

WESTVILLE BOROUGH SCHOOL DISTRICT

Westville, New Jersey
County of Gloucester

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

WESTVILLE BOROUGH SCHOOL DISTRICT

WESTVILLE, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Prepared by

**Westville Borough School District
Finance Department**

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INTRODUCTORY SECTION

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WESTVILLE BOARD OF EDUCATION

101 Birch Street
Westville, NJ 08093

Phone (856) 848-8203 • Fax: (856) 848-2049

Shannon M. Whalen
Superintendent

Christopher M. Rodia
Business Administrator/Board Secretary

February 5, 2022

Honorable President and
Members of the Board of Education
Westville Borough School District
101 Birch Avenue
Westville, New Jersey 08093

Dear Members of the Board:

The comprehensive annual financial report of the Westville Borough School District (District) 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 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 comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, and the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, "Audits of State and Local Governments," and the New Jersey OMB's Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments," for the fiscal year ended June 30, 2021. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. **Reporting Entity and its Services:** Westville Borough School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All Funds and account groups of the District are included in this report. The Westville Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to the grade levels pre-kindergarten through six. These include regular as well as special education for Handicapped youngsters. The District completed the 2020-2021 fiscal year with an enrollment of 338, which is 20 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years:

1. **Reporting Entity and its Services (Continued)**

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2020-2021	338.6	-5.66%
2019-2020	358.9	-9.14%
2018-2019	395.0	9.39%
2017-2018	361.1	-4.57%
2016-2017	378.4	4.79%
2015-2016	361.1	1.66%
2014-2015	355.2	-3.82%
2013-2014	369.3	6.89%
2012-2013	345.5	-1.45%
2011-2012	350.6	-1.21%

2. **Major Initiatives:** The Board of Education continues to support initiatives which link to student achievement. The shift to the New Jersey Core Standards and the New Generation Science Standards continues to be a focus of the school level and district level professional development through professional learning communities.

The District continues to track individual student growth through the use of local and state assessments. Staff members working in grade level meetings and professional learning communities review the data, determine trends in order to make adjustments to curriculum, and unit planning as well as set individual goals with students. This year a new math resource was purchased to support our students and staff with the teaching and learning through math instruction.

3. **Economic Condition and Outlook:** The Borough of Westville is one square mile, which is fully developed with no room for additional growth in either business or housing. The population of the town is expected to remain relatively stable, however, one-third of the residential properties are rental units, which can result in fluctuating enrollments.
4. **Internal Accounting Controls:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by Management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District Management. As part of the District's single audit described earlier, tests are made determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. **Budgetary Controls:** In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. 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 cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance on June 30, 2021.

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 School District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.
7. **Debt Administration:** The District has no outstanding debt as of June 30, 2021.
8. **Cash Management:** The investment policy of the School District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The School District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
9. **Risk Management:** The Board carries various forms of insurance, including but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds through the Gloucester, Salem, and Cumberland School Districts Joint Insurance Fund.
10. **Other Information:** *Independent Audit* – State statutes require an annual audit by independent certified public accountants and public-school accountants. The accounting firm of Holt McNally & Associates, Inc. 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, and the revised *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance)*, and New Jersey OMB's Circular 15-08.

The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. **Acknowledgments:** We would like to express our appreciation to the members of the Westville Board of Education 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,

Shannon M. Whalen

Dr. Shannon M. Whalen
Superintendent

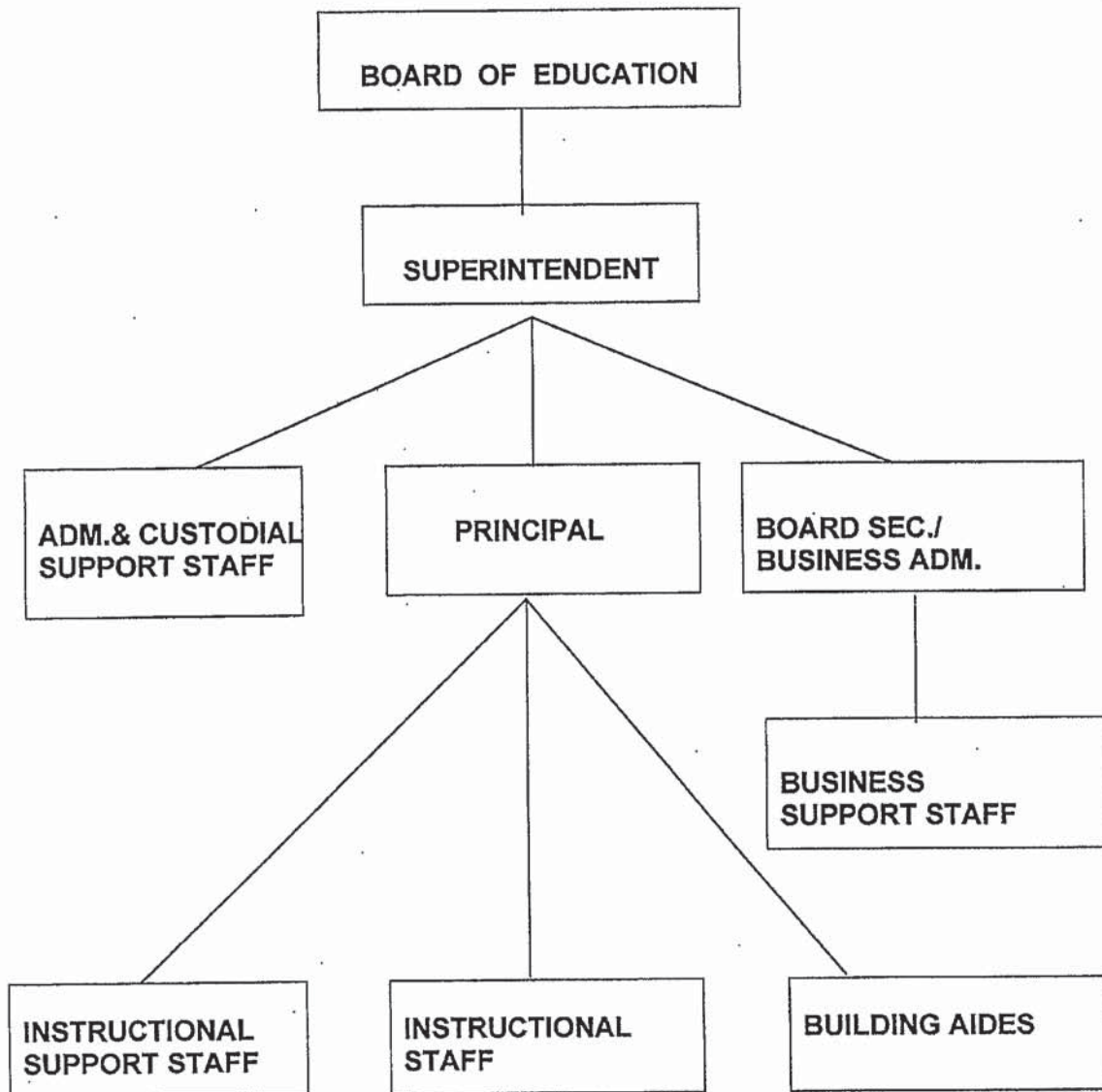
Christopher M. Rodia

Christopher M. Rodia
School Business Administrator/
Board Secretary

WESTVILLE BOARD OF EDUCATION

ORGANIZATIONAL CHART

(UNIT CONTROL)



WESTVILLE BOROUGH SCHOOL DISTRICT
Westville, New Jersey

ROSTER OF OFFICIALS

JUNE 30, 2021

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Robert Miller, President	2021
Jesse McCullough, Vice President	2023
Kate Burgo	2021
Coleen Collings	2023
Amanda Klimczak	2022
Lynn Lucas	2022
Scott Magill	2023
Tracy Van Acker	2021
Alyson Young	2022

OTHER OFFICIALS

Dr. Shannon M. Whalen, Superintendent of Schools

Renee Egan, Principal

Christopher M. Rodia, Business Administrator/Board Secretary

WESTVILLE BOROUGH SCHOOL DISTRICT
101 Birch Street
Westville, New Jersey 08093

CONSULTANTS AND ADVISORS

ARCHITECT

Spiezle Architectural Group
Trenton, New Jersey

AUDIT FIRM

David McNally, CPA, PSA
Holt McNally & Associates, Inc.
618 Stokes Road
Medford, New Jersey 08055

SOLICITOR

Joseph Betley, Esq.
Capehart & Scatchard
Mount Laurel, New Jersey

OFFICIAL DEPOSITORY

First Colonial Community Bank
Westville, NJ

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Westville Borough School District
County of Gloucester
Westville, New Jersey 08093

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Westville Borough School District, County of Gloucester, 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 School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental 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. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Westville Borough School District, County of Gloucester, 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

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2021 the District adopted new accounting guidance, *GASB Statement No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Prior Period Restatement

Due to the implementation of GASB Statement No. 84, fund balance as of June 30, 2020 on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in Note 20 to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Westville Borough School District's basic financial statements. The introductory section, section, combining and individual fund statements long-term debt schedules and statistical section, are

presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2022 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School 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 School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
February 5, 2022

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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Westville Borough School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

The discussion and analysis of Westville School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2020-2021 are as follows:

- General revenues accounted for \$7,042,644 in revenue or 74 percent of all revenues. Program specific revenues in the form of charges for services and operating grants accounted for \$2,429,443 or 26 percent to total revenues of \$9,472,087.
- The School District had \$8,744,257 in expenses; only \$2,429,443 of these expenses were offset by program specific charges for services and grants.
- Among major funds, the General Fund had \$7,227,331 in revenues and \$6,791,968 in expenditures. The General Fund's balance increased \$479,624 over 2020.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

This annual report consists of a series of financial statements and notes to these financial statements. These statements are organized in a way to allow the reader to understand the Westville Borough School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2021?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses, regardless of when cash is received or paid.

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

Westville Borough School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

Statement of Net Position and the Statement of Activities (Continued)

In the Statement of Net Position and the Statement of Activities, the School District reports Governmental Activities. Governmental Activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation, and extracurricular activities. The School District does not have any business-like activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements.

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major Governmental Funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

Governmental Funds

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

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net position for 2021 compared to 2020.

Westville Borough School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

TABLE I - NET POSITION

	Governmental Activities	
	2021	2020
ASSETS		
Current Assets	\$ 2,772,664	\$ 2,284,069
Capital Assets, Net	3,521,959	3,383,681
Total Assets	6,294,623	5,667,750
Deferred Outflows of Resources	104,395	42,967
Total Assets and Deferred Outflows of Resources	\$ 6,399,018	\$ 5,710,717
LIABILITIES		
Current Liabilities	\$ 104,601	\$ 78,340
Noncurrent Liabilities	783,342	925,731
Total Liabilities	887,943	1,004,071
Deferred Inflows of Resources	504,352	458,680
Total Liabilities and Deferred Inflows of Resources	1,392,295	1,462,751
NET POSITION		
Net Investment in Capital Assets	3,521,959	3,383,681
Restricted	2,609,543	2,172,857
Unrestricted (Deficit)	(1,124,779)	(1,308,572)
Total Net Position	\$ 5,006,723	\$ 4,247,966

The School District's net position was \$5,006,723 on June 30, 2021. This was an increase of \$758,757 from the prior year.

Westville Borough School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

Table 2 shows the changes in net position for fiscal year 2021 with comparative data from 2020.

CHANGES IN NET POSITION

	Governmental Activities	
	2021	2020
REVENUES		
Program Revenues:		
Charges for Services	\$ 20,534	
Operating Grants & Contributions	2,408,909	\$ 400,746
General Revenues		
Property Taxes	2,857,172	2,801,150
Grants & Entitlements	3,973,906	5,113,287
Miscellaneous	211,566	142,331
Total Revenues	9,472,087	8,457,514
Expenses:		
Instruction	2,937,370	2,920,038
Support Services	5,537,498	4,822,549
Capital Outlay	71,351	28,348
Transfer to Charter School	16,136	15,473
Interest Charges	18,302	18,302
Depreciation	163,600	145,992
Total Expenses	8,744,257	7,950,702
Changes in Net Position	727,830	506,812
Net Position- July 1	4,247,966	3,741,154
Prior Period Adjustment	30,927	
	4,278,893	3,741,154
Net Postion- June 30	\$ 5,006,723	\$ 4,247,966

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 30% of revenues for Governmental Activities for the Westville Borough School District for fiscal year 2021.

Instruction comprises 33.5% of the School District's expenses. Support services expenses account for 60% of the expenses.

The School District's Funds

The School District's major funds are accounted for using the modified accrual basis of accounting. All Governmental Funds had total revenues of \$7,713,180 and expenditures of \$7,277,911.

Westville Borough School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

General Fund Budgeting Highlights

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

During the course of the fiscal 2021 year, the School District amended its General Fund budget as needed. The School District uses program-based budgeting, and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

The General Fund revenues exceeded the expenditures and other financing sources of the School District for the year by \$479,624.

Capital Assets

At the end of the fiscal year 2021, the School District had \$3,383,681 invested in land, buildings, furniture and equipment, and vehicles.

Table 3 shows fiscal 2021 balances compared to 2020.

	2021	2020
Governmental Activities:		
Building & Improvements	\$ 6,703,880	\$ 6,404,150
Equipment	398,402	396,254
Less: Accumulated Depreciation:	(3,580,323)	(3,416,723)
	3,521,959	3,383,681

Debt Administration

As of June 30, 2021, the School District had \$783,342 as outstanding debt. Of this amount, \$132,045 is for compensated absences and \$651,297 is the Net pension liability.

Public Health Emergency

In March 2020, the World Health Organization characterized a novel strain of coronavirus, known as COVID-19, as a pandemic. Concerns related to the spread of COVID-19 and the related containment measures intended to mitigate its impact have created substantial disruption to the global economy. As part of our response to the COVID-19 pandemic, we are following business continuity processes led by our administrative team. Our main priority is the health and safety of our students and staff. Our actions have been driven by government mandates and guidelines. In March 2020, schools were closed due to the coronavirus pandemic. Eventually, all New Jersey schools were closed for the balance of the school year and students completed their studies via remote online instruction. In preparation for the 2021-22 school year amidst the continuing pandemic, the NJ Department of Education provided school districts with guidance to prepare a restart and recovery plan. One of the requirements of this plan, per state guidance, is the provision of some degree of in-person instruction. A family opt-out provision allowing for full time remote instruction was later added to the guidance. In response, the School District has developed its return to school plan for 2020-21. The plan requires the School District to adequately provide reasonable accommodations for students and staff identified as being at a higher risk for severe illness from COVID-19. These accommodations will come mainly in the form of a full-virtual model for both teachers and students. The School District will also rely heavily upon social distancing, mask wearing for students and staff, along with sanitation and cleaning procedures.

Westville Borough School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

The School District expects the COVID-19 matter to impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

Economic Factors and Subsequent Year's Budgets

- The School District anticipates that the approved 2021-2022 will be adequate to satisfy all of the fiscal year's needs, barring any significant unexpected situations or conditions unforeseen at this time.
- It is expected that the State of New Jersey will again delay the final state aid payments to school districts for the 2021-2022 fiscal year.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Christopher M. Rodia, School Business Administrator/Board Secretary at Gateway Business Services, 770 Tanyard Road, Woodbury Heights, NJ 08097 or e-mail at: crodia@gatewayhs.com.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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WESTVILLE BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS	GOVERNMENTAL ACTIVITIES	TOTALS
Cash & Cash Equivalents	\$ 918,977	\$ 918,977
Receivables, Net (Note 4)	340,500	340,500
Restricted Cash & Cash Equivalents	1,513,187	1,513,187
Capital Assets, Net (Note 5)	3,521,959	3,521,959
Total Assets	6,294,623	6,294,623
DEFERED OUTFLOW OF RESOURCES		
Deferred Outflows Related to Pensions (Note 7)	104,395	104,395
Total Deferred Outflow of Resources	104,395	104,395
Total Assets and Deferred Outflow of Resources	6,399,018	6,399,018
LIABILITIES		
Due to Other Governments	48,123	48,123
Unearned Revenue	13,703	13,703
Payroll Deductions and Withholdings Payable	42,775	42,775
Noncurrent Liabilities (Note 6):		
Due Within One Year	-	-
Due Beyond One Year	783,342	783,342
Total Liabilities	887,943	887,943
DEFERED INFLOW OF RESOURCES		
Deferred Inflows Related to Pensions (Note 7)	504,352	504,352
Total Deferred Inflows of Resources	504,352	504,352
Total Liabilities and Deferred Inflows of Resources	1,392,295	1,392,295
NET POSITION		
Net Investment in Capital Assets	3,521,959	3,521,959
Restricted For:		
Capital Projects	1,208,135	1,208,135
Maintenance Reserve	300,307	300,307
Excess Surplus	1,067,844	1,067,844
Unemployment Compensation	6,779	6,779
Student Activities	26,478	26,478
Unrestricted	(1,124,779)	(1,124,779)
Total Net Position	\$ 5,006,723	\$ 5,006,723

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

WESTVILLE BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		TOTALS
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 1,793,678	\$ -	\$ 352,455	\$ (1,441,223)		\$ (1,441,223)
Special Education Instruction	1,134,618			(1,134,618)		(1,134,618)
Other Instruction	9,074			(9,074)		(9,074)
Support Services & Undistributed Costs:						
Student & Instruction Related Services	1,068,117	20,534	112,860	(934,723)		(934,723)
General Administrative Services	231,058			(231,058)		(231,058)
School Administrative Services	178,442			(178,442)		(178,442)
Plant Operations & Maintenance	269,509			(269,509)		(269,509)
Pupil Transportation	86,398			(86,398)		(86,398)
Unallocated Benefits	3,703,974		1,943,594	(1,760,380)		(1,760,380)
Capital Outlay	71,351			(71,351)		(71,351)
Transfer to Charter School	16,136			(16,136)		(16,136)
Interest and Other Changes on Long-Term Debt	18,302			(18,302)		(18,302)
Unallocated Depreciation	163,600			(163,600)		(163,600)
Total Governmental Activities	\$ 8,744,257	\$ 20,534	\$ 2,408,909	\$ (6,314,814)	\$ -	\$ (6,314,814)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				2,857,172		2,857,172
Federal & State Aid Not Restricted				3,973,906		3,973,906
Tuition - From Individuals				2,400		2,400
Tuition - From Other LEAS				95,805		95,805
Interest Earnings				5,618		5,618
Miscellaneous Income				82,826		82,826
Prior year payable/receivable canceled				21,911		21,911
Other Restricted Miscellaneous Revenue				3,006		3,006
Total General Revenues & Transfers				7,042,644	-	7,042,644
Change In Net Position				727,830	-	727,830
Net Position - July 1, as previously stated				4,247,966		4,247,966
Prior Period Adjustment (Note 20)				30,927		30,927
Net Position - July 1 Restated				4,278,893	-	4,278,893
Net Position - Ending				\$ 5,006,723	\$ -	\$ 5,006,723

B. Fund Financial Statements

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Governmental Funds

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**WESTVILLE BOROUGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTALS
Assets:				
Cash & Cash Equivalents	\$ 1,083,214			\$ 1,083,214
Receivables from other governments	94,695	\$ 203,079	\$ 42,726	340,500
Restricted Cash & Cash Equivalents	1,513,187			1,513,187
Total Assets	2,691,096	203,079	42,726	2,936,901
Liabilities & Fund Balances:				
Liabilities:				
Cash Deficit		172,806	42,726	215,532
Unearned Revenue	1,525	12,178		13,703
Payroll Deductions and Withholdings Payable	42,775			42,775
Total Liabilities	44,300	184,984	42,726	272,010
Fund Balances:				
Restricted for:				
Capital Reserve Account	1,208,135			1,208,135
Maintenance Reserve Account	300,307			300,307
Excess Surplus	523,465			523,465
Excess Surplus Designated for Subsequent Year's Expenditures	544,379			544,379
Unemployment Compensation	6,779			6,779
Student Activities		26,478		26,478
Assigned to:				
FFCRA/SEMI Designated for Subsequent Year's Expenditures	1,218			1,218
Other Purposes	48,794			48,794
Unassigned:				
General Fund	13,719			13,719
Special Revenue Fund		(8,383)		(8,383)
Total Fund Balances	2,646,796	18,095	-	2,664,891
Total Liabilities & Fund Balances	\$ 2,691,096	\$ 203,079	\$ 42,726	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$7,102,282 and the accumulated depreciation is \$3,580,323. 3,521,959

Internal Service Funds are used by Management to charge the cost of certain activities to individual funds. Assets and liabilities of the Internal Service Fund are included in Governmental Activities in the Statement of Net Position. 51,295

Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.
Deferred Outflows Related to Pensions 104,395
Deferred Inflows Related to Pension (504,352)

Accrued pension contributions for the June 30, 2021 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position. (48,123)

Long-term liabilities, including net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (Note 6) (783,342)

Net Position of Governmental Activities **\$ 5,006,723**

WESTVILLE BOROUGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	TOTALS
Revenues:			
Local Sources:			
Local Tax Levy	\$ 2,857,172	\$ -	\$ 2,857,172
Tuition From Individuals	2,400	-	2,400
Tuition From Other LEAs Within the State	95,805	-	95,805
Interest Earnings	5,618		5,618
Other Restricted Miscellaneous Revenue	3,006		3,006
Miscellaneous	82,826	20,534	103,360
	<hr/>		
Total Revenues - Local Sources	3,046,827	20,534	3,067,361
	<hr/>		
State Sources	4,149,963	84,411	4,234,374
Federal Sources	30,541	380,904	411,445
	<hr/>		
Total Revenues	7,227,331	485,849	7,713,180
	<hr/>		
Expenditures:			
Current Expense:			
Regular Instruction	1,816,028		1,816,028
Special Education Instruction	782,069	352,549	1,134,618
Other Instruction	9,074		9,074
Support Services & Undistributed Costs:			
Student & Instruction Related Services	934,723	133,394	1,068,117
General Administrative & Central Services	231,058		231,058
School Administrative Services	178,442		178,442
Plant Operations & Maintenance	269,509		269,509
Pupil Transportation	86,398		86,398
Personal Services - Employee Benefits	2,077,000		2,077,000
Capital Outlay	391,531		391,531
Transfer to Charter School	16,136		16,136
	<hr/>		
Total Expenditures	6,791,968	485,943	7,277,911
	<hr/>		
Excess/(Deficiency) of Revenues			
Over/(Under) Expenditures	435,363	(94)	435,269
	<hr/>		
Other Financing Sources/(Uses):			
Prior year payable canceled	21,911		21,911
Capital leases/installment agreement (non-budgeted)	22,350		22,350
	<hr/>		
Total Other Financing Sources/(Uses)	44,261	-	44,261
	<hr/>		
Net Change in Fund Balance	479,624	(94)	479,530
	<hr/>		
Fund Balances, July 1 as previously stated	2,163,399	(8,965)	2,154,434
Prior Period Adjustments	3,773	27,154	30,927
	<hr/>		
Fund Balances, July 1 Restated	2,167,172	18,189	2,185,361
	<hr/>		
Fund Balances, June 30	\$ 2,646,796	\$ 18,095	\$ 2,664,891
	<hr/>		

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

**WESTVILLE BOROUGH 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) \$ 479,530

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:

Capital Outlays	\$	301,878	
Depreciations Expense		<u>(163,600)</u>	138,278

Proceeds from debt issues are a financing source in the Governmental Funds. They are
not revenue in the Statement of Activities; issuing debt increases long-term liabilities in
the Statement of Net Position.

Capital lease proceeds	(22,350)
------------------------	----------

Repayment of capital lease 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.

Capital lease obligation principal	22,350
------------------------------------	--------

District pension contributions are reported as expenditures in the governmental
funds when made. However, they are reported as deferred outflows of resources
in the Statement of Net Position because the reported net pension liability is measured
a year before the District's report date. Pension expense, which is the change in the net
pension liability adjusted for changes in deferred outflows and inflows of resources related
to pensions, is reported in the Statement of Activities.

112,224

Decrease in accrual for compensated absences

(2,202)

Change in Net Position of Governmental Activities

\$ 727,830

Proprietary Funds

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**WESTVILLE BOROUGH SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2021**

	<u>INTERNAL SERVICE FUND CURRICULUM CONSORTION</u>
ASSETS	
Cash & Cash Equivalents	<u>\$ 51,295</u>
Total Assets	<u>51,295</u>
NET POSITION	
Unrestricted	<u>51,295</u>
Total Net Position	<u><u>\$ 51,295</u></u>

**WESTVILLE BOROUGH SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 FOR FISCAL YEAR ENDED JUNE 30, 2021**

	INTERNAL SERVICE CURRICULUM CONSORTIUM
Total Net Position - Beginning	<u>51,295</u>
Total Net Position - Ending	<u><u>\$ 51,295</u></u>

**WESTVILLE BOROUGH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	INTERNAL SERVICE CURRICULUM CONSORTIUM
Balances - Beginning of Year	<u>51,295</u>
Balances - Ending of Year	<u><u>\$ 51,295</u></u>

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

WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Westville Borough School District (the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The Westville Borough School District (hereafter referred to as the “School District”) is a Type II School District located in the County of Gloucester, State of New Jersey. As a Type II School District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the School District is to educate students in grades kindergarten through six.

The primary criterion for including activities within the School 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 School District holds the corporate powers of the organization;
- ◆ the School District appoints a voting majority of the organization’s board
- ◆ the School District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the School District
- ◆ there is a fiscal dependency by the organization on the School District.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14. *The Financial Reporting Entity* provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34*, and GASB 80, *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14* and GASB Statement No. 90 – *Majority Equity Interests – an Amendment of GASB Statements No. 14 & No. 61*. The School District had no component units as of for the year ended June 30, 2021.

WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the School District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The School District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending, or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the School District’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed. The School District does not maintain any proprietary funds.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

The School District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the School District and 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 Department of Education the School 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.

WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

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

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

During the course of operations, the School District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations, and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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 the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

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 assigned 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 School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

Cash and Cash Equivalents

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

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

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

Additionally, the School 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 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. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2021 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

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 School District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore, those balances are reported on the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the School District are depreciated or amortized using the straight-line method over the following estimated lives:

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

Capital Assets (continued)

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

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 School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead, expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Accounting Estimates

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

Interfund Activity

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

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the School District classifies governmental fund balances as follows:

- **Non-spendable** – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2021.

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

- Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District’s policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the School District’s policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

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

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2021:

GASB Statement No. 84, "*Fiduciary Activities*". The objective GASB Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Statement No. 84 is effective for

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

reporting periods beginning after December 15, 2019. Management has implemented this Statement in the School District's financial statements for the year ended June 30, 2021 with a prior period restatement to beginning net position. See Note 20 for further details.

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for reporting periods beginning after December 15, 2019.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the School District's financial statements.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Deferred Loss on Refunding Debt

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

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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 pension plan’s fiduciary net position and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2021, the School District’s bank balance of \$2,846,673 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	2,768,994
Uninsured and Uncollateralized		77,679
	\$	2,846,673

Investments

The School District had no investments as of June 30, 2021.

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the School District by inclusion of \$65,713 in the original 2007-2008 annual capital outlay budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long-Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2020	\$	806,055
Increased by:		
Interest Earnings		811
Deposits approved by Board		750,000
Return of Unspent Funds		51,269
		1,608,135
Decreased by:		
Budget Withdrawals		(400,000)
Ending Balance, June 30, 2021	\$	1,208,135

Maintenance Reserve

The School District established a maintenance reserve account for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years. Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District's approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 3. Reserve Accounts (continued):

the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district's facilities for the current year.

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

Beginning Balance, July 1, 2020	\$	150,000
Increased by:		
Interest Earnings		307
Deposits approved by Board		150,000
Ending Balance, June 30, 2021	\$	300,307

Note 4. Accounts Receivable

Accounts receivable as of June 30, 2021 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2021, consisted of the following:

<u>Description</u>	Governmental Funds			Total Governmental <u>Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	
Federal Awards	\$ 811	\$ 203,079	\$ -	\$ 203,890
State Awards	45,017		42,726	87,743
Other	48,867		-	48,867
Total	\$ 94,695	\$ 203,079	\$ 42,726	\$ 340,500

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 5. Capital Assets

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

	Balance July 1, <u>2020</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2021</u>
Governmental Activities:				
Capital Assets being depreciated:				
Buildings and Improvements	\$ 6,404,150	\$ 299,730	\$ -	\$ 6,703,880
Equipment	396,254	2,148	-	398,402
Total Capital Assets being depreciated	<u>6,800,404</u>	<u>301,878</u>	<u>-</u>	<u>7,102,282</u>
Less: Accumulated Depreciation:				
Buildings and Improvements	(3,053,248)	(157,919)	-	(3,211,167)
Equipment	(363,475)	(5,681)	-	(369,156)
Total Accumulated Depreciation	<u>(3,416,723)</u>	<u>(163,600)</u>	<u>-</u>	<u>(3,580,323)</u>
Total Capital Assets being depreciated, net	<u>3,383,681</u>	<u>138,278</u>	<u>-</u>	<u>3,521,959</u>
Total Governmental Activities Capital Assets, net	<u>\$ 3,383,681</u>	<u>\$ 138,278</u>	<u>\$ -</u>	<u>\$ 3,521,959</u>

Depreciation expense was charged as unallocated expense since it could not be specifically identified to one program/function of the School District.

Note 6. Long-Term Obligations

During the fiscal year-ended June 30, 2021 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance <u>July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, 2021	Balance Due Within <u>One Year</u>
Governmental Activities:					
Capital Leases	\$ -	22,350	22,350	-	-
Compensated Absences	129,843	2,202		132,045	-
Net Pension Liability	795,888		144,591	651,297	-
	<u>\$ 925,731</u>	<u>\$ 24,552</u>	<u>\$ 166,941</u>	<u>\$ 783,342</u>	<u>\$ -</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences and net pension liability are liquidated by the general fund.

Bonds Authorized but not Issued

As of June 30, 2021, the School District had no bonds authorized but not issued.

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 7. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

<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 to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 7. Pension Plans (continued)

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

payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources – As of June 30, 2021, the School District reported a liability of \$651,297 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The School District's proportion measured as of June 30, 2020, was 0.003993877%, which was a decrease of 0.000423% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized full accrual pension expense of (\$59,290) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date. As of June 30, 2021 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 11,859	\$ 2,303
Changes of Assumptions	21,129	272,704
Net Difference between Projected and Actual Earnings on Pension Plan Investments	22,262	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	1,022	229,345
School District Contributions Subsequent to Measurement Date	48,123	
	<u>\$ 104,395</u>	<u>\$ 504,352</u>

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 7. Pension Plans (continued)

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

\$43,691 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2022, and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	<u>Amount</u>
2021	\$ (181,139)
2022	(162,033)
2023	(100,403)
2024	(40,745)
2025	<u>36,240</u>
	<u>\$ (448,080)</u>

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020		5.16

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 7. Pension Plans (continued)

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

Net Difference between Projected and Actual Earnings on Pension		
Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

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 assumptions:

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 7. Pension Plans (continued)

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

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%
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Mortality Rate Table

Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020

Period of Actuarial Experience

Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018
---	------------------------------

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-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, 2014 to June 30, 2018.

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 expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 7. Pension Plans (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
	<hr style="width: 100%; border: 0.5px solid black;"/>	
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% 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 through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2020, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 7. Pension Plans (continued)

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 826,321	\$ 651,297	\$ 512,251

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

Balances at June 30, 2021 and June 30, 2020

	<u>6/30/2021</u>	<u>6/30/2020</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Deferred Outflows of Resources	\$ 2,347,583,337	\$ 3,149,522,616
Deferred Inflows of Resources	7,849,949,467	7,645,087,574
Net Pension Liability	16,435,616,426	18,143,832,135
District's portion of the Plan's total Net Pension Liability	0.003993877%	0.004417062%

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

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 to enroll on or after November 2, 2008 and prior to May 22, 2010

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 7. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

- 4 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

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

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, 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, the School District is 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 School District does 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 Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2020 was \$15,839,581. The School 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 School District was based on projection of the State's long-term contributions to the pension plan associated with the School District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. As of June 30, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.0240544726%, which was a decrease of .0003399% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the School District recognized \$984,973 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2020 measurement date.

Actuarial Assumptions – The 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, applied to all periods in the measurement:

**WESTVILLE BOROUGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021 (continued)**

Note 7. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

Inflation	
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.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% as of 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 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:

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. The single blended discount rate was based on 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 municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 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.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 5.40% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 7. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

	1% Decrease <u>(4.40%)</u>	Current Discount Rate <u>(5.40%)</u>	1% Increase <u>(6.40%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>18,605,441</u>	<u>15,839,581</u>	<u>13,542,997</u>
	<u>\$ 18,605,441</u>	<u>\$ 15,839,581</u>	<u>\$ 13,542,997</u>

Pension Plan Fiduciary Net Position - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher's Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. 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.

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2020 and 2019:

Balances at June 30, 2021 and June 30, 2020

	<u>6/30/2021</u>	<u>6/30/2020</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Deferred Outflows of Resources	\$ 9,626,548,228	\$ 10,129,162,237
Deferred Inflows of Resources	14,591,988,841	17,736,240,054
Net Pension Liability	65,993,498,688	61,519,112,443
District's portion of the Plan's total Net Pension Liability	0.024054473%	0.024453181%

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;

WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 7. Pension Plans (continued)

C. Defined Contribution Plan (DCRP) (continued)

- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2020 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per
- week for State employees, or 32 hours per week for local government or local education employees

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2021, employee contributions totaled \$4,899, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$3,608.

Note 8. Other Post-Retirement Benefits

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Other Post-Retirement Benefits (continued)

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the School District as of June 30, 2020 was \$20,072,763. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation 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 OPEB Obligation associated with the School District was based on projection of the State's long-term contributions to the OPEB plan associated with the School District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the OPEB Obligation attributable to the School District was .02960%, which was an increase of 0.00036% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB expense in the amount of \$752,023 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2020 measurement date.

Health Care 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 the 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 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Other Post-Retirement Benefits (continued)

	June 30, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 24,198,752	\$ 20,072,763	\$ 16,846,637
State of New Jersey's Total Non- employer Liability	\$ 81,748,410,002	\$ 67,809,962,608	\$ 56,911,439,160

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate

The following presents the total nonemployer OPEB liability as of June 30, 2019, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 16,203,411	\$ 20,072,763	\$ 24,680,301
State of New Jersey's Total Nonemployer OPEB Liability	\$ 54,738,488,540	\$ 67,809,962,608	\$ 83,375,182,975

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ 10,295,318,750	\$ (9,170,703,615)
Change in Assumptions	-	-
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	11,534,251,250	(7,737,500,827)
	TBD	-
	\$ 21,829,570,000	\$ (16,908,204,442)

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Other Post-Retirement Benefits (continued)

** Employer Contributions made after June 30, 2020 are reported as a deferred outflow of resources, but are not amortized in expense.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,		
2021	\$	43,440,417
2022		43,440,417
2023		43,440,417
2024		43,440,417
2025		43,440,417
Thereafter		4,704,163,473
	\$	4,921,365,558

Plan Membership

At June 30, 2019, the Program membership consisted of the following:

	June 30, 2019
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	149,304
	366,108

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2020 (measurement date June 30, 2020) is as follows:

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Other Post-Retirement Benefits (continued)

Total OPEB Liability

Service Cost	\$ 1,790,973,822
Interest Cost	1,503,341,357
Difference Between Expected & Actual Experience	11,544,750,637
Changes of Assumptions	12,386,549,981
Contributions: Member	35,781,384
Gross Benefit Payments	<u>(1,180,515,618)</u>
Net Change in Total OPEB Liability	26,080,881,563
Total OPEB Liability (Beginning)	<u>41,729,081,045</u>
Total OPEB Liability (Ending)	<u>\$ 67,809,962,608</u>
Total Covered Employee Payroll	\$ 14,267,738,658
Net OPEB Liability as a Percentage of Payroll	475%

Note 9. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs, post-retirement medical costs and non-contributory insurance costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2021, the on-behalf payments for normal costs, post-retirement medical costs and non-contributory insurance costs were \$747,518, \$234,260 and \$475, respectively.

Note 10. Risk Management

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

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

New Jersey Unemployment Compensation Insurance – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s trust fund for the current and previous two years:

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 10. Risk Management (Continued)

<u>Fiscal Year</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$ -	\$ 4,651	\$ 6	\$ 1,651	\$ 6,779
2019-2020	-	10,284	29	18,322	3,773
2018-2019	-	5,386	33	-	11,782

Note 11. Contingencies

State and Federal Grantor Agencies - The School 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 School 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 School 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.

Litigation – It is the opinion of the administration and legal counsel, that there exists no litigation or contingent liability that may be pending against the Westville Borough School District that would have a material or adverse effect on the Board or the financial position of the School District.

Economic Dependency – The School District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the School District’s programs and activities.

Note 12. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, 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. The plan administrators are as follows:

Lincoln Investment Planning	Edward Jones Investments	Life of SouthWest	ING/Reliastar
AXA Equitable	Equi-Vest	Seely	

Note 14. Compensated Absences

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

School District employees are granted varying amount of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District policy permits employees to accumulate unused sick leave and carry forward the full

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 14. Compensated Absences (Continued)

amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with School Districts' agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. As of June 30, 2021, the liability for compensated absences reported on the government-wide Statement of Net Position was \$132,045.

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, 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.

Note 16. Operating Leases

The School District has commitments to lease copiers under operating leases for five years. Total lease payments made during the year ended June 30, 2021 amounted to \$25,009. Future minimum lease payments are as follows:

Fiscal Year Ending <u>June 30,</u>	
2022	\$ 26,569
2023	26,569
2024	26,569
2025	26,569
2026	<u>13,284</u>
Total Minimum Lease Payments	<u>\$ 119,560</u>

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. 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. The excess fund balance at June 30, 2021 was \$523,465.

Note 18. Fund Balances

General Fund – Of the \$2,646,796 General Fund, Fund balance at June 30, 2021, \$1,208,135 has been restricted for the Capital Reserve Account; \$300,307 has been restricted for the Maintenance Reserve Account; \$6,779 has been restricted for unemployment compensation; \$48,794 has been assigned for other purposes \$523,465 has been restricted for current year Excess surplus; \$544,379 has been restricted for Excess Surplus Designated for Subsequent Year’s Expenditures; \$1,218 has been restricted for FFCRA/SEMI Designated for Subsequent Year’s Expenditures and \$13,719 has been unassigned.

Special Revenue Fund – Of the \$18,095 Special Revenue Fund, Fund balance as of June 30, 2021, \$26,478 is restricted for student activities and (\$8,383) is unassigned due to the last two state aid payments.

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District had a deficit in unrestricted net position in the amount of \$1,124,779 as of June 30, 2021. The deficit is caused by the implementation of GASB 68 which requires the School District to report their proportionate share of the net pension liability for the Public Employee’s Retirement System (PERS) as of June 30, 2021. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

Note 20. Prior Period Restatement

As discussed in Note 1, the School District has implemented GASB Statement No. 84 – *Fiduciary Activities* in the School District’s financial statements for the year ended June 30, 2021. As a result, net position and fund balances as of July 1, 2020 has been restated as follows:

Governmental Activities (Exhibit A-2):

Net Position as previously reported at June 30, 2020	\$ 4,247,966
Prior Period Adjustment:	
Unemployment Fund	3,773
Student Activities Fund	27,154
Total Prior Period Adjustment	30,927
Net Position as restated, July 1, 2020	\$ 4,278,893

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 20. Prior Period Restatement (Continued)

General Fund (Exhibit B-2):

Fund Balance as previously reported at June 30, 2020	\$ 2,163,399
Prior Period Adjustment:	
Unemployment Fund	<u>3,773</u>
Total Prior Period Adjustment	<u>3,773</u>
Net Position as restated, July 1, 2020	<u><u>\$ 2,167,172</u></u>

Special Revenue Fund (Exhibit B-2):

Fund Balance as previously reported at June 30, 2020	\$ (8,965)
Prior Period Adjustment:	
Student Activities Fund	<u>27,154</u>
Total Prior Period Adjustment	<u>27,154</u>
Net Position as restated, July 1, 2020	<u><u>\$ 18,189</u></u>

Note 21. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and February 5, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items other than the below have come to the attention of the School District that would require disclosure.

The COVID-19 pandemic is ongoing. Because of the evolving nature of the outbreak and federal, state and local responses, it cannot be predicted how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. To date the School District has not been materially and adversely affected financially due to the virus.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 2,857,172	\$ -	\$ 2,857,172	\$ 2,857,172	\$ -
Tuition From Individuals	10-1310	10,000	-	10,000	2,400	(7,600)
Tuition From Other LEAs Within the State	10-1320	-	-	-	95,805	95,805
Interest Earned on Investments	10-1xxx	-	-	-	4,501	4,501
Interest Earned on Capital Reserve	10-1xxx	1	-	1	816	815
Interest Earned on Maintenance Reserve	10-1xxx	1	-	1	301	300
Miscellaneous	10-1xxx	2,999	-	2,999	82,826	79,827
Other Restricted Miscellaneous Revenue	10-1xxx	-	-	-	3,006	3,006
Total Local Sources		2,870,173	-	2,870,173	3,046,827	176,654
State Sources:						
Categorical Transportation Aid	10-3121	28,684	-	28,684	28,684	-
Categorical Special Education Aid	10-3132	183,022	-	183,022	183,022	-
Equalization Aid	10-3176	2,801,993	(199,745)	2,602,248	2,602,248	-
Categorical Security Aid	10-3177	124,456	-	124,456	124,456	-
Extraordinary Aid	10-3131	-	-	-	32,747	32,747
Nonpublic Transportation Aid	10-3xxx	-	-	-	2,030	2,030
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	747,518	747,518
On-Behalf TPAF Post Retirement Medical Contribution		-	-	-	234,260	234,260
On-Behalf TPAF Long-Term Disability Insurance Contribution		-	-	-	475	475
Reimbursed TPAF Social Security		-	-	-	206,123	206,123
Total State Sources		3,138,155	(199,745)	2,938,410	4,161,563	1,223,153
Federal Sources:						
Medical Assistance Program	10-4200	24,548	-	24,548	29,323	4,775
COVID-19 Medical Assistance Program	10-4210	-	-	-	1,218	1,218
Total Federal Sources		24,548	-	24,548	30,541	5,993
Total Revenues		6,032,876	(199,745)	5,833,131	7,238,931	1,405,800
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool	11-105-100-101	6,000	-	6,000	-	6,000
Kindergarten	11-110-100-101	278,415	-	278,415	253,563	24,852
Grades 1 - 5	11-120-100-101	1,368,875	(90)	1,368,785	1,146,739	222,046
Grades 6 - 8	11-130-100-101	218,294	180	218,474	211,616	6,858
Home Instruction - Regular	11-150-100-101	10,000	(4,050)	5,950	-	5,950
Purchased Professional & Educational Services	11-150-100-320	-	3,870	3,870	2,880	990
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	100,823	-	100,823	90,406	10,417
Purchased Professional & Educational Services	11-190-100-320	40,000	300	40,300	298	40,002
Purchased Technical Services	11-190-100-340	8,500	-	8,500	-	8,500
Other Purchased Services	11-190-100-500	20,000	-	20,000	-	20,000
General Supplies	11-190-100-610	110,550	(455)	110,095	102,388	7,707
Textbooks	11-190-100-640	8,500	971	9,471	8,138	1,333
Other Objects	11-190-100-800	1,699	-	1,699	-	1,699
Total Regular Programs		2,171,656	726	2,172,382	1,816,028	356,354

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

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Special Education:						
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	168,796	90	168,886	122,303	46,583
Other Salaries for Instruction	11-204-100-106	48,539		48,539	38,217	10,322
General Supplies	11-204-100-610	1,500		1,500	930	570
Total Learning and/or Language Disabilities:		218,835	90	218,925	161,450	57,475
Behavioral Disabilities:						
Salaries of Teachers	11-209-100-101	123,862	546	124,408	124,408	-
Other Salaries for Instruction	11-209-100-106	15,000	(5,893)	9,107		9,107
Total Behavioral Disabilities		138,862	(5,347)	133,515	124,408	9,107
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	248,044	(78,640)	169,404	168,478	926
Other Salaries for Instruction	11-213-100-106	100,502	(1,770)	98,732	61,003	37,729
General Supplies	11-213-100-610	1,000	126	1,126	767	359
Total Resource Room/Resource Center		349,546	(80,284)	269,262	230,248	39,014
Preschool Disabilities - Part Time:						
Salaries of Teachers	11-215-100-101	87,617	600	88,217	88,183	34
Other Salaries for Instruction	11-215-100-106	24,526	(600)	23,926	5,030	18,896
General Supplies	11-215-100-610	1,000		1,000	959	41
Total Preschool Disabilities - Part-Time		113,143	-	113,143	94,172	18,971
Special Education - Home Instruction:						
Purchased Professional - Educational Services	11-219-100-320		1,410	1,410	1,408	2
Total Special Education - Home Instruction		-	1,410	1,410	1,408	2
Basic Skills/Remedial – Instruction:						
Salaries of Teachers	11-230-100-101	89,398	84,662	174,060	169,538	4,522
Other Purchased Services	11-230-100-500	500	(315)	185		185
Supplies and Materials	11-230-100-610	1,500		1,500	845	655
		91,398	84,347	175,745	170,383	5,362
Total Special Education		911,784	216	912,000	782,069	129,931
School Sponsored Cocurricular Activities & Athletics:						
Salaries	11-401-100-100	22,000		22,000	8,152	13,848
Other Purchased Services	11-401-100-500	5,500		5,500	922	4,578
Supplies and Materials	11-401-100-600	750		750		750
Other Objects	11-401-100-800	250		250		250
Total School Sponsored Cocurricular - Activities & Athletics		28,500	-	28,500	9,074	19,426
Total - Instruction		3,111,940	942	3,112,882	2,607,171	505,711

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

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Undistributed Expenditures:						
Instruction:						
				-		
Tuition to other LEA's within the state - regular	11-000-100-561	25,000		25,000	17,476	7,524
Tuition to other LEA's within the state - special	11-000-100-562		20,121	20,121	20,003	118
Tuition to CSSD & regional day schools	11-000-100-565	407,760.00	(26,621)	381,139	224,911	156,228
Tuition to Private Schools for Disabled Within the State - Special	11-000-100-566	57,154	6,500	63,654	63,611	43
Total Instruction		489,914	-	489,914	326,001	163,913
Attendance & Social Work Services:						
Salaries	11-000-211-100	21,494	5	21,499	21,499	-
Purchased Professional & Technical Services	11-000-211-300	15,000	(5)	14,995		14,995
Total Attendance Services		36,494	-	36,494	21,499	14,995
Health Services:						
Salaries	11-000-213-100	65,842	(1,200)	64,642	63,980	662
Purchased Professional & Technical Services	11-000-213-300	500		500	228	272
Supplies and Materials	11-000-213-600	1,000	1,200	2,200	2,184	16
Other Objects	11-000-213-890	25		25	25	-
Total Health Services		67,367	-	67,367	66,417	950
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	200,723	(3,500)	197,223	195,295	1,928
Purchased Professional - Educational Services	11-000-216-320	10,000	3,500	13,500	13,423	77
Supplies and Materials	11-000-216-600	2,500		2,500	1,672	828
Total Other Support Services - Students - Regular		213,223	-	213,223	210,390	2,833

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

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Support Services - Students - Related Services:						
Salaries of Other Professional Staff	11-000-218-104	56,825	(56,825)	-	-	-
Purchased Professional & Educational Services	11-000-218-320	10,000		10,000		10,000
Supplies & Materials	11-000-218-600	1,000		1,000		1,000
Other Objects	11-000-218-890	1,000		1,000		1,000
Total Other Support Services-Students-Related Services		68,825	(56,825)	12,000	-	12,000
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	85,814	67	85,881	85,881	-
Other Purchased Professional & Educational Services	11-000-219-320	175,000	(67)	174,933	133,653	41,280
Other Purchased Professional & Technical Services	11-000-219-390	75,000		75,000	5,910	69,090
Supplies and Materials	11-000-219-600	750		750	160	590
Other Objects	11-000-219-800	500		500		500
Total Other Support Services-Students-Special Services		337,064	-	337,064	225,604	111,460
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Purchases Professional & Educational Services	11-000-221-320	77,000		77,000	15,665	61,335
Other Purchased Services	11-000-221-500	5,000		5,000	4,313	687
Other Objects	11-000-221-800	5,000		5,000	4,312	688
Total Improvement of Instruction Services/Other Support Services Instructional Staff		87,000	-	87,000	24,290	62,710
Educational Media Services/School Library:						
Salaries of Technology Coordinators	11-000-222-177	55,935	1	55,936	55,935	1
Other Purchased Professional & Technical Services	11-000-222-320		1,730	1,730	1,730	-
Other Purchased Services	11-000-222-500	5,500	(1,731)	3,769	2,857	912
Supplies and Materials	11-000-222-600	500		500		500
Total Educational Media Services/School Library		61,935	-	61,935	60,522	1,413
Instructional Staff Training Services:						
Purchased Professional & Educational Services	11-000-223-320	1,000		1,000		1,000
Other Purchased Services	11-000-223-500	2,750		2,750		2,750
Total Instructional Staff Training Services		3,750	-	3,750	-	3,750
Support Services General Administration:						
Salaries	11-000-230-100	24,494	5	24,499	24,499	-
Legal Services	11-000-230-331	10,000	(886)	9,114	8,676	438
Audit Fees	11-000-230-332	13,000		13,000	12,125	875
Architectal/Engineering Services	11-000-230-334	20,000		20,000	20,000	-
Other Purchased Professional Services	11-000-230-339	45,000		45,000	40,963	4,037
Purchased Technical Services	11-000-230-340	5,000		5,000	4,921	79
Communications/Telephone	11-000-230-530	20,000	2,500	22,500	21,546	954
BOE Other Purchased Services	11-000-230-585	500		500		500
Other Purchased Services	11-000-230-590	11,000	(2,500)	8,500	1,690	6,810
General Supplies	11-000-230-610	500		500	88	412
Miscellaneous Expenditures	11-000-230-890	500		500		500
BOE Membership Dues & Fees	11-000-230-895	3,500		3,500	3,043	457
Total Support Services General Administration		153,494	(881)	152,613	137,551	15,062

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

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Support Services School Administration:						
Salaries of Principals	11-000-240-103	136,608	1	136,609	136,608	1
Salaries of Secretarial and Clerical Assistants	11-000-240-105	32,410	880	33,290	33,288	2
Other Purchased Services	11-000-240-500	6,500	(2,529)	3,971	540	3,431
Supplies and Materials	11-000-240-600	4,000	350	4,350	4,327	23
Other Objects	11-000-240-890	1,500	2,179	3,679	3,679	-
Total Support Services School Administration		181,018	881	181,899	178,442	3,457
Central Services:						
Salaries	11-000-251-100	39,000	(450)	38,550	37,595	955
Purchased Professional Services	11-000-251-330	50,000		50,000	50,000	-
Purchased Technical Services	11-000-251-340	5,000		5,000	5,000	-
Supplies and Materials	11-000-251-600	500	450	950	912	38
Total Central Services		94,500	-	94,500	93,507	993
Allowable Maintenance for School Facilities:						
Cleaning, Repair & Maintenance Services	11-000-261-420	50,000	2,360	52,360	52,346	14
General Supplies	11-000-261-610	25,000		25,000		25,000
Other Objects	11-000-261-890	1,000		1,000	385	615
Total Allowable Maintenance for School Facilities		76,000	2,360	78,360	52,731	25,629
Other Operation & Maintenance of Plant:						
Salaries	11-000-262-100	125,315	(27,000)	98,315	90,043	8,272
Salaries of Non-Instructional Aides	11-000-262-107	30,000		30,000		30,000
Purchased Professional and Technical Services	11-000-262-300	1,000		1,000		1,000
Cleaning, Repair & Maintenance Services	11-000-262-420	25,000		25,000	15,364	9,636
Other Purchased Property Services	11-000-262-490	4,000	(1,275)	2,725	1,602	1,123
Insurance	11-000-262-520	7,200		7,200	7,092	108
General Supplies	11-000-262-610	20,000	1,965	21,965	21,963	2
Energy (Natural Gas)	11-000-262-621	100,000	(56,000)	44,000	15,714	28,286
Energy (Heat & Electricity)	11-000-262-622	10,000	55,000	65,000	65,000	-
Total Other Operation & Maintenance of Plant		322,515	(27,310)	295,205	216,778	78,427
Student Transportation Services:						
Contracted Services - Aid in Lieu of Payments	11-000-270-503	8,000		8,000	5,178	2,822
Contracted Services (Between Home & School) - - Joint Agreements Regular	11-000-270-513	65,000	(63,312)	1,688	1,688	-
Contracted Services (Between Home & School) - - Joint Agreements Special	11-000-270-515		61,300	61,300	61,255	45
Contracted Services (Special Education Students) - ESC'S	11-000-270-518	77,000	(9,000)	68,000	18,277	49,723
Total Student Transportation Services		150,000	(11,012)	138,988	86,398	52,590
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	60,000		60,000	37,201	22,799
Other Retirement Contribution - PERS	11-000-291-241	55,000		55,000	46,826	8,174
Unemployment Compensation	11-000-291-250	15,000		15,000		15,000
Workmen's Compensation	11-000-291-260	15,000	7,000	22,000	21,277	723
Health Benefits	11-000-291-270	966,259	(112,208)	854,051	744,952	109,099
Tuition Reimbursement	11-000-291-280	12,000		12,000	12,000	-
Other Employee Benefits	11-000-291-290	20,000	6,400	26,400	26,368	32
Unused Sick Payment to Terminated/Retired Employees	11-000-291-299	20,000	(6,100)	13,900		13,900
Total Unallocated Benefits		1,163,259	(104,908)	1,058,351	888,624	169,727

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

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Nonbudgeted:						
On-Behalf TPAF Pension Contribution					747,518	(747,518)
On-Behalf TPAF Post Retirement Medical Contribution					234,260	(234,260)
On-Behalf TPAF Long-Term Disability Insurance Contribution					475	(475)
Reimbursed TPAF Social Security					206,123	(206,123)
Total on-behalf contributions					1,188,376	(1,188,376)
Total personal services - employee benefits		1,163,259	(104,908)	1,058,351	2,077,000	(1,018,649)
Total Undistributed Expenditures		3,506,358	(197,695)	3,308,663	3,777,130	(468,467)
Total Expenditures - Current Expense		6,618,298	(196,753)	6,421,545	6,384,301	37,244
Facilities Acquisitions & Construction Services:						
Construction Services	12-000-400-450	400,000	34,945	434,945	348,731	86,214
Infrastructure	12-000-400-730		14,055	14,055	2,148	11,907
Assessment for Debt Service on SDA Funding	12-000-400-896	18,302	-	18,302	18,302	-
Total Facilities Acquisitions & Construction Services Expenditures		418,302	49,000	467,302	369,181	98,121
Assets acquired under capital leases (non-budgeted):						
Undistributed expenditures:						
Instructional equipment					22,350	(22,350)
Total assets acquired under capital leases (non-budgeted)					22,350	(22,350)
Total Capital Outlay		418,302	49,000	467,302	391,531	75,771
Transfer of Funds to Charter Schools		16,706		16,706	16,136	570
Total Transfer of Funds to Charter Schools		16,706	-	16,706	16,136	570
Total Expenditures		7,053,306	(147,753)	6,905,553	6,791,968	113,585
Excess/(Deficiency) of Revenues Over/(Under) Expenditures						
		(1,020,430)	(51,992)	(1,072,422)	446,963	1,519,385
Other Financing Sources/(Uses):						
Prior year payable canceled					21,911	(21,911)
Capital leases (non-budgeted)					22,350	(22,350)
Total other financing sources					44,261	(44,261)

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

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses		(1,020,430)	(51,992)	(1,072,422)	491,224	1,563,646
Fund Balances, July 1 as previously stated		2,422,857	-	2,422,857	2,422,857	-
Prior Period Adjustment		3,773		3,773	3,773	
Fund Balances, July 1 Restated		2,426,630		2,426,630	2,426,630	
Fund Balances, June 30		\$ 1,406,200	\$ (51,992)	\$ 1,354,208	\$ 2,917,854	\$ 1,563,646

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:

Capital Reserve Account	\$ 1,208,135
Maintenance Reserve Account	300,307
Excess Surplus	
Current Year	523,465
Prior Year - Designated for Subsequent Year's Expenditures	544,379
Unemployment Compensation	6,779

Assigned Fund Balance

FFCRA/SEMI Designated for Subsequent Year's Expenditures	1,218
Year-End Encumbrances	48,794

Unassigned Fund Balance

2,917,854

Reconciliation to Governmental Fund Statements (GAAP):

Last Two State Aid Payments Not Recognized on GAAP Basis	(271,058)
--	-----------

Fund Balance Per Governmental Funds (GAAP)

\$ 2,646,796

**WESTVILLE BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
REVENUES					
Local Sources	\$ -	\$ -	\$ -	\$ 20,534	\$ (20,534)
State Sources	83,829		83,829	83,829	-
Federal Sources	\$ 353,787	\$ 470,221	824,008	\$ 473,723	\$ 350,285
Total Revenues	437,616	470,221	907,837	578,086	329,751
EXPENDITURES:					
Instruction:					
Salaries of Teachers	212,010	13,095	225,105	177,410	47,695
Other Salaries for Instruction	1,414		1,414	1,414	-
Purchased Professional Services		48,533	48,533	2,400	46,133
Tuition	100,739	8,621	109,360	109,360	
General Supplies	37,190	269,880	307,070	153,384	153,686
Total Instruction	351,353	340,129	691,482	443,968	247,514
Support Services:					
Other Salaries	14,340	10,350	24,690	7,864	16,826
Personal Services - Employee Benefits	37,704	3,076	40,780	32,349	8,431
Purchased Professional Technical Services	2,000		2,000	725	1,275
Purchased Professional Educational Services	14,388	5,481	19,869	19,869	-
Other Purchased Services		11,940	11,940	-	11,940
Supplies & Materials	17,831	59,245	77,076	52,777	24,299
Student Activities				21,210	(21,210)
Total Support Services	86,263	90,092	176,355	134,794	41,561
Facilities Acquisition & Construction Services:					
Instructional Equipment		40,000	40,000	-	40,000
Total Facilities Acquisition & Construction Services	-	40,000	40,000	-	40,000
Total Expenditures	437,616	470,221	907,837	578,762	329,075
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	(676)	(676)
Prior Period Adjustment				27,154	(27,154)
Fund Balance, July 1 Restated				27,154	27,154
Fund Balance, June 30				\$ 26,478	\$ 26,478

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$7,238,931	\$ 578,086
Difference - Budget to GAAP:		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(92,819)
Current Year	(271,058)	(8,383)
Prior Year	259,458	8,965
	\$7,227,331	\$ 485,849
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)		
	\$7,227,331	\$ 485,849
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$6,791,968	\$ 578,762
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposed, but in the year the supplies are received for financial reporting purposes.		(92,819)
		(92,819)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)		
	\$6,791,968	\$ 485,943

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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WESTVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST EIGHT FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.0039938770%	0.0044170618%	0.0050633500%	0.0053955491%	0.0058598421%	0.0058094861%	0.0054802026%	0.0059616745%
School District's proportionate share of the net pension liability	\$ 651,297	\$ 795,888	\$ 996,949	\$ 1,255,998	\$ 1,735,517	\$ 1,304,113	\$ 1,026,044	\$ 1,139,394
School District's covered payroll	\$ 295,499	\$ 313,998	\$ 304,475	\$ 301,798	\$ 355,578	\$ 398,965	\$ 371,523	n/a
School District's proportionate share of the net pension liability as a percentage of its covered payroll	220.41%	253.47%	327.43%	416.17%	488.08%	326.87%	276.17%	n/a
Plan fiduciary net position as a percentage of the total pension liability	58.32%	56.27%	53.59%	48.10%	40.14%	47.93%	52.08%	48.72%

The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

* 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.

**WESTVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST EIGHT FISCAL YEARS***

	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 43,691	\$ 42,965	\$ 50,364	\$ 49,984	\$ 52,058	\$ 49,946	\$ 45,178	\$ 44,920
Contributions in relation to the contractually required contribution	(43,691)	(42,965)	(50,364)	(49,984)	(52,058)	(49,946)	(45,178)	(44,920)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	295,499	313,998	304,475	301,798	355,578	398,965	371,523	n/a
Contributions as a percentage of covered-employee payroll	14.79%	13.68%	16.54%	16.56%	14.64%	12.52%	12.16%	n/a

* 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.

WESTVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST EIGHT FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District	15,839,581	15,007,148	15,694,700	17,492,015	20,241,275	16,349,929	14,080,096	13,419,882
	<u>\$ 15,839,581</u>	<u>\$ 15,007,148</u>	<u>\$ 15,694,700</u>	<u>\$ 17,492,015</u>	<u>\$ 20,241,275</u>	<u>\$ 16,349,929</u>	<u>\$ 14,080,096</u>	<u>\$ 13,419,882</u>

School District's covered payroll	\$ 2,910,987	\$ 2,814,530	\$ 2,762,119	\$ 2,563,270	\$ 2,589,541	\$ 2,646,972	\$ 2,521,121	n/a
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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%	33.64%

The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

* 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.

**WESTVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the school district.

M. Schedules Related to Accounting and Reporting for Other Post-Employment Benefits (GASB 75)

WESTVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST FOUR FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's Total OPEB Liability				
Service Cost	\$ 427,372	\$ 439,864	\$ 542,512	\$ 656,873
Interest Cost	436,148	533,913	618,485	536,824
Difference between Expected & Actual Differences	3,679,531	(2,126,616)	(2,628,657)	
Changes of Assumptions	3,666,604	181,932	(1,553,362)	(2,276,052)
Contributions: Member	10,592	11,103	12,510	14,420
Gross Benefit Payments	(349,450)	(374,564)	(361,957)	(391,597)
Net Change in District's Total OPEB Liability	7,870,797	(1,334,368)	(3,370,469)	(1,459,532)
District's Total OPEB Liability (Beginning)	<u>12,201,966</u>	<u>13,536,334</u>	<u>16,906,803</u>	<u>18,366,335</u>
District's Total OPEB Liability (Ending)	<u>\$ 20,072,763</u>	<u>\$ 12,201,966</u>	<u>\$ 13,536,334</u>	<u>\$ 16,906,803</u>
District's Covered Employee Payroll	\$ 3,206,486	\$ 3,128,528	\$ 3,066,594	\$ 2,865,068
District's Net OPEB Liability as a Percentage of Covered Payrol	626.01%	390.02%	441.41%	590.10%

The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

* 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.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 6.28% as of June 30, 2019, to 7.00% as of June

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.60% as of June 30, 2019, to 5.60% as of June

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June

OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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

	TOTAL									
	BROUGHT FORWARD (EXHIBIT E-1a)									
	TITLE I PART A	TITLE I SIA PART A	TITLE I REALLOCATED	ESEA TITLE I	TITLE II PART A	TITLE IV	I.D.E.A. PART B BASIC REGULAR PROGRAM	I.D.E.A. PART B PRESCHOOL PROGRAM	TOTALS	
Revenues:										
Local Sources	\$ 20,534								\$ 20,534	
State Sources	83,829								83,829	
Federal Sources	197,476	\$ 113,615	\$ 12,500	\$ 10,637	\$ 5,662	\$ 2,400	\$ 6,011		473,723	
Total Revenues	\$ 301,839	\$ 113,615	\$ 12,500	\$ 10,637	\$ 5,662	\$ 2,400	\$ 6,011	\$ 6,011	\$ 578,086	
Expenditures:										
Instruction:										
Salaries of Teachers	85,079	\$ 78,053	\$ 8,928	5,350					\$ 177,410	
Other Salaries for Instruction	1,414					2,400			1,414	
Purchased Professional Services									2,400	
Tuition									109,360	
General Supplies	145,636	5,544						522	153,384	
Total Instruction	232,129	83,597	8,928	5,350	-	2,400	522	522	443,968	
Support Services:										
Other Salaries	673			4,528	2,663				7,864	
Personal Services - Employee Benefits		28,018	3,572	759					32,349	
Purchased Professional Technical Services					725				725	
Purchased Professional Educational Services								14,380	19,869	
Supplies & Materials	48,503	2,000			2,274				52,777	
Student Activities	21,210								21,210	
Total Support Services	70,386	30,018	3,572	5,287	5,662	-	14,380	5,489	134,794	
Total Expenditures	\$ 302,515	\$ 113,615	\$ 12,500	\$ 10,637	\$ 5,662	\$ 2,400	\$ 6,011	\$ 6,011	\$ 578,762	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(676)	-	-	-	-	-	-	-	(676)	
Prior Period Adjustment	27,154								27,154	
Fund Balance, July 1 Restated	27,154								27,154	
Fund Balance, June 30	26,478								26,478	

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

	PRESCHOOL EDUCATION AID STABILIZATION (EXHIBIT E-2)	CARES FUND	CRRSA ESSER II	CORONAVIRUS RELIEF FUND	STUDENT ACTIVITY	TOTALS
Revenues:						
Local Sources	-	-	-	-	20,534	\$ 20,534
State Sources	83,829					83,829
Federal Sources		44,220	119,353	33,903		197,476
Total Revenues	\$ 83,829	\$ 44,220	\$ 119,353	\$ 33,903	\$ 20,534	\$ 301,839
Expenditures:						
Instruction:						
Salaries of Teachers	\$ 82,415	\$ 2,664				\$ 85,079
Other Salaries for Instruction	1,414					1,414
General Supplies		28,778	116,858			145,636
Total Instruction	83,829	31,442	116,858	-	-	232,129
Support Services:						
Other Salaries		673				673
Supplies & Materials		12,105	2,495	33,903		48,503
Student Activities					21,210	21,210
Total Support Services	-	12,778	2,495	33,903	21,210	70,386
Total Expenditures	\$ 83,829	\$ 44,220	\$ 119,353	\$ 33,903	\$ 21,210	\$ 302,515
Excess (Deficiency) of Revenues Over (Under) Expenditures					(676)	(676)
Prior Period Adjustment					27,154	27,154
Fund Balance, July 1 (Restated)					27,154	27,154
Fund Balance, June 30					26,478	26,478

**WESTVILLE BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION/EXPANSION AID
STATEMENT OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	2021		
	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 82,415	\$ 82,415	\$ -
Other Salaries for Instruction	1,414	1,414	-
Total Instruction	83,829	83,829	-
Total Expenditures	\$ 83,829	\$ 83,829	\$ -

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2020-2021 Preschool Education Aid Allocation	\$ 83,829
Add: Budgeted Transfer from General Fund 2020-2021	-
Add: Actual Preschool Education Aid Carryover (June 30, 2020)	10,931
Total Preschool Education Aid Funds Available for 2020-2021 Budget	94,760
Less: 2020-2021 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	(83,829)
Available & Unbudgeted Preschool Education Aid Funds June 30, 2021	10,931
Add: June 30, 2021 Unexpended Preschool Education Aid	-
Total Actual Preschool Education Aid Carryover	\$ 10,931
2020-2021 Preschool Education Aid Carryover Budgeted in 2021-2022	\$ 10,613

F. Capital Projects Fund

Not Applicable

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G. Proprietary Funds

Not Applicable

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Enterprise Funds

Not applicable

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Internal Service Fund

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**WESTVILLE BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2021**

ASSETS	TOTALS
Cash & Cash Equivalents	<u>\$ 51,295</u>
Total Assets	<u>51,295</u>
NET POSITION	
Unrestricted	<u>51,295</u>
Total Net Position	<u><u>\$ 51,295</u></u>

**WESTVILLE BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	TOTALS
Total Net Position - Beginning	51,295
Total Net Position - Ending	\$ 51,295

**WESTVILLE BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	TOTALS
Balances - Beginning of Year	<u>51,295</u>
Balances - Ending of Year	<u><u>\$ 51,295</u></u>

I. Long-Term Debt

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**WESTVILLE BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2021**

DESCRIPTION	Date of Lease	Term of Lease	Amount of Original Issues		Interest Rate	Amount			Amount Outstanding June 30, 2021
			Principal	Interest		Outstanding July 1, 2020	Issued	Retired	
Computer Equipment	7/1/2020	2 Years	22,350	827	6.500%	\$ -	\$ 22,350	\$ 22,350	\$ -
Total						\$ -	\$ 22,350	\$ 22,350	\$ -

STATISTICAL SECTION (Unaudited)

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WESTVILLE BOROUGH SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 3,521,959	\$ 3,383,681	\$ 3,434,867	\$ 3,552,641	\$ 3,694,565	\$ 3,836,489	\$ 3,790,610	\$ 3,736,594	\$ 3,687,501	\$ 3,657,409
Restricted	2,609,543	2,172,857	1,691,447	1,178,312	614,316	253,410	395,735	593,890	423,372	315,654
Unrestricted	(1,124,779)	(1,308,572)	(1,385,160)	(20,394,316)	(1,289,178)	(1,151,602)	(1,165,264)	4,465	51,916	156,791
Total Governmental Activities	\$ 5,006,723	\$ 4,247,966	\$ 3,741,154	\$ (15,663,363)	\$ 3,019,703	\$ 2,938,297	\$ 3,021,081	\$ 4,334,949	\$ 4,162,789	\$ 4,129,854
District-Wide:										
Invested in Capital Assets,										
Net of Related Debt	\$ 3,521,959	\$ 3,383,681	\$ 3,434,867	\$ 3,552,641	\$ 3,694,565	\$ 3,836,489	\$ 3,790,610	\$ 3,736,594	\$ 3,687,501	\$ 3,657,409
Restricted	2,609,543	2,172,857	1,691,447	1,178,312	614,316	253,410	395,735	593,890	423,372	315,654
Unrestricted	(1,124,779)	(1,308,572)	(1,385,160)	(20,394,316)	(1,289,178)	(1,151,602)	(1,165,264)	4,465	51,916	156,791
Total District Net Position	\$ 5,006,723	\$ 4,247,966	\$ 3,741,154	\$ (15,663,363)	\$ 3,019,703	\$ 2,938,297	\$ 3,021,081	\$ 4,334,949	\$ 4,162,789	\$ 4,129,854

**WESTVILLE BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 1,793,678	\$ 1,802,799	\$ 1,661,717	\$ 1,469,428	\$ 1,500,151	\$ 1,567,127	\$ 1,520,723	\$ 1,387,452	\$ 1,490,696	\$ 1,380,231
Special Education	1,134,618	1,015,732	901,277	934,852	951,954	1,150,823	1,128,926	1,054,731	950,855	619,840
Other Special Instruction		85,795	86,823	71,527	70,626	122,558	163,824	218,897	212,674	621,575
Other Instruction	9,074	15,712	16,942	15,265	19,629	17,632	16,926	15,003	11,989	13,364
Support Services:										
Tuition & Student & Instruction Related Service	1,068,117	881,243	1,120,125	1,078,136	977,818	1,225,519	1,150,466	903,358	870,807	958,947
School Administrative Services	178,442	195,289	166,068	90,294	103,412	265,631	159,848	157,614	154,302	149,321
General & business administrative services	231,058	203,059	232,217	274,890	276,901	114,294	222,483	220,109	212,485	224,347
Plant Operations & Maintenance	269,509	266,255	293,291	241,998	249,839	299,239	296,944	293,345	276,095	301,733
Pupil Transportation	86,398	179,701	198,538	282,369	265,839	330,574	233,416	161,889	135,891	127,491
Employee Benefits	3,703,974	3,097,002	3,434,396	2,458,918	1,767,561	1,523,021	1,313,923	1,245,583	1,334,024	1,153,178
Interest & Other Charges	18,302	18,302	18,302	18,302	18,302	22,082	29,462	17,735	23,473	28,755
Capital Outlay	71,351	28,348	40,495	-	-	-	-	17,414	11,869	16,949
Transfer to Charter Schools	16,136	15,473	-	-	-	-	-	-	-	-
Unallocated Depreciation	163,600	145,992	141,733	141,924	141,924	143,121	142,980	141,043	139,908	139,907
Total Governmental Activities Expenses	8,744,257	7,950,702	8,311,924	7,077,903	6,343,956	6,781,621	6,379,921	5,834,173	5,825,068	5,735,638
Program Revenues:										
Governmental Activities:										
Charges for Services	20,534		167,534	174,030	132,980	161,400	157,100	152,430	145,435	145,705
Operating Grants & Contributions	2,408,909	400,746	329,766	312,926	296,064	341,390	372,282	325,382	361,492	322,015
Total Governmental Activities Program Revenues	2,429,443	400,746	497,300	486,956	429,044	502,790	529,382	477,812	506,927	467,720
Net (Expense)/Revenue: Governmental Activities	\$ (6,314,814)	\$ (7,549,956)	\$ (7,814,624)	\$ (6,590,947)	\$ (5,914,912)	\$ (6,278,831)	\$ (5,850,539)	\$ (5,356,361)	\$ (5,318,141)	\$ (5,267,918)
Total District-Wide Net Expense	\$ (6,314,814)	\$ (7,549,956)	\$ (7,814,624)	\$ (6,590,947)	\$ (5,914,912)	\$ (6,278,831)	\$ (5,850,539)	\$ (5,356,361)	\$ (5,318,141)	\$ (5,267,918)

**WESTVILLE BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Revenues & Other Changes in Net Position										
Governmental Activities:										
Property Taxes, Levied for General Purposes, Net	\$ 2,857,172	\$ 2,801,150	\$ 2,746,225	\$ 2,692,378	\$ 2,639,586	\$ 2,587,830	\$ 2,276,162	\$ 2,179,240	\$ 2,100,420	\$ 2,015,885
Taxes Levied for Debt Service	3,973,906	5,113,287	5,307,955	3,371,673	3,241,115	3,144,963	3,036,081	2,942,586	2,908,137	2,918,332
Federal & State Aid Not Restricted	98,205	97,761	78,239	114,451	63,919	187,942	66,013	121,880	121,356	129,549
Tuition	88,444	44,570	77,380	95,714	50,968	82,225	55,090	92,080	28,155	77,992
Miscellaneous Income	21,911		(6,218)			308	6,638		(222)	
Prior year (receivable) payable canceled	3,006									
Miscellaneous Restricted Income										
Transfers										
Total Governmental Activities	7,042,644	8,056,768	8,203,581	6,274,216	5,995,588	6,196,048	5,631,144	5,528,521	5,351,076	5,330,513
Total District-Wide	\$ 7,042,644	\$ 8,056,768	\$ 8,203,581	\$ 6,274,216	\$ 5,995,588	\$ 6,196,048	\$ 5,631,144	\$ 5,528,521	\$ 5,351,076	\$ 5,330,513
Change in Net Position:										
Governmental Activities	\$ 727,830	\$ 506,812	\$ 388,957	\$ (316,731)	\$ 80,676	\$ (82,783)	\$ (219,395)	\$ 172,160	\$ 32,935	\$ 62,595
Business-Type Activities	-	-	-	-	-	-	-	-	-	-
Total District	\$ 727,830	\$ 506,812	\$ 388,957	\$ (316,731)	\$ 80,676	\$ (82,783)	\$ (219,395)	\$ 172,160	\$ 32,935	\$ 62,595

**WESTVILLE BOROUGH SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Restricted	\$ 2,583,065	\$ 2,118,255	\$ 1,674,948	\$ 1,071,096	\$ 577,043	\$ 188,302	\$ 353,775	\$ 593,890	\$ 423,372	\$ 315,411
Assigned	50,012	54,602	16,499	107,216	37,273	65,108	41,959	89,628	185,976	222,039
Unassigned	13,719	(9,458)	2,627	24,262	37,090	63,210	37,917	25,459	26,200	43,365
Total General Fund	\$ 2,646,796	\$ 2,163,399	\$ 1,694,074	\$ 1,202,574	\$ 651,406	\$ 316,620	\$ 433,651	\$ 708,977	\$ 635,548	\$ 580,815
All Other Governmental Funds										
Restricted										
Special Revenue Fund	\$ 26,478									\$ 243
Unassigned, Reported in:										
Special Revenue Fund	(8,383)	(8,965)	(7,470)	(8,460)	(9,063)	(8,664)	(8,664)	(8,864)	(14,340)	(11,452)
Total All Other Governmental Funds	\$ 18,095	\$ (8,965)	\$ (7,470)	\$ (8,460)	\$ (9,063)	\$ (8,664)	\$ (8,664)	\$ (8,864)	\$ (14,340)	\$ (11,209)

WESTVILLE BOROUGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Tax Levy	\$ 2,857,172	\$ 2,801,150	\$ 2,746,225	\$ 2,692,378	\$ 2,639,586	\$ 2,780,610	\$ 2,467,322	\$ 2,371,975	\$ 2,293,650	\$ 2,204,640
Tuition Charges	98,205	97,761	78,239	114,451	63,919	187,942	66,013	121,880	121,356	129,549
Interest Earnings	5,618	11,251	9,006	3,583	1,669	1,505	2,268	2,446	5,359	7,426
Miscellaneous	103,360	33,319	68,374	92,131	49,299	81,759	53,537	89,634	25,240	70,566
Other Restricted Miscellaneous Revenue	3,006									
State Sources	4,234,374	3,866,717	3,658,636	3,426,006	3,316,613	3,231,603	3,122,961	3,036,738	3,046,068	2,951,153
Federal Sources	411,445	329,886	287,237	258,593	220,566	253,711	284,687	231,230	221,117	289,194
Total Revenue	7,713,180	7,140,084	6,847,717	6,587,142	6,291,652	6,537,130	5,996,788	5,853,903	5,712,790	5,652,528
Expenditures:										
Instruction:										
Regular Instruction	1,816,028	1,788,251	1,638,906	1,483,391	1,524,347	1,559,312	1,515,438	1,429,009	1,448,344	1,380,231
Special Education Instruction	1,134,618	1,015,732	901,277	934,852	951,954	1,150,823	1,128,926	1,054,731	950,855	619,840
Other Special Instruction		85,795	86,823	71,527	70,626	122,558	163,824	218,897	212,674	621,575
Other Instruction	9,074	15,712	16,942	15,265	19,629	17,632	16,926	15,003	11,989	13,364
Support Services:										
Tuition, Student & Instruction Related	1,068,117	881,243	952,005	937,018	847,786	1,064,888	993,550	750,354	722,205	821,399
General & Administration Services	231,058	203,059	232,217	274,890	276,901	265,631	222,483	220,109	212,485	224,347
School Administrative Services	178,442	195,289	166,068	90,294	103,412	114,294	159,848	157,614	154,302	149,321
Plant Operations & Maintenance	269,509	266,255	293,291	241,998	249,839	299,239	296,944	293,345	276,096	301,733
Pupil Transportation	86,398	179,701	198,538	282,369	265,109	330,574	233,416	161,889	135,891	127,491
Unallocated Benefits	2,077,000	1,884,288	1,780,188	1,685,465	1,629,360	1,518,436	1,320,514	1,248,762	1,330,783	1,153,178
Transfer to Charter School	16,136	15,473								
Capital Outlay	391,531	141,456	82,754	18,302	18,302	18,302	35,298	32,550	11,869	16,949
Debt Service:										
Principal	-					189,000	180,000	175,000	170,000	160,000
Interest & Other Charges	-					3,780	11,160	17,735	23,473	28,755
Total Expenditures	7,277,911	6,672,254	6,349,009	6,035,371	5,957,265	6,654,469	6,278,327	5,774,998	5,660,966	5,618,183
Excess (Deficiency) of Revenues										
Over/(Under) Expenditures	435,269	467,830	498,708	551,771	334,387	(117,339)	(281,539)	78,905	51,824	34,345
Other Financing Sources/(Uses):										
Prior year (receivable)/payable canceled	21,911				-	308	6,413	-	(222)	-
Capital leases (non-budgeted)	22,350									
Total Other Financing Sources/(Uses)	44,261	-	-	-	-	308	6,413	-	(222)	-
Net Change in Fund Balances	\$ 479,530	\$ 467,830	\$ 498,708	\$ 551,771	\$ 334,387	\$ (117,031)	\$ (275,126)	\$ 78,905	\$ 51,602	\$ 34,345
Debt Service as a Percentage of										
Noncapital Expenditures						2.99%	3.16%	3.47%	3.55%	3.49%

Source: District records

WESTVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDING JUNE 30,	Other Services	Homeless Tuition	Miscellaneous	TOTAL
2021	\$ 14,078	\$ 11,092	\$ 57,656	\$ 82,826
2020			44,570	44,570
2019		39,935	37,445	77,380
2018		55,691	40,023	95,714
2017		15,991	34,977	50,968
2016		38,623	43,602	82,225
2015		47,013	8,077	55,090
2014		60,328	29,306	89,634
2013		19,240	3,556	22,796
2012	-	68,677	1,889	70,566

Source: District records

WESTVILLE BOROUGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUN 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2021	2,673,300	173,947,400	-	-	21,145,500	24,116,200	10,054,900	231,937,300	229,833	\$232,167,133	1.219	\$ 219,231,805
2020	2,225,600	173,496,300	-	-	21,289,100	24,290,800	10,074,900	231,376,700	214,347	231,591,047	1.198	239,197,464
2019	2,153,200	174,573,300	-	-	21,801,900	24,669,200	10,074,900	233,272,500	208,848	233,481,348	1.062	247,305,671
2018	2,137,800	174,430,600	-	-	22,732,600	25,963,200	10,074,900	235,339,100	213,290	235,552,390	1.234	248,495,655
2017	2,145,800	174,631,100	-	-	22,918,300	26,787,600	10,143,100	236,625,900	214,936	236,840,836	1.145	253,869,778
2016	2,260,300	174,483,200	-	-	23,193,200	26,906,600	10,172,500	237,015,800	227,783	237,243,583	1.104	250,163,793
2015	2,376,800	190,783,270	-	-	25,951,100	31,439,400	10,579,100	261,129,670	227,089	261,356,759	0.928	251,787,293
2014	2,267,400	190,951,470	-	-	25,496,700	33,368,400	11,034,600	263,118,570	328,424	263,446,994	0.886	261,356,759
2013	2,753,600	191,459,070	-	-	27,124,600	35,202,400	11,642,400	268,182,070	347,069	268,529,139	0.838	244,656,105
2012	1,317,300	121,462,400	-	-	14,532,000	17,044,800	6,210,200	160,566,700	197,031	160,763,731	1.356	261,684,269

Source: Local Tax Assessor and County Board of Taxation

N/A - Not Available

WESTVILLE BOROUGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)

FISCAL YEAR ENDED JUN 30,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	Basic Rate	TOTAL	BOROUGH OF WESTVILLE	GATEWAY REGIONAL HIGH SCHOOL	ALL GLOUCESTER COUNTY	
		DIRECT				
2021	1.219	1.219	1.408	1.317	0.718	4.662
2020	1.198	1.198	1.354	1.278	0.729	4.559
2019	1.062	1.062	1.323	1.228	0.742	4.355
2018	1.234	1.234	1.323	1.211	0.711	4.479
2017	1.145	1.145	1.288	1.183	0.711	4.327
2016	1.104	1.104	1.254	1.096	0.692	4.146
2015	0.928	0.928	1.096	0.977	0.569	3.570
2014	0.886	0.886	1.063	0.968	0.561	3.478
2013	0.838	0.838	0.983	0.978	0.537	3.336
2012	1.356	1.356	1.558	1.723	0.969	5.606

Source: Municipal Tax Collector

**WESTVILLE BOROUGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2021		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Sunoco Inc C/O KE Andrews & Co	\$ 6,153,700	1	2.65%
Mega 712 Broadway LLC	2,929,300	2	1.26%
Pellegrino Enterprises LLC	2,350,000	3	1.01%
Woodbine Norse LLC	2,150,100	4	0.93%
Westville Norse LC	2,013,500	5	0.87%
Arber Properties LLC	2,000,000	6	0.86%
Raab Family Partnership LP	1,659,500	7	0.71%
FRZ Commercial Real Estate LLC	1,565,800	8	0.67%
Heaton, Joseph E Sr Revocable Trust	1,453,000	9	0.63%
Browns Westville LLC	1,422,000	10	0.61%
Total	\$ 23,696,900		10.21%

TAXPAYER	2012		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Sunoco Inc	\$ 8,857,900	1	5.51%
AMC Delancy I-295 Partners LP	3,561,300	2	2.22%
712 Broadway LLC	3,300,300	3	2.05%
Journey LLC	2,934,800	4	1.83%
Pellegrino Enterprises LLC	2,350,000	5	1.46%
Woodbine Norse LLC	2,150,100	6	1.34%
EJB LLC	2,085,600	7	1.30%
Taxpayer #1	2,013,500	8	1.25%
Arber Properties LLC	2,000,000	9	1.24%
Brown's Westville LLC	1,796,400	10	1.12%
Total	\$ 31,049,900		19.31%

Source: Municipal Tax Assessor

**WESTVILLE BOROUGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2021	\$ 2,857,172	\$ 2,857,172	100.00%	-
2020	2,801,150	2,801,150	100.00%	-
2019	2,746,225	2,746,225	100.00%	-
2018	2,692,378	2,692,378	100.00%	-
2017	2,639,586	2,639,586	100.00%	-
2016	2,780,610	2,780,610	100.00%	-
2015	2,467,322	2,467,322	100.00%	-
2014	2,371,975	2,371,975	100.00%	-
2013	2,293,650	2,293,650	100.00%	-
2012	2,204,640	2,204,640	100.00%	-

Source: District records including the Certificate and Report of School Taxes

**WESTVILLE BOROUGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	BOND ANTICIPATION NOTES (BANs)			
2021	\$ -	-	\$ -	N/A	N/A
2020	-	-		N/A	N/A
2019	-	-		N/A	N/A
2018	-	-		N/A	N/A
2017	-	-		N/A	N/A
2016	-	-		N/A	N/A
2015	189,000	-	189,000	0.09%	45
2014	369,000	-	369,000	0.18%	87
2013	544,000	-	544,000	0.27%	128
2012	714,000	-	714,000	0.37%	168

**WESTVILLE BOROUGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	<u>GENERAL BONDED DEBT OUTSTANDING</u>		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2021	\$ -	\$ -	N/A	N/A
2020	-	-	N/A	N/A
2019	-	-	N/A	N/A
2018	-	-	N/A	N/A
2017	-	-	N/A	N/A
2016	-	-	N/A	N/A
2015	189,000	189,000	0.07%	45
2014	369,000	369,000	0.14%	87
2013	544,000	544,000	0.20%	128
2012	714,000	714,000	0.44%	168

**WESTVILLE BOROUGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Westville Borough	\$ 8,693,942	100.00%	\$ 8,693,942
Gateway Regional School District	3,480,000	27.19%	946,223
Gloucester County	173,810,000	0.87%	1,511,189
Subtotal, overlapping debt			<u>11,151,354</u>
Westville Borough School District Direct Debt			0
Total Overlapping Debt			<u><u>\$ 11,151,354</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Taxation and Borough of Westville Annual Debt Statement.

**WESTVILLE BOROUGH SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$6,045,515	\$6,167,877	\$6,261,183	\$6,238,231	\$6,242,168	\$6,214,811	\$6,210,983	\$6,252,972	\$6,624,152	\$7,042,679
Total Net Debt Applicable to Limit	-	-	-	-	-	-	189,000	369,000	544,000	714,000
Legal Debt Margin	\$6,045,515	\$4,610,003	\$4,512,556	\$4,450,159	\$4,528,383	\$4,551,255	\$4,478,772	\$4,688,523	\$5,081,387	\$5,431,055

Total Net Debt Applicable to the Limit
as a Percentage of Debt Limit

3.04% 5.90% 8.21% 10.14%

Legal Debt Margin Calculation

Equalized Valuation Basis	
2020	\$ 240,150,445
2019	237,333,778
2018	<u>247,977,570</u>
	<u>\$ 725,461,793</u>
Average Equalized Valuation of Taxable Property	\$ 241,820,598
Debt Limit (2.5% of Average Equalization Value) Net Bonded School Debt	<u>6,045,515</u>
Legal Debt Margin	<u>\$ 6,045,515</u>

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

**WESTVILLE BOROUGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME(b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2021	N/A	N/A	N/A	N/A
2020	4,154	N/A	N/A	12.9%
2019	4,147	234,301,353	56,499	5.1%
2018	4,165	226,342,760	54,344	5.7%
2017	4,175	219,170,800	52,496	6.0%
2016	4,187	212,716,348	50,804	7.4%
2015	4,210	208,887,570	49,617	7.8%
2014	4,220	199,880,300	47,365	9.4%
2013	4,234	194,247,452	45,878	13.2%
2012	4,254	191,055,648	44,912	10.9%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income is estimated - population times estimated per capita personal income.

^c Per Capita Per County from US Bureau of Economic Analysis

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**WESTVILLE BOROUGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

EMPLOYER	2021		
	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT
Amazon	4,500	1	N/A
Rowan University	3,500	2	N/A
Inspira Health	2,051	3	N/A
Jefferson Health	2,015	4	N/A
Washington Township School District	1,515	5	N/A
Shop Rite	1,300	6	N/A
County of Gloucester	1,200	7	N/A
U.S. Food Services	1,014	8	N/A
Monroe Township School District	841	9	N/A
Walmart - Turnersville	800	10	N/A
	<u>18,736</u>		

EMPLOYER	2012		
	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT
Rowan University	1,300	1	N/A
Underwood Memorial Hospital	1,825	2	N/A
Washington Township School District	1,648	3	N/A
County of Gloucester	1,500	4	N/A
Kennedy Health Alliance	1,200	5	N/A
Missa Bay, LLC	950	6	N/A
Monroe Township School District	725	7	N/A
U.S Foodservices	741	8	N/A
DGI Services	600	9	N/A
Delaware Valley Wholesale Florist	500	10	N/A
	<u>10,989</u>		

Source: Information provided by the Gloucester County Office of Economic Development and Employer Directly.
Note: The information provided is for the County of Gloucester. Information at the municipal level is not available.

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

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular	31.0	31.0	31.0	30.0	27.5	31.0	31.0	30.0	30.0	30.0
Special Education	11.0	11.0	11.0	10.0	10.0	7.5	7.5	8.0	7.0	7.0
Support Services:										
Student & Instruction Related Services	22.0	22.0	22.0	21.0	21.0	21.0	21.0	20.0	15.0	14.0
General & Business Administrative Services	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0
Plant Operations & Maintenance	2.5	2.5	2.5	2.5	2.5	2.5	3.0	3.0	3.0	3.0
Total	69.5	69.5	69.5	66.5	64.0	66.0	66.5	65.0	59.0	58.0

Source: District Personnel Records

**WESTVILLE BOROUGH SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO		AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						TEACHER RATIO	ELEMENTARY				
2021	331	\$ 6,886,380	20,805	28.61%	46	7.2		338.6	319.3	-5.69%	94.30%
2020	360	6,530,798	16,176	89.00%	43	8.4		359.0	345.0	-9.11%	95.40%
2019	395	6,266,255	16,033	-12.92%	42	9.4		395.0	377.0	9.42%	95.40%
2018	361	6,017,069	18,411	-1.85%	40	9.0		361.0	341.0	-4.50%	95.71%
2017	376	5,938,963	18,759	10.22%	35	10.7		378.0	353.0	4.71%	95.51%
2016	371	6,443,387	17,020	5.07%	39	9.6		361.0	343.0	1.69%	95.60%
2015	362	6,051,869	16,198	0.97%	39	9.4		355.0	338.0	-3.79%	96.03%
2014	372	5,549,713	16,043	-2.37%	38	9.9		369.0	350.0	6.65%	95.51%
2013	347	5,455,624	16,433	-2.80%	37	9.4		346.0	329.0	-1.42%	97.18%
2012	361	5,412,479	16,907	1.56%	37	9.8		351.0	332.0	5.41%	94.84%

Sources: District records

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

**WESTVILLE BOROUGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Elementary Schools:										
Elementary School:										
Square Feet	58,250	58,250	58,250	58,250	58,250	58,250	58,250	58,250	58,250	58,250
Capacity (Students)	410	410	410	410	410	410	410	410	410	410
Enrollment	331	359	395	361	376	371	362	372	347	361

Number of Schools at June 30, 2021:
Elementary = 1

Source: District Office

**WESTVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

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

ELEMENTARY
SCHOOL

2021	\$ 52,731
2020	39,464
2019	53,174
2018	26,304
2017	21,094
2016	33,485
2015	25,852
2014	20,566
2013	18,044
2012	29,469

Source: District records

**WESTVILLE BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE**

I. Property, Inland Marine and Automobile Physical Damages	
A. Limit of Liability	\$175,000,00 Per Occurance
1. GCSSD JIF Self Insurance Retention	\$250,000 Per Occurance
2. Member District Deductible	\$500 Per Occurance
3. Perils Incuded	"All Risk"
B. Property Valuation	
1. Building and Contents	Replacement Cost
2. Contractors Equipment	Actual Cash Value
3. Automobiles	Actual Cash Value
II. Boiler and Machinery	
A. Limit of Liability	\$125,000,000
1. GCSSD JIF Self Insurance Retention	None
2. Member District Deductible	\$1,000
III. Crine	
A. Limit of Liability	\$500,000
1. GCSSD JIF Self Insurance Retention	\$250,000
2. Member District Deductible	\$500
IV. General and Automobile Liability	
A. Limit of Liability	\$20,000,000
1. GCSSD JIF Self Insurance Retention	\$250,000
2. Member District Deductible	None
V. Workers' Compensation	
A. Limit of Liability	Statutory
1. GCSSD JIF Self Insurance Retention	\$250,000
2. Member District Deductible	None
VI. Educator's Legal Liability	
A. Limit of Liability	\$20,000,000
1. GCSSD JIF Self Insurance Retention	\$250,000
2. Member District Deductible	None
VII. Pollution Legal Liability	
A. Limit of Liability	\$3,000,000
1. GCSSD JIF Self Insurance Retention	None
2. Member District Deductible - Pollution Incident	\$25,000
3. Member District Deductible - Mold Incident	\$100,000-\$250,000
VIII. Cyber Liability (Please see Certificate of Coverage for Covered Districts)	
A. Limit of Liability	\$2,000,000
1. GCSSD JIF Self Insurance Retention	None
2. Member District Deductible	\$50,000-\$100,000
IX. Crisis Protection & Disater Management Services	
A. Limit of Liability	\$1,000,000
1. GCSSD JIF Self Insurance Retention	None
2. Member District Deductible	\$10,000
Public employees' faithful performance bonds - Hardenburgh Insurance	
Surety Bond - Treasurer of School Monies	\$170,000
Surety Bond - Business Administrator	\$2,000

Source: District records.

SINGLE AUDIT SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Westville Borough School District
County of Gloucester
Westville, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and 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 Westville Borough School District (the "School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated February 5, 2022.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
February 5, 2022

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

Honorable President and Members
of the Board of Education
Westville Borough School District
County of Gloucester
Westville, New Jersey

Report on Compliance for Each Major State Program

We have audited the Westville Borough School District's (the "School 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 School District's major state programs for the fiscal year ended June 30, 2021. The School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit

includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
February 5, 2022

WESTVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL ASSISTANCE LISTING	FEDERAL AWARD NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2020	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	UNEARNED REVENUE	BALANCE JUNE 30 (ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
U.S. DEPARTMENT OF EDUCATION												
General Fund:												
Medical Assistance Program	93.778	2105N15MAP	n/a	\$ 29,323	7/1/20-6/30/21	\$ -	\$ 28,512	\$ (29,323)	\$ -	\$ -	\$ (811)	\$ -
COVID-19 Medical Assistance Program	93.778	2105N15MAP	n/a	1,218	7/1/20-6/30/21	-	1,218	(1,218)	-	-	-	-
							29,730	(30,541)	-	-	(811)	-
Total General Fund							29,730	(30,541)	-	-	(811)	-
U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:												
Title I, Part A	84.010	S010A200030	100-034-5064-194	117,536	7/1/20-9/30/21	-	78,046	(113,615)	-	-	(35,569)	-
Title I, Part A Reallocated	84.010	S010A200030	100-034-5064-194	10,669	7/1/20-9/30/21	-	7,217	(10,637)	-	-	(3,420)	-
Title I, Part A	84.010	S010A190030	100-034-5064-194	118,149	7/1/19-6/30/20	(2,109)	2,109	-	-	-	-	-
Title I, SIA	84.010A	S010A200030	100-034-5064-194	12,500	7/1/20-9/30/21	(2,109)	99,872	(12,500)	-	-	(38,989)	-
								(136,752)	-	-	(38,989)	-
Title II - Part A, Supporting Effective Instruction	84.367	S367A200029	100-034-5063-290	12,479	7/1/20-9/30/21	-	4,603	(5,662)	-	-	(1,059)	-
Effective Instruction	84.367	S367A190029	100-034-5063-290	17,669	7/1/19-6/30/20	(1,425)	1,425	-	-	-	-	-
							6,028	(5,662)	-	-	(1,059)	-
Title IV - Student Support and Enrichment (ESSA)	84.424	S424A200031	100-034-5064-187	11,101	7/1/20-9/30/21	-	-	(2,400)	-	-	(2,400)	-
							-	(2,400)	-	-	(2,400)	-
COVID-19 CARES Stabilization Fund	84.425D	S425D200027	100-034-5120-513	86,077	3/13/20-9/30/22	-	41,556	(44,220)	-	-	(2,664)	-
COVID-19 CRRSA - ESSER II	84.425D	S425D200027	100-034-5120-513	337,484	3/13/20-9/30/23	-	-	(119,353)	-	-	(119,353)	-
							41,556	(163,573)	-	-	(122,017)	-
Special Education Cluster:												
I.D.E.A. Part B, Basic Regular	84.027	H027A200100	100-034-5065-016	126,248	7/1/20-9/30/21	-	1	(125,422)	-	-	(125,421)	-
I.D.E.A. Part B, Basic Regular	84.027	H027A190101	100-034-5065-017	74,768	7/1/19-6/30/20	(677)	677	-	-	-	-	-
							678	(125,422)	-	-	(125,421)	-
							-	(6,011)	-	-	(6,011)	-
I.D.E.A. Preschool	84.173A	H173A200114	100-034-5065-020	6,011	7/1/20-9/30/21	-	-	(6,011)	-	-	(6,011)	-
							-	(6,011)	-	-	(6,011)	-
Total Special Education Cluster:							678	(131,433)	-	-	(131,432)	-
U.S. DEPARTMENT OF TREASURY PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:												
COVID-19 Coronavirus Aid Relief	21.027	S425D200027	100-034-5120-517	33,903	9/23/20-12/30/20	-	33,903	(33,903)	-	-	-	-
							33,903	(33,903)	-	-	-	-
Total Special Revenue Fund							182,037	(473,723)	-	-	(295,897)	-
Total Federal Financial Assistance							\$ (4,211)	\$ 211,767	\$ (504,264)	\$ -	\$ (296,708)	\$ -

The Accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance are an Integral Part of this schedule.

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

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT		CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS' BALANCE	BALANCE AT JUNE 30		MEMO	
				JUNE 30, 2020	JUNE 30, 2021				(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:												
General Fund:												
State Aid Public:												
Equalization Aid	495-034-5120-078	\$ 2,602,248	7/1/20-6/30/21	\$ -	\$ 2,602,248	\$ (2,602,248)	\$ -	\$ -	\$ -	\$ 240,048	\$ 2,602,248	
Security Aid	495-034-5120-084	124,456	7/1/20-6/30/21	-	124,456	(124,456)	-	-	-	11,481	124,456	
Special Education Categorical Aid	495-034-5120-089	183,022	7/1/20-6/30/21	-	183,022	(183,022)	-	-	-	16,883	183,022	
Total State Aid Public				-	2,909,726	(2,909,726)	-	-	-	268,412	2,909,726	
Transportation Aid	495-034-5120-014	28,684	7/1/20-6/30/21	-	28,684	(28,684)	-	-	-	2,646	28,684	
Additional Nonpublic School Transportation Aid	495-034-5120-014	2,030	7/1/20-6/30/21	-	-	(2,030)	-	(2,030)	-	-	2,030	
Extraordinary Aid	495-034-5120-044	32,747	7/1/20-6/30/21	-	-	(32,747)	-	(32,747)	-	-	32,747	
Reimbursed TPAF Social Security Contributions	495-034-5094-003	206,123	7/1/20-6/30/21	-	195,883	(206,123)	-	(10,240)	-	-	206,123	
Reimbursed TPAF Social Security Contributions	495-034-5094-003	206,181	7/1/19-6/30/20	(10,167)	10,167	-	-	-	-	-	-	
On-Behalf TPAF Pension Contributions (Noncash Assistance)	495-034-5094-002	747,518	7/1/20-6/30/21	-	747,518	(747,518)	-	-	-	-	747,518	
On-Behalf TPAF Post-Retirement Medical Contributions (Noncash Assistance)	495-034-5094-001	234,260	7/1/20-6/30/21	-	234,260	(234,260)	-	-	-	-	234,260	
On-Behalf TPAF Long-Term Disability Insurance Contributions (Noncash Assistance)	495-034-5094-004	475	7/1/20-6/30/21	-	475	(475)	-	-	-	-	475	
Total General Fund				(10,167)	4,126,713	(4,161,563)	-	(45,017)	-	271,058	4,161,563	
Special Revenue Fund												
Preschool Education Aid	100-010-3350-023	83,829	7/1/20-6/30/21		83,829	(83,829)				8,383	83,829	
Total New Jersey Department of Agriculture					83,829	(83,829)				8,383	83,829	
Total State Financial Assistance				\$(10,167)	\$ 4,210,542	\$(4,245,392)	\$ -	\$(45,017)	\$ -	\$ 279,441	\$ 4,245,392	
State Financial Assistance Programs not subject to Calculation for Major Program Determination:												
On-Behalf TPAF Pension Contributions	495-034-5094-001	\$ 747,518										
On-Behalf TPAF Post-Retirement Medical Contributions	495-034-5094-002	234,260										
On-Behalf TPAF Long-Term Disability Insurance Contributions	495-034-5120-004	475										
Total State Financial Assistance Subject to Major Program Determination					\$ (3,263,139)							

The Accompanying Notes to Schedule of Expenditures Federal Awards and State Financial Assistance are an Integral Part of this schedule.

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Westville Borough School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School 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.

Note 3. Relationship to Basic Financial Statements

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

**WESTVILLE BOROUGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 3. Relationship to Basic Financial Statements (continued)

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.* 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$11,600) for the general fund and (\$92,237) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 30,541	\$ 4,149,963	\$ 4,180,504
Special Revenue Fund	<u>380,904</u>	<u>84,411</u>	<u>465,315</u>
Total Awards & Financial Assistance	<u>\$ 411,445</u>	<u>\$ 4,234,374</u>	<u>\$ 4,645,819</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Westville Borough School District had no loan balances outstanding as of June 30, 2021.

Note 6. On-Behalf Programs Not Subject to State Single Audit Major Program Determination

On-behalf State Programs for the TPAF Pension and Post-Retirement Medical Benefits Contributions are excluded from State single audit major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the School District's financial statements and the amounts subject to State single audit and major program determination.

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? yes X no

2) Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards - NOT APPLICABLE

Internal control over major programs:

1) Material weakness(es) identified? yes no

2) Significant deficiency(ies) identified? yes none reported

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

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? yes no

Identification of major programs:

<u>Federal Assistance Listing</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
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NOT APPLICABLE

Dollar threshold used to determine Type A programs _____

Auditee qualified as low-risk auditee? yes no

**WESTVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings – None

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs – None

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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS – N/A

STATE FINANCIAL ASSISTANCE – None

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

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings – None

Federal Awards – N/A

State Financial Assistance – None