,010	47,041	71,123
WILSON ELEMENTARY SCHOOL	N/A	45,743	62,170	47,389	44,637	57,136	88,365	95,475	55,921	58,443	79,118
EDISON INTERMEDIATE SCHOOL	N/A	120,102	134,347	130,929	151,442	124,974	129,150	144,118	153,305	160,218	134,436
ROOSEVELT INTERMEDIATE SCHOOL	N/A	121,955	123,993	124,343	139,627	138,299	124,232	134,930	138,453	144,698	146,200
WESTFIELD HIGH SCHOOL	N/A	324,970	317,569	313,681	355,399	316,957	324,952	359,594	400,056	362,503	577,055
ADMINISTRATION BUILDING	N/A	55,651	51,801	46,228	33,066	35,291	45,420				
<b>GRAND TOTAL</b>		<b>\$ 998,972</b>	<b>\$ 1,059,874</b>	<b>\$ 1,028,508</b>	<b>\$ 1,078,360</b>	<b>\$ 1,023,795</b>	<b>\$ 1,031,802</b>	<b>\$ 1,076,950</b>	<b>\$ 1,099,521</b>	<b>\$ 1,093,514</b>	<b>\$ 1,363,090</b>

SOURCE: DISTRICT RECORDS.

**SCHOOL DISTRICT OF WESTFIELD**  
**INSURANCE SCHEDULE**  
**As of 6/30/2021**  
**UNAUDITED**

<b>Commercial Package Policy - New Jersey Schools Insurance Group (NJSIG)</b>	<b>COVERAGE</b>	<b>DEDUCTIBLE</b>
Real & Personal Property (per occurrence)	\$500,000,000	\$5,000
Blanket Extra Expense	\$50,000,000	\$5,000
Blanket Valuable Paper & Records	\$10,000,000	\$5,000
Demolition & Increased Cost of Construction	\$25,000,000	
Limited Builders Risk	\$10,000,000	
Fire Dept. Service Charge	\$10,000	
Arson Reward	\$10,000	
Pollution Cleanup & Removal	\$250,000	
<b>Flood/Earthquake:</b>		
Flood Zone A & V	\$25,000,000	\$500,000
All Other Flood Zones	\$75,000,000	\$10,000
Earthquake	\$50,000,000	\$1,000
Terrorism	\$1,000,000	
<b>Electronic Data Processing:</b>		
Blanket Hardware/Software, Extra Expense, Business Income, Transit,	\$1,500,000	\$1,000
Debris Removal		
Flood (Deductible for Zone A & Z)		\$500,000
(Deductible All Other Flood Zones)		\$10,000
<b>Equipment Breakdown</b>		
Combined Single Limit/Accident for Property Damage & Business Income	\$100,000,000	\$5,000
Property Damage	Included	\$5,000
Off Premises Property Damage	\$1,000,000	\$5,000
Extra Expense	\$10,000,000	\$5,000
Service Interruption	\$10,000,000	\$5,000
Perishable Goods	\$1,000,000	\$5,000
Data Restoration	\$1,000,000	\$5,000
Demolition	\$1,000,000	\$5,000
Ordinance or Law	\$1,000,000	\$5,000
Expediting Expense	\$1,000,000	\$5,000
Hazardous Substances	\$1,000,000	\$5,000
Newly Acquired Locations - 120 Days Notice	\$1,000,000	\$5,000
<b>Crime Coverage:</b>		
Public Employee Dishonesty	\$1,000,000	\$1,000
Theft, Disapp. & Destruction/Money Orders & Counterfeit Currency	\$50,000	\$500
Forgery or Alteration	\$1,000,000	\$1,000
Computer Fraud	\$100,000	\$1,000
<b>Public Officials Bond</b>		
Board Secretary - D Sullivan (Selective Ins Co)	\$455,000	\$0
<b>General Liability:</b>		
Bodily Injury & Property Damage	\$31,000,000	
Products & Completed Operations	\$31,000,000	
Sexual Abuse	\$17,000,000	
Personal Injury & Advertising Injury	\$31,000,000	
Employee Benefits Liability	\$31,000,000	\$1,000
Premises Medical Payments	\$10,000 per accident \$5,000 per person	
Terrorism	\$1,000,000	
<b>Automotive Coverage:</b>		
Combined Single Limit for Bodily Injury & Property Damage	\$31,000,000	\$1,000 coll/comp
Personal Injury Protection	\$250,000	
Medical Payments	\$10,000	
Underinsured	\$1,000,000	
Terrorism	\$1,000,000	
Garagekeepers	Included	
<b>School Leaders Errors &amp; Omissions</b>		
Coverage A - protection againsts "loss"/Wrongful Acts	\$31,000,000	\$25,000
Coverage B - defense costs for specific administrative actions	\$100,000	\$25,000
	\$300,000	\$25,000
Retro Date	7/1/1986	
<b>Workers' Compensation</b>		
Part One	Statutory	
Part Two		
Bodily Injury by Accident	\$2,000,000	
Bodily Injury by Disease	\$2,000,000	
<b>Environmental Impairment (Mold)</b>		
Philadelphia Ins Co	\$ 1,000,000	\$ 10,000
<b>Travel Accident Insurance</b>		
ACE USA	\$1,000,000	
<b>Student Accident Insurance</b>		
Base Coverage - US Fire Ins Co	\$ 25,000	
Catastrophic Coverage - AIG	\$ 7,500,000	\$ 25,000

**SINGLE AUDIT SECTION**  
**SECTION - K**

**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 AUDITORS' 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 (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 1, 2022.

**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) as a basis for designing 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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.

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PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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 District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
March 1, 2022



Andrew G. Hodulik  
Licensed Public School Accountant, No. 2305



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE  
AND NEW JERSEY OMB CIRCULAR 15-08

INDEPENDENT AUDITORS' 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's, in the County of Union, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2021. The District's major federal and state programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the 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; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the 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, 2021.

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

Management of the 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 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 Uniform Guidance and New Jersey 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 District's internal control over compliance.

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

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

**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 the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purposes.

*PKF O'Connor Davies, LLP*

March 1, 2022  
Cranford, New Jersey



Andrew G. Hodulik  
Licensed Public School Accountant, No. 841

WESTFIELD SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance June 30, 2020			Balance June 30, 2021 Deferred Revenue/ (Accounts Receivable)
				From	To		Deferred Revenue/ (Accounts Receivable)	Cash Received	Budgetary Expenditures	
<b>General Fund:</b>										
<b>U.S. Department of Education</b>										
<b>Passed through State Department of Education:</b>										
Medical Assistance Program (SEMI)	93.778	2105NJ5MAP	100-054-7540-211	7/1/20	6/30/21	\$ 40,776	\$	\$ 40,776	\$ (40,776)	\$
<b>U.S. Department of Labor</b>										
<b>Passed through State Department of Labor:</b>										
Cares Act DOL Unemployment Grant	17.000	Not Applicable	Not Applicable	7/1/19	6/30/20	51,743	(51,743)	51,743		
<b>Total General Fund</b>							(51,743)	92,519	(40,776)	
<b>Special Revenue Fund:</b>										
<b>U.S. Department of Education</b>										
<b>Passed through State Department of Education:</b>										
Special Education Cluster:										
IDEA Special Education Grants to States	84.027	S027A200100	034-5065-100-016	7/1/19	9/30/20	1,432,811	(81,983)	85,505	(3,522)	
IDEA Special Education Grants to States	84.027	S027A210100	034-5065-100-016	7/1/20	9/30/21	1,628,426		1,559,824	(1,613,444)	(53,620)
IDEA Preschool Grants for Children with Disabilities	84.173	S173A200114	034-5065-100-020	7/1/19	9/30/20	114,172	(1,450)	7,175	(5,725)	
IDEA Preschool Grants for Children with Disabilities	84.173	S173A210114	034-5065-100-020	7/1/20	9/30/21	60,640		60,640	(60,640)	
Subtotal of Special Education Cluster:							(83,433)	1,713,144	(1,683,331)	(53,620)
No Child Left Behind (NCLB):										
Title I, Part A, Grants to Local Educational Agencies	84.010A	S010A200030	034-5064-100-194	7/1/19	9/30/20	146,071	(38,925)	38,925		
Title I, Part A, Grants to Local Educational Agencies	84.010A	S010A210030	034-5064-100-194	7/1/20	9/30/21	175,585		115,142	(154,862)	(39,720)
Title I Part A Subtotal:							(38,925)	154,067	(154,862)	(39,720)
Title II A, Improving Teacher Quality State Grants	84.367A	S367A200029	034-5063-100-290	7/1/19	9/30/20	80,047	(45,441)	38,480	(469)	(7,430)
Title II A, Improving Teacher Quality State Grants	84.367A	S367A210029	034-5063-100-290	7/1/20	9/30/21	83,622		36,061	(72,503)	(36,442)
Title II A Subtotal:							(45,441)	74,541	(72,972)	(43,872)
Title III English Language Acquisition Grants	84.365A	S365A200030	NCLB-20	7/1/19	9/30/20	18,578	831	190	(1,021)	
Title III English Language Acquisition Grants	84.365A	S365A210030	NCLB-21	7/1/20	9/30/21	19,607		9,981	(10,310)	(329)
Title III, Supplemental Immigrant Student Aid	84.365A	S365A200030	NCLB-20	7/1/19	9/30/20	7,630	5,685			5,685
Title III, Supplemental Immigrant Student Aid	84.365A	S365A210030	NCLB-21	7/1/20	9/30/21	2,962			(621)	(621)
Title III Subtotal:							6,516	10,171	(11,952)	4,735
Title IV	84.424	S424A200031	034-5063-100-348	7/1/19	9/30/20	14,744	534	191	(725)	
Title IV	84.424	S424A210031	034-5063-100-348	7/1/20	9/30/21	22,307		3,959	(8,864)	(4,905)
Title IV Subtotal:							534	4,150	(9,589)	(4,905)
CARES Act Cluster:										
COVID-19 CARES Act - Stabilization Fund	84.425D	S425D200027	21-5120-513	3/13/2020	9/30/22	130,130		68,153	(126,955)	(58,802)
COVID-19 CARES Act - CRRSA - ESSER II	84.425D	S425D200027	21-5120-513	3/13/2020	9/30/23	552,746				
CARES Act Subtotal								68,153	(126,955)	(58,802)
Coronavirus Relief Fund (CRF) Cluster:										
COVID-19 CRF - Bridging the Digital Divide	21.019	S377A130031	21-5120-516	7/16/2020	10/31/20	25,655		25,350	(25,350)	
COVID-19 CRF - Nonpublic Technology	21.019	S377A130031	21-5120-515	7/16/2020	10/31/20	17,185		13,581	(13,581)	
COVID-19 CRF - School Reopening and Remote Learning Program	21.019	S377A130031	21-5120-517	3/13/2020	9/30/22	170,774		170,774	(170,774)	
<b>Passed-Through County of Union, New Jersey</b>										
COVID-19 CRF - Grant Program	21.019	S377A130031	N/A	3/13/2020	9/30/22	308,700		308,700	(308,700)	
CRF Cluster Subtotal								518,405	(518,405)	
<b>Total Special Revenue Fund</b>							(160,749)	2,542,631	(2,578,066)	(196,184)
<b>TOTAL FEDERAL AWARDS</b>							\$ (212,492)	\$ 2,635,150	\$ (2,618,842)	\$ (196,184)

Footnote(s):

N/A - Not Available

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

WESTFIELD SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Schedule - B  
 Exhibit K -4

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NO.	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2020			CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAY. OF PR. YRS. BALANCES	BALANCE AT JUNE 30, 2021		MEMO	
				GAAP DEF.REV./ (ACCTS.REC.)	MEMO BUDGETARY (ACCTS. REC.)	DUE TO GRANTOR				(ACCTS.REC.)	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<b>General Fund</b>													
<b>State Department of Education:</b>													
Special Education Categorical Aid	495-034-5120-089	\$ 3,267,761	7/1/19-6/30/20	\$	\$ (321,950)	\$	\$ 321,950	\$	\$	\$	\$	\$	\$
Special Education Categorical Aid	495-034-5120-089	3,497,975	7/1/20-6/30/21				3,158,331	(3,497,975)				(339,644)	(3,497,975)
Categorical Transportation Aid	495-034-5120-014	575,681	7/1/19-6/30/20		(56,718)		56,718						
Categorical Transportation Aid	495-034-5120-014	575,681	7/1/20-6/30/21				519,784	(575,681)				(55,897)	(575,681)
Security Aid	495-034-5120-084	437,833	7/1/19-6/30/20		(43,137)		43,137						
Security Aid	495-034-5120-084	437,833	7/1/20-6/30/21				395,321	(437,833)				(42,512)	(437,833)
Extraordinary Aid	100-034-5120-473	1,494,821	7/1/19-6/30/20	(1,494,821)			1,494,821						
Extraordinary Aid	100-034-5120-473	2,026,585	7/1/20-6/30/21					(2,026,585)		(2,026,585)		(2,026,585)	(2,026,585)
Non-Public Transportation	495-034-5120-014	91,060	7/1/20-6/30/21					(91,060)		(91,060)		(91,060)	(91,060)
T.P.A.F. Social Security Aid	495-034-5095-003		7/1/19-6/30/20	(176,323)			176,323						
T.P.A.F. Social Security Aid	495-034-5095-003	3,516,526	7/1/20-6/30/21				3,603,898	(3,603,898)					(3,603,898)
On-behalf T.P.A.F. Pension Contribution	495-034-5095-002	13,175,299	7/1/20-6/30/21					(13,175,299.00)					(13,175,299.00)
On-behalf T.P.A.F. Post Retirement Medical	495-034-5095-001	4,128,934	7/1/20-6/30/21					(4,128,934.00)					(4,128,934.00)
On-behalf T.P.A.F. LTDI Premiums	495-034-5094-004	6,628	7/1/20-6/30/21					(6,628.00)					(6,628.00)
<b>Total General Fund</b>				<b>(1,671,144)</b>	<b>(421,805)</b>		<b>9,770,283</b>	<b>(27,543,893)</b>		<b>(2,117,645)</b>		<b>(2,555,698)</b>	<b>(27,543,893)</b>
<b>Special Revenue Fund</b>													
<b>State Department of Education:</b>													
<b>N.J. Nonpublic Aid:</b>													
Textbook Aid	100-034-5120-064	22,613	7/1/19-6/30/20			7,427			(7,427)				
Textbook Aid	100-034-5120-064	24,131	7/1/20-6/30/21				24,131	(17,504)			6,627		(17,504)
<b>Auxiliary Services:</b>													
Compensatory Education	100-034-5120-067	40,154	7/1/19-6/30/20	(3,393)	(3,393)		3,393						
Compensatory Education	100-034-5120-067	72,286	7/1/20-6/30/21				72,286	(55,302)			16,984		(55,302)
Transportation	100-034-5120-067	9,929	7/1/19-6/30/20	(992)	(992)		992						
Home Instruction	100-034-5120-067	9,929	7/1/19-6/30/20	(507)	(507)		507						
Transportation	100-034-5120-067	10,874	7/1/20-6/30/21				10,874				10,874		
ESL	100-034-5120-067	444	7/1/20-6/30/21				444	(355)			89		(355)
<b>Handicapped Services:</b>													
Supplementary Instruction	100-034-5120-066	30,760	7/1/19-6/30/20			9,389			(9,389)				
Supplementary Instruction	100-034-5120-066	29,141	7/1/20-6/30/21				29,141	(28,167)			974		(28,167)
Examination & Classification	100-034-5120-066	58,887	7/1/20-6/30/21				58,887	(49,227)			9,660		(49,227)
Corrective Speech	100-034-5120-066	30,988	7/1/19-6/30/20			8,933			(8,933)				
Corrective Speech	100-034-5120-066	25,519	7/1/20-6/30/21				25,519	(14,400)			11,119		(14,400)
Initial Exam & Classification	100-034-5120-066	23,394	7/1/19-6/30/20			6,051			(6,051)				
Initial Exam & Classification	100-034-5120-066		7/1/20-6/30/21										
Nursing Services	100-034-5120-070	41,613	7/1/19-6/30/20			10,701			(10,701)				
Nursing Services	100-034-5120-070	40,290	7/1/20-6/30/21				40,290	(27,621)			12,669		(27,621)
Technology Initiative	100-034-5120-373	15,444	7/1/19-6/30/20			4,011			(4,011)				
Nonpublic Security	100-034-5120-509	64,350	7/1/19-6/30/20			33,646			(33,646)				
Nonpublic Security	100-034-5120-509	69,125	7/1/20-6/30/21				69,125	(51,179)			17,946		(51,179)
<b>Total Special Revenue Fund</b>				<b>(4,892)</b>	<b>(4,892)</b>	<b>80,158</b>	<b>335,589</b>	<b>(243,755)</b>		<b>(80,158)</b>		<b>86,942</b>	<b>(243,755)</b>

WESTFIELD SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Schedule - B  
 Exhibit K -4

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NO.	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2020				CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAY. OF PR. YRS. BALANCES	BALANCE AT JUNE 30, 2021		MEMO	
				GAAP DEF.REV./ (ACCTS.REC.)	MEMO BUDGETARY (ACCTS. REC.)	DUE TO GRANTOR					(ACCTS.REC.)	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<b>Debt Service Fund</b>														
<b>State Department of Education:</b>														
Debt Service Aid	495-034-5120-017	\$ 833,695	7/1/20-6/30/21	\$ _____	\$ _____	\$ _____	\$ 833,695	\$ (833,695)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ (833,695)
<b>Total Debt Service Fund</b>				_____	_____	_____	833,695	(833,695)	_____	_____	_____	_____	_____	(833,695)
<b>Capital Projects Fund</b>														
<b>State Department of Education:</b>														
SDA Grants - Cluster	5730-xxx-xx-xxxx		Indefinite	(395,673)	_____	_____	_____	_____	_____	(395,673)	_____	(395,673)	_____	_____
<b>Total Capital Projects Fund</b>				(395,673)	_____	_____	_____	_____	_____	(395,673)	_____	(395,673)	_____	_____
<b>Total State Financial Assistance</b>				\$ (2,071,709)	\$ (426,697)	\$ 80,158	\$ 10,939,567	\$ (28,621,343)	\$ (80,158)	\$ (2,513,318)	\$ 86,942	\$ (2,951,371)	\$ (28,621,343)	

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	\$ 28,621,343
Less:	
On-behalf T.P.A.F. Pension Contribution	(13,175,299)
On-behalf T.P.A.F. Post Retirement Medical	(4,128,934)
On-behalf T.P.A.F. LTDI Premiums	<u>(6,628)</u>
Amount Subject to State Single Audit	<u>\$ 11,310,482</u>

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

**WESTFIELD SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND**  
**STATE FINANCIAL ASSISTANCE**  
**JUNE 30, 2021**

**NOTE 1. GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Westfield School District (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 are included on the schedule of expenditures of federal awards and state financial assistance. The District is defined in Note 1 to the Board's basic financial statements.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 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, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented, 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 2020-2021 school year.

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

Amounts reported in the accompanying schedules agree with amounts reported in the District's basic financial statements. The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements and 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 fiscal 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

**WESTFIELD SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE  
JUNE 30, 2021**

**NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS  
(Cont'd.)**

recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A: 22-44.2.

As a result, the federal account receivable balance in the special revenue fund on the budgetary basis differs from the GAAP basis as follows:

<u>Accounts</u> <u>Receivable</u>	<u>Budgetary</u> <u>Basis</u>	<u>Less:</u> <u>Encumbrances (Net)</u>	<u>GAAP</u> <u>Basis</u>
Federal	\$3,360,433	\$19,409	\$3,325,842

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(16,248) for the general fund and no adjustment required for the special revenue fund. See note to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds (C-3). Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 40,776	\$ 27,527,645	\$ 27,568,421
Special Revenue Fund	2,519,264	243,755	2,763,019
Debt Service Fund		833,695	833,695
Total financial award revenues	<u>\$ 2,560,040</u>	<u>\$ 28,605,095</u>	<u>\$ 31,165,135</u>

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

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

**NOTE 5. OTHER**

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, 2021. 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, 2021.



**WESTFIELD SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE  
JUNE 30, 2021**

**NOTE 5. OTHER (Cont'd.)**

The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2021 amounted to \$17,310,861. Since on-behalf post retirement pension, medical and disability insurance benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey

OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

**NOTE 6. INDIRECT COSTS**

The District did not use the 10% de minimis indirect cost rate.

**WESTFIELD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section 1 - Summary of Auditors' 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 federal programs:

<u>Assistance Listing Number</u>	<u>FAIN Numbers</u>	<u>Name of Federal Program or Cluster</u>
		<u>Special Education (IDEA) Cluster:</u>
84.027	S027A200100	IDEA Special Education Grants to States
84.173	S173A200114	IDEA Preschool Grants for Children with Disabilities
		<u>Coronavirus Relief Fund (CRF) Cluster:</u>
21.019	S377A130031	COVID-19 CRF - Bridging the Digital Divide
21.019	S377A130031	COVID-19 CRF - Nonpublic Technology
21.019	S377A130031	COVID-19 CRF - School Reopening and Remote Learning Program
21.019	S377A130031	COVID-19 CRF - Grant Program

Dollar threshold used to distinguish between Type A and B programs:     \$ 750,000    

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, 2021**

Section 1 - Summary of Auditors' Results (cont'd)

**State Financial Assistance**

Dollar threshold used to distinguish between Type A and B programs: \$ 750,000

Auditee qualified as low-risk auditee?  X  Yes   No

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

Internal Control over major programs:

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

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

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

Identification of major state programs:

GMIS Number(s)	Name of State Program or Cluster
495-034-5120-089	<u>State Aid Cluster:</u> Special Education Categorical Aid
495-034-5120-084	Security Aid

**WESTFIELD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II - Schedule of 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 *Government Auditing Standards*.

**Significant Deficiency(ies)/Material Weaknesses**

None Noted.

**Noncompliance**

None Noted.

Section III - Schedule of 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 the Uniform Guidance and New Jersey OMB's Circular 15-08.

**Federal Award Programs:**

**Significant Deficiency(ies)/Material Weaknesses**

None Noted.

**Noncompliance**

None Noted.

**State Financial Assistance Programs:**

**Significant Deficiency(ies)/Material Weaknesses**

None Noted.

**Noncompliance**

None Noted.

**WESTFIELD SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*Section I – Summary of Prior Year Federal and State Findings*

No prior year audit findings were noted.