



**SCHOOL DISTRICT  
OF THE  
TOWNSHIP OF WESTFIELD**

**TOWNSHIP OF WESTFIELD BOARD OF EDUCATION**

**COUNTY OF UNION  
WESTFIELD, NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR  
ENDED JUNE 30, 2022**

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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
June 30, 2022**

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## **INTRODUCTORY SECTION**



# WESTFIELD PUBLIC SCHOOLS

*A Tradition of Excellence*

Raymond González  
Superintendent

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

Dana Sullivan  
Business Administrator/  
Board Secretary

February 24, 2023

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

Dear Board Members:

The annual comprehensive financial report (ACFR) of the Township of Westfield School District (District) as of and for the fiscal year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the district management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

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

The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, Amendments of 1996, and single audit requirements contained in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and NJ OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments*. Information related to this single audit, including the auditors' report on internal control and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. Reporting Entity and its Services: The Town of Westfield School District is an independent reporting entity within the criteria adopted by the GASB. All funds and the Government-wide financial statements of the District are included in this report. The Town of Westfield Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, bilingual as well as special education for educationally handicapped youngsters.

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

<u>Fiscal Year</u>	<u>Average Daily Student Enrollment</u>	<u>Percent Change</u>
2021-2022	5,807	-2.0%
2020-2021	5,928	-4.4%
2019-2020	6,202	0.2%
2018-2019	6,191	-2.8%
2017-2018	6,375	0.1%
2016-2017	6,366	0.7%
2015-2016	6,321	0.3%
2014-2015	6,303	-1.0%
2013-2014	6,371	0.5%
2012-2013	6,334	0.6%

2. Economic Condition and Outlook: The Township of Westfield is a stable community with a 2020 census population of 31,032. Its 6.7 square miles are basically residential in nature with 11 industrial acres; 336, commercial; 2,702, residential; and 79.96 acres for school buildings and fields. A sturdy Colonial heritage and strong commitment to education and voluntarism form the backbone of Westfield's citizens. According to the 2020 census, the median household income was \$170,798 and per capita income was \$81,933. The per capita income for the County of Union as reported in the 2020 census was \$41,576.

There is little space for new housing expansion - thus, the tax base is rather stable. Housing units increased 3% since 1980. The Town underwent a property revaluation for 2019. Based upon the revaluation, the average home is assessed at \$806,800, and this amount also reflects the estimated current market value..

Property taxes provided 93% of the District's General Fund budgeted revenues for the 2021-22 school year. This percentage is consistent with prior years. Fluctuations in the percent of the budget supported by property taxes is largely due to fluctuations in state aid provided to the District.



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

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

3. Major Initiatives: Initiatives and achievements in 2021-2022 by Westfield students and staff included the following:

- Westfield High School Class of 2022 earned a 95.5% graduation rate.
- 93.3% of Westfield High School graduates are pursuing a higher education.
- 254 Westfield High School students were inducted into the National Honor Society.
- 2 National Merit Finalists, and 34 Commended Students in the 2022 National Merit Scholarship Program.
- 1 WHS senior named a 2021-2022 National African American Scholar; 7 WHS seniors named 2021-2022 National Hispanic Scholars.
- 22 perfect SAT or ACT standardized test scores were earned by Westfield High School students.
- 1 Westfield High School 11<sup>th</sup> grader accepted into New Jersey Governor's School of Engineering and Technology.
- Westfield High School Youth and Government Club student delegation received several awards at the annual conference, including the Outstanding Delegation Award.
- 82 Westfield High School students inducted into National Honor Societies for French, Spanish, Italian, and Chinese.
- 123 Westfield High School seniors attained the Seal of Biliteracy, an award granted to students who attain proficiency in two or more languages by high school graduation.
- A Westfield High School 12<sup>th</sup> grader earned a perfect score on the National Latin Level 2 Exam.
- For a 5<sup>th</sup> consecutive year, the Westfield Public School District was named one of the "Best Communities for Music Education" in the nation.
- A Westfield High School 10<sup>th</sup> grader received the 2022 New Jersey Governor's Award in Arts Education.
- 8 Westfield High School student musicians accepted into 2021-2022 All-State Mixed and Treble Choirs; 27 WHS student vocalists were accepted into the 2022 Central Jersey Region II Chorus.
- WHS Wind Ensemble and Symphonic Band both received Gold Ratings at the Region II State Concert Band Festival.
- Westfield High School band director Christopher Vitale was named to the 2022 "40 Under 40", a music education advocacy program that recognizes "outstanding music educators who are making a difference by growing and strengthening their music programs."
- 15 student musicians from Edison and Roosevelt Intermediate Schools performed with the Central Jersey Music Educators Association Region (CJMEA) Band and Orchestra.
- Westfield High School cast of Shakespeare's "Much Ado About Nothing" received award for "Outstanding Achievement by an Acting Ensemble of a Classical Play" at the 2022 Montclair State University Theatre Night Foxy Awards.
- 34 of our 2022 graduating student-athletes are participating at the collegiate level.
- Westfield High School Athletics Program awarded the prestigious ShopRite Cup for only the 2<sup>nd</sup> time since 2010.
- Taking home State championships for the 2021-2022 season were WHS Girls Soccer, Boys Winter Track and Field, Girls Swimming, and Girls Basketball.

- Placing 2nd in the NJSIAA State tournament were Girls Tennis, Boys Tennis, Bowling, Boys Golf, Boys Cross Country, and Boys Winter Track Relays.
- Two teams placed 3rd and 4th in the State tournament - Boys Ice Hockey and Boys Spring Track and Field.
- 1 student-athlete named State Scholar Athlete, 3 named County Scholar Athletes.
- WHS student journalism – Hi's Eye – earned top honors by the American Scholastic Press Association.
- Charitable fundraising efforts across Westfield Public Schools continued throughout the year with food drives, winter coat collections, holiday gift giving, and many other service-based initiatives.

4. Management's Responsibility for Financial Reporting: The management of the school district is responsible for the preparation of the financial statements included within the ACFR and for their integrity and objectivity. In order to enable the District to fulfill its obligation for accurate and fair financial reporting, management is also responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met.

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

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

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

5. Budgetary Controls: In addition to internal controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assigned fund balance at June 30, 2022. General Fund encumbrances at June 30, 2022 were \$546,376.

6. Accounting System and Reports: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and the government-wide financial statements are explained in "Notes to the Financial Statements", Note 1.
7. Financial Information at Fiscal Year-End: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 2022 and the amount of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>2021-2022</u>	<u>Percent of Total</u>	<u>2020-2021</u>	<u>Increase/ (Decrease)</u>
Local Tax Levy	\$ 108,183,929	72.34%	\$ 106,150,449	\$ 2,033,480
Other Local Sources	1,652,390	1.11%	1,385,484	266,906
State Sources	36,061,481	24.11%	28,605,095	7,456,386
Federal Sources	3,648,554	2.44%	2,560,040	1,088,514
Total	<u>\$ 149,546,354</u>	<u>100.00%</u>	<u>\$ 138,701,068</u>	<u>\$ 10,845,286</u>

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

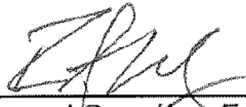
The following schedule presents a summary of general funds, special revenue fund, and debt service expenditures for the fiscal year ended June 30, 2022 and the amount of increases and decreases in relation to the prior year amounts.

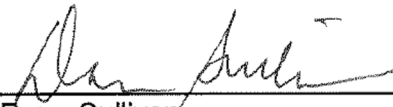
<u>Expenditures</u>	<u>2021-2022</u>	<u>Percent of Total</u>	<u>2020-2021</u>	<u>Increase/ (Decrease)</u>
Current Expenses:				
Instruction	\$ 48,128,826	32.51%	\$ 47,165,441	\$ 963,385
Undistributed Expenditures	90,224,287	60.94%	79,715,862	10,508,425
Capital Outlay	1,075,510	0.73%	1,395,637	(320,127)
Special Revenues	5,050,193	3.41%	3,363,499	1,686,694
Debt Service:				
Principal	3,100,000	2.09%	3,116,000	(16,000)
Interest	480,245	0.32%	543,073	(62,828)
	<u>\$ 148,059,061</u>	<u>100.00%</u>	<u>\$135,299,512</u>	<u>\$ 12,759,549</u>

8. Debt Administration: The total debt outstanding for the District was \$17,225,000 as of June 30, 2022.

9. Cash Management: The investment policy of the District is guided in large part by state statute as detailed in the "Notes to Financial Statements", Note 2. The District deposits its funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
10. Risk Management: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, cyber liability, hazard and theft insurance on property and contents, and fidelity bonds. Umbrella and excess umbrella coverages were also in effect to minimize the District's loss exposure. The Board is a member of the New Jersey Schools Insurance Group.
11. Other Information:
- A. Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of PKF O'Connor Davies, LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, as amended, and related grant guidance and OMB Circular 15-08. The auditors' report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.
12. Acknowledgments:  
We would like to express our appreciation to the members of the Westfield School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

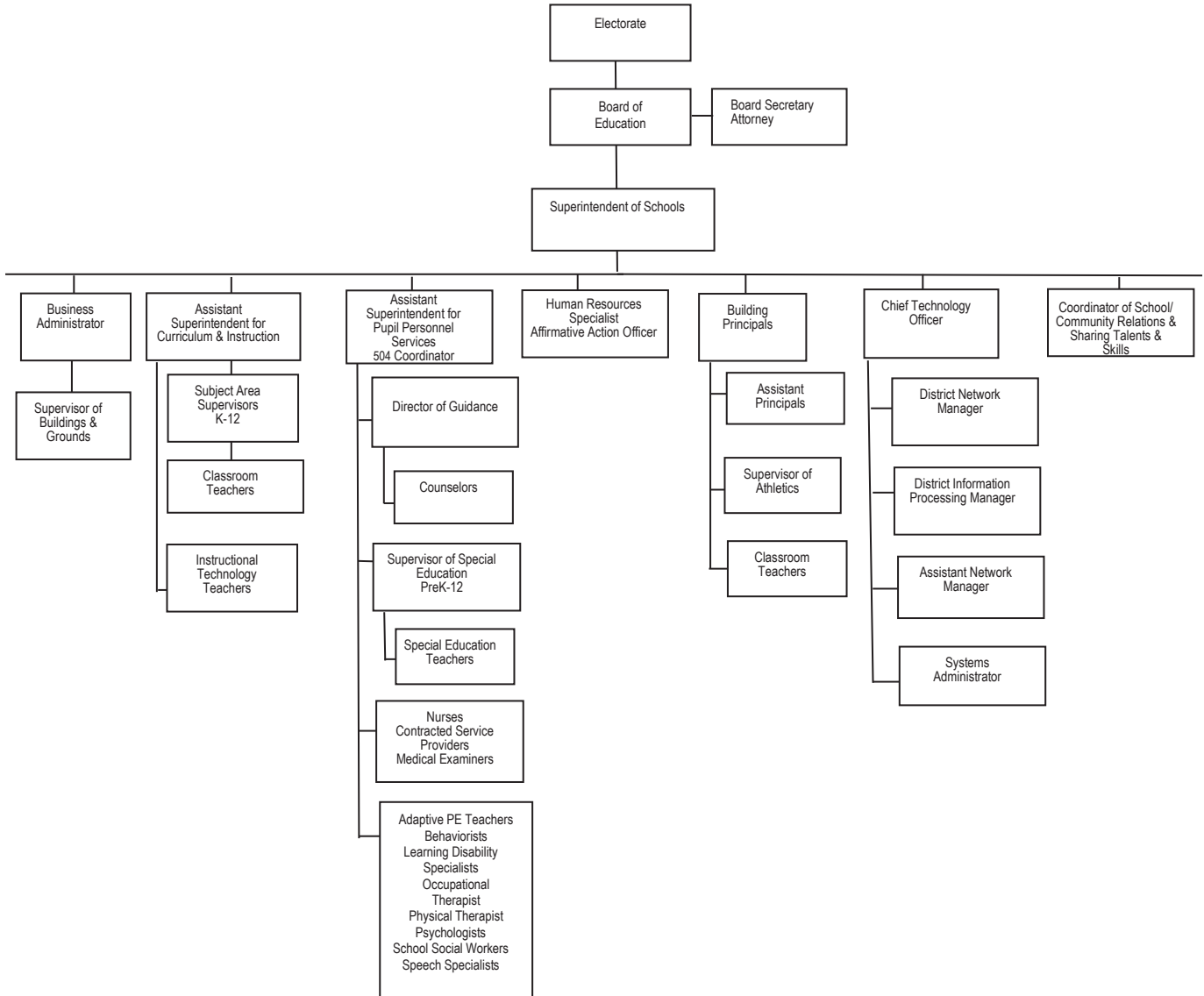
Respectfully submitted,

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

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

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

**1110 ORGANIZATIONAL CHART**



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

Approved: November 6, 2007  
 Revised: December 7, 2010  
 Revised: August 28, 2012  
 Revised: December 10, 2013  
 Reviewed: December 11, 2014  
 Revised: February 28, 2017  
 Revised: March 27, 2018  
 Revised: February 4, 2020

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

**ROSTER OF OFFICIALS  
JUNE 30, 2022**

**Members of the Board of Education**

**Term Expires**

J. Brendan Galligan, President	2023
Sahar Aziz Vice-President	2024
Robert Benacchio	2025
Michael Bielen	2023
Leila Morrelli	2024
Sonal Patel	2024
Amy Root	2023
Kristen Sonnek-Schmelz	2025
Mary Wickens	2025

**Other Officials**

Raymond Gonzalez, Ed. D., Superintendent of Schools  
Dana Sullivan, Business Administrator/Board Secretary

**WESTFIELD SCHOOL DISTRICT  
Consultants and Advisors**

**Architects**

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

**Audit Firm**

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

**Labor/General/Special Education Counsel**

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

Machado Law Group  
1 Cleveland Place  
Springfield, NJ 07081

**Bond Counsel**

McManimon, Scotland & Baumann, LLC  
75 Livingston Avenue  
Roseland, NJ 07068

**Financial Advisors**

Pheonix Advisors, LLC  
625 Farnsworth Avenue  
Bordentown, NJ 08505

**Official Depository**

Valley National Bank  
801 Central Avenue  
Westfield, NJ 07090

## **FINANCIAL SECTION**





## Independent Auditors' Report

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

### Report on the Audit of the Financial Statements

#### *Opinions*

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 Westfield School District (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 District as of June 30, 2022, 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**

As described in Note 23 to the financial statements, the 2021 financial statements have been restated in order to correct errors. Our opinions are not modified with respect to this matter.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

## ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the and schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements, long-term debt schedules, and the schedules of expenditures of federal awards and state financial assistance, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual fund financial statements, 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.

### **Other Information**

Management is responsible for the other information included in the Annual Comprehensive Annual Financial Report for the year ended June 30, 2022. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**  
Cranford, New Jersey  
February 24, 2023



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

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**PART I**

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**(Unaudited)**  
**June 30, 2022**

This section of the district's annual financial report presents a discussion and analysis of the district's financial performance during the fiscal year ending June 30, 2022. It should be read in conjunction with the transmittal letter at the front of this report and the district's financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statement—and Management's Discussion and Analysis—for State and Local Governments* issued June 1999 and amended by GASB Statement No. 37. Certain comparative information between the current year and the prior year is presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

The key financial highlights for the 2021-2022 fiscal year include the following:

Governmental funds reported a total fund balance of \$17,976,772, which is a \$6,901,946 decrease from last year's total governmental fund balance. The majority of the decrease was due to an increase in capital projects costs in the current year. The general or operating fund balance was reported for GAAP purposes at \$15,115,015 which represents a decrease of \$955,117 over the prior year. Of this total, \$288,187 of excess surplus was appropriated toward the 2023-2024 budget, and an additional \$1,000,000 has been designated for the 2022-2023 budget. \$546,376 of general fund balance was assigned to cover open purchase orders at year-end. The unassigned general fund balance is reported at \$5,836,065. General fund balance is below the maximum permitted under the Department of Education regulations based upon 4% of general fund expenditures, with specified modifications. Total spending for all governmental funds was \$157,271,588. Total revenues were \$149,869,642 resulting in an excess of expenditures over revenues of \$7,401,946 for the year. Governmental funds received \$500,000 in net Other Financing Sources during the year due to a Board of Education approved contribution to the general fund from the food service fund, resulting in a Net Change in Fund Balances of (\$6,901,946) for the year.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

**Figure A-1**

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

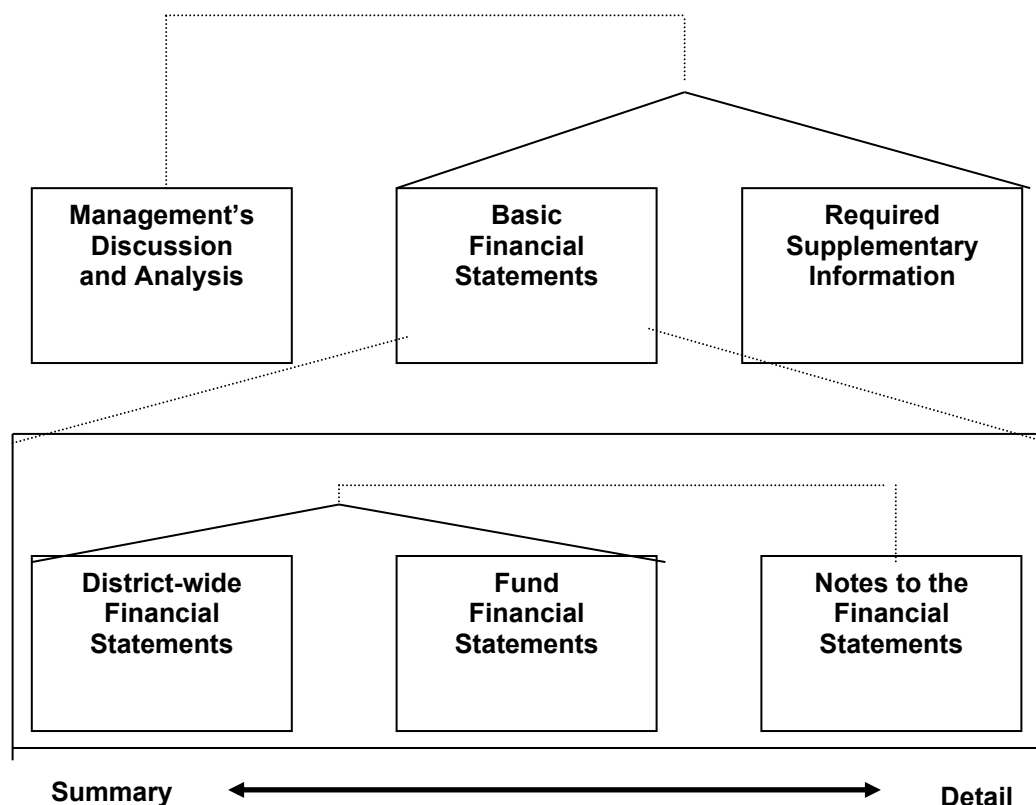


Figure A-2 summarizes the major features of the district’s financial statements, including the portion of the district’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
		Scope	Entire district (except fiduciary funds)
Required financial Statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of cash flows</li> </ul>
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset / liability information	All assets and liabilities, both financial and capital, short-term and long-term. All deferred outflows of resources and deferred inflows of resources	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/out-flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid



## **District-wide Statements**

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

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

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

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

- **Governmental activities:** Most of the district's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.
- **Business-type activities:** The district charges fees to help it cover the costs of certain services it provides. The district's WRAP program and food services are included here. The district also has a non-major proprietary internal service fund.

## **Fund Financial Statements**

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

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

The district has two types of funds:

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

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

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

The school district's Governmental Activities net position was \$39,610,722 at June 30, 2022. Of this amount, a deficit amount of \$19,989,898 was reported as unrestricted net position, primarily due to GASB Statement No. 68 accounting and reporting requirements for the PERS and TPAF defined benefit pension systems. Restricted net positions are reported separately to show legal constraints from debt covenants and enabling legislation that limit the school district's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net position (Figure A-3) and change in net position (Figure A-4) of the school district's governmental activities.

**Figure A - 3**  
**Net Position at June 30, 2022**

	<b>Governmental Activities 2021</b>	<b>Governmental Activities 2022</b>	<b>Amount Difference</b>	<b>% Increase (Decrease)</b>
<b>Assets</b>				
Current and other assets	\$ 29,494,253	\$ 24,571,424	\$ (4,922,829)	-16.69%
Capital assets	<u>59,237,787</u>	<u>65,676,717</u>	<u>6,438,930</u>	10.87%
<b>Total Assets</b>	<b>\$ <u>88,732,040</u></b>	<b>\$ <u>90,248,141</u></b>	<b>\$ <u>1,516,101</u></b>	1.71%
Deferred Outflows of Resources	<u>4,551,307</u>	<u>2,864,124</u>	<u>(1,687,183)</u>	-37.07%
<b>Total Deferred Outflows of Resources</b>	<b>\$ <u>4,551,307</u></b>	<b>\$ <u>2,864,124</u></b>	<b>\$ <u>(1,687,183)</u></b>	-37.07%
<b>Liabilities</b>				
Current and other liabilities	6,327,547	11,303,450	4,975,903	78.64%
Long-term liabilities	<u>44,506,852</u>	<u>32,360,987</u>	<u>(12,145,865)</u>	-27.29%
<b>Total Liabilities</b>	<b>\$ <u>50,834,399</u></b>	<b>\$ <u>43,664,437</u></b>	<b>\$ <u>(7,169,962)</u></b>	-14.10%
Deferred Inflows of Resources	<u>9,410,664</u>	<u>9,837,106</u>	<u>426,442</u>	4.53%
<b>Total Deferred Inflows of Resources</b>	<b>\$ <u>9,410,664</u></b>	<b>\$ <u>9,837,106</u></b>	<b>\$ <u>426,442</u></b>	4.53%
<b>Net Position</b>				
Net investment in capital assets	38,549,770	49,006,289	10,456,519	27.12%
Restricted	19,254,991	10,594,331	(8,660,660)	-44.98%
Unrestricted	<u>(24,766,477)</u>	<u>(19,989,898)</u>	<u>4,776,579</u>	-19.29%
<b>Total Net Position</b>	<b>\$ <u><u>33,038,284</u></u></b>	<b>\$ <u><u>39,610,722</u></u></b>	<b>\$ <u><u>6,572,438</u></u></b>	19.89%

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

**Figure A - 4**  
**Change in Net Position for the Year Ended June 30,**

	<b>Governmental Activities</b>		<b>Amount Difference</b>	<b>Percentage Increase (Decrease)</b>
	<b>2021</b>	<b>2022</b>		
<b>Revenues:</b>				
Program revenue				
Operating Grants and Contributions	\$ 40,939,510	\$ 30,485,269	\$ (10,454,241)	-25.54%
General revenue				
Local tax levy	106,150,449	108,183,929	2,033,480	1.92%
Federal and state aid	4,794,031	6,043,251	1,249,220	26.06%
Miscellaneous revenues	1,198,529	1,454,730	256,201	21.38%
<b>Total revenues</b>	<b>\$ 153,082,519</b>	<b>\$ 146,167,179</b>	<b>\$ (6,915,340)</b>	<b>-4.52%</b>
<b>Function/program expense:</b>				
Instruction				
Regular programs	40,657,247	42,558,356	1,901,109	4.68%
Special programs	9,875,847	9,761,040	(114,807)	-1.16%
Other instructional programs	1,745,647	1,898,069	152,422	8.73%
Support services				
Student services	15,634,183	16,711,229	1,077,046	6.89%
Tuition	6,237,009	6,543,325	306,316	4.91%
General administration and business services	4,605,815	4,824,423	218,608	4.75%
School administration	3,620,413	3,677,432	57,019	1.57%
Plant services	5,706,850	6,729,444	1,022,594	17.92%
Pupil transportation	3,167,718	4,175,908	1,008,190	31.83%
Unallocated benefits	55,552,717	42,020,905	(13,531,812)	-24.36%
Unallocated depreciation and amortization	665,701	739,749	74,048	11.12%
Interest on long-term debt	520,872	454,861	(66,011)	-12.67%
<b>Total expenses</b>	<b>\$ 147,990,019</b>	<b>\$ 140,094,741</b>	<b>\$ (7,895,278)</b>	<b>-5.34%</b>
Transfers (From) or To	(1,988,606)	500,000	2,488,606	-125.14%
<b>Increase net position</b>	<b>\$ 3,103,894</b>	<b>\$ 6,572,438</b>	<b>\$ 3,468,544</b>	<b>111.75%</b>

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

	<b>Business-Type Activities</b>		<b>Amount Difference</b>	<b>Percentage Increase (Decrease)</b>
	<b>2021</b>	<b>2022</b>		
<b>Revenues:</b>				
Program revenue				
Charges for services	\$ 172,461	\$ 1,676,327	\$ 1,503,866	872.00%
Miscellaneous revenues	6,668	5,772	(896)	-13.44%
<b>Total revenues</b>	<b>\$ 179,129</b>	<b>\$ 1,682,099</b>	<b>\$ (1,502,970)</b>	<b>-839.04%</b>
<b>Expenses :</b>				
Food Service	186,471	1,244,348	1,057,877	567.31%
WRAP Program	396,738	322,967	(73,771)	-18.59%
Transfers from food service	-	500,000	500,000	-100.00%
<b>Total expenses</b>	<b>\$ 583,209</b>	<b>\$ 2,067,315</b>	<b>\$ 1,484,106</b>	<b>254.47%</b>
<b>Decrease net position</b>	<b>\$ (404,080)</b>	<b>\$ (385,216)</b>	<b>\$ 18,864</b>	<b>-4.67%</b>

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

**Figure A - 5**  
**Governmental Activities - Total Cost of Services**

Function/program expense:			Increase (Decrease)	
	<u>2021</u>	<u>2022</u>	<u>\$</u>	<u>%</u>
Instruction				
Regular programs	\$ 40,657,247	\$ 42,558,356	\$ 1,901,109	4.7%
Special programs	9,875,847	9,761,040	(114,807)	-1.2%
Other Instructional programs	1,745,647	1,898,069	152,422	8.7%
Support services				
Student services	15,634,183	16,711,229	1,077,046	6.9%
Tuition	6,237,009	6,543,325	306,316	4.9%
Instructional staff support				
General administration and business services	4,605,815	4,824,423	218,608	4.7%
School administration	3,620,413	3,677,432	57,019	1.6%
Plant services	5,706,850	6,729,444	1,022,594	17.9%
Student transportation	3,167,718	4,175,908	1,008,190	31.8%
Unallocated benefits	55,552,717	42,020,905	(13,531,812)	-24.4%
Unallocated depreciation and amortization	520,872	739,749	218,877	42.0%
Interest on long-term debt	665,701	454,861	(210,840)	-31.7%
<b>Total</b>	<b>\$ <u>147,990,019</u></b>	<b>\$ <u>140,094,741</u></b>	<b>\$ <u>(7,895,278)</u></b>	<b><u>-5.3%</u></b>

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

As the school district completed this year, our governmental funds reported a combined fund balance of \$17,976,772, which is a decrease of \$6,901,946 from last year. This amount includes the general fund (decrease of \$955,117), special revenue fund (increase of \$59,872) capital projects fund (decrease of \$5,930,838), and debt service fund (decrease of \$75,863). The primary reasons for the increase/decrease are:

1. Use of capital reserves to finance capital projects without the need for debt issuances.

### **General Fund Budgetary Highlights**

Over the course of the year, the school district revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. Budget changes/transfers are approved by the Board of Education throughout the year. Actual revenues reflect a positive variance of \$21.89 million. This is due primarily to the State reimbursement/on behalf payments in the amount of \$27.9 million for TPAF pension, post retirement and social security contributions. This is always a non-budgeted item that the State (and GAAP) require to be included in the final audited financial statements.

Actual expenditures reflect a negative variance of \$23.3 million even though all budget categories show a positive variance. This again is primarily due to the State requirement to include TPAF pension and post retirement and social security contributions in the audit.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

At June 30, 2022, the school district reported \$124,214,581 invested in a broad range of capital assets, including land, buildings, building improvements, other improvements, vehicles, furniture and equipment. This amount represents a net increase (including additions, trade-ins and retirements) of \$10,278,668 from the prior year. Figure A-6 details the composition of capital assets at June 30<sup>th</sup> of the current and prior year and the net changes for the current year.

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

	<u>FY 2021</u>	<u>FY 2022</u>	<u>Increase Decrease</u>
Land	\$ 4,488,200	\$ 4,488,200	\$ -
Construction in Progress	7,270,833	15,165,965	7,895,132
Buildings and Improvements	85,445,429	87,221,973	1,776,544
Furniture, Equipment and Vehicles	<u>16,731,451</u>	<u>17,338,443</u>	<u>606,992</u>
<b>Total</b>	<b>\$ <u>113,935,913</u></b>	<b>\$ <u>124,214,581</u></b>	<b>\$ <u>10,278,668</u></b>

**Long-Term Liabilities**

At the end of this year, the school district had \$17,225,000 in bonds (Type II debt) outstanding versus \$20,325,000 last year – a decrease of 18%. The summary of year-end long-term liabilities and changes for the 2021-2022 school year is as follows:

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

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2022</u>
School Serial Bonds Payable	\$ 20,325,000	\$ 17,225,000
Other Long Term Liabilities:		
Net Pension Liability	20,847,106	14,968,402
Compensated Absences Payable	2,800,134	2,578,137
Unamortized Premium on Bonds	<u>534,612</u>	<u>444,695</u>
<b>Total</b>	<b>\$ <u>44,506,852</u></b>	<b>\$ <u>35,216,234</u></b>



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

- The largest expenditure in the school budget is for employee salaries and wages. The contract with the Instructional Support Staff Association and the Supportive Staff Association expired on June 30, 2022. Negotiations with all employee associations will affect future budgets.
- The enrollment in the district is continuing to remain stable.
- The district maintains twelve facilities, ten of which are schools. The district continues to budget for capital improvements in accordance with the State approved Long Range Facilities Plan.

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

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the school district's finances and to show the school district's accountability for the money it received. If you have questions about this report or wish to request additional financial information, contact Dana Sullivan, Business Administrator/Board Secretary, at Westfield Board of Education, 302 Elm Street, Westfield, New Jersey 07090.

## **BASIC FINANCIAL STATEMENTS**

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

**WESTFIELD SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2022**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 20,097,869	\$ 863,551	\$ 20,961,420
Other Receivables	530,961	2,635	533,596
Receivables from Other Governments	3,911,476		3,911,476
Inventory		26,795	26,795
Restricted Cash Held With Fiscal Agent	31,118		31,118
Capital Assets, Net	65,676,717	299,674	65,976,391
<b>Total Assets</b>	<b>90,248,141</b>	<b>1,192,655</b>	<b>91,440,796</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension Deferrals	2,754,247		2,754,247
Deferred Amount on Refinancing	109,877		109,877
<b>Total Deferred Outflows of Resources</b>	<b>2,864,124</b>	<b>-</b>	<b>2,864,124</b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	2,546,490	108,767	2,655,257
Accrued Interest Payable	161,572		161,572
Accrued Liabilities	4,423,903		4,423,903
Payable to Other Governments	68,510		68,510
Payroll Deductions and Withholdings Payable	609,971		609,971
Unemployment Compensation Claims Payable	329,314		329,314
Unearned Revenue	308,443	125,995	434,438
Noncurrent Liabilities:			
Due Within One Year	2,855,247		2,855,247
Due Beyond One Year	17,392,585		17,392,585
Net Pension Liability	14,968,402		14,968,402
<b>Total Liabilities</b>	<b>43,664,437</b>	<b>234,762</b>	<b>43,899,199</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension Deferrals	9,837,106		9,837,106
<b>Total Deferred Inflows of Resources</b>	<b>9,837,106</b>	<b>-</b>	<b>9,837,106</b>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	49,006,289	299,674	49,305,963
Restricted for:			
Capital Reserve	4,535,650		4,535,650
Maintenance Reserve	1,573,393		1,573,393
Emergency Reserve	1,000,000		1,000,000
Capital Projects	2,186,138		2,186,138
Unemployment Compensation	375,344		375,344
Student Activities	635,619		635,619
Excess Surplus	288,187		288,187
Unrestricted (Deficit)	(19,989,898)	658,219	(19,331,679)
<b>Total Net Position</b>	<b>\$ 39,610,722</b>	<b>\$ 957,893</b>	<b>\$ 40,568,615</b>

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

**WESTFIELD SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular	\$ 42,558,356	\$	\$ 3,016,849	\$ (39,541,507)	\$	\$ (39,541,507)
Special Education	8,470,692			(8,470,692)		(8,470,692)
Other Special Instruction	1,290,348			(1,290,348)		(1,290,348)
Other Instruction	1,898,069			(1,898,069)		(1,898,069)
Support Services:						
Tuition	6,543,325		2,618,038	(3,925,287)		(3,925,287)
Student & Instruction Related Services	16,711,229		1,025,678	(15,685,551)		(15,685,551)
School Administrative Services	3,677,432			(3,677,432)		(3,677,432)
General and Business Administrative Services	4,824,423			(4,824,423)		(4,824,423)
Plant Operations and Maintenance	6,729,444		180,056	(6,549,388)		(6,549,388)
Pupil Transportation	4,175,908		677,181	(3,498,727)		(3,498,727)
Unallocated Benefits	42,020,905		22,967,467	(19,053,438)		(19,053,438)
Interest on Long-Term Debt	454,861			(454,861)		(454,861)
Unallocated Depreciation and Amortization	739,749			(739,749)		(739,749)
<b>Total Governmental Activities</b>	<b>140,094,741</b>		<b>30,485,269</b>	<b>(109,609,472)</b>		<b>(109,609,472)</b>
Business-Type Activities:						
Food Service	1,244,348	1,340,827			96,479	96,479
WRAP School	322,967	335,500			12,533	12,533
<b>Total Business-Type Activities</b>	<b>1,567,315</b>	<b>1,676,327</b>			<b>109,012</b>	<b>109,012</b>
<b>Total Primary Government</b>	<b>\$ 141,662,056</b>	<b>\$ 1,676,327</b>	<b>\$ 30,485,269</b>	<b>\$ (109,609,472)</b>	<b>\$ 109,012</b>	<b>\$ (109,500,460)</b>
General Revenues:						
Taxes:						
Taxes Levied for General Purposes, Net				\$ 105,517,781	\$	\$ 105,517,781
Taxes Levied for Debt Service				2,666,148		2,666,148
Federal and State Aid Not Restricted				4,881,729		4,881,729
Federal and State Aid Restricted				1,161,522		1,161,522
Tuition Received				69,571		69,571
Investment Earnings				154,855	5,772	160,627
Miscellaneous Income				1,230,304		1,230,304
<b>Total General Revenues</b>				<b>115,681,910</b>	<b>5,772</b>	<b>115,687,682</b>
Transfers				500,000	(500,000)	
<b>Total General Revenues and Other Sources/(Uses)</b>				<b>116,181,910</b>	<b>(494,228)</b>	<b>115,687,682</b>
<b>Change in Net Position</b>				<b>6,572,438</b>	<b>(385,216)</b>	<b>6,187,222</b>
Net Position—Beginning (restated), See Note 23				33,038,284	1,343,109	34,381,393
<b>Net Position—Ending</b>				<b>\$ 39,610,722</b>	<b>\$ 957,893</b>	<b>\$ 40,568,615</b>

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

**FUND FINANCIAL STATEMENTS**  
**SECTION – B**

**GOVERNMENTAL FUNDS**

**WESTFIELD SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022**

Exhibit B-1  
Page 1 of 2

<u>ASSETS</u>	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Cash and Cash Equivalents	\$ 13,997,910	\$ 123,255	\$ 2,121,470	\$	\$ 16,242,635
Other Receivables	526,731				526,731
Receivables from Other Governments	2,908,132	938,676	64,668		3,911,476
Restricted Cash and Cash Equivalents	31,118				31,118
<b>Total Assets</b>	<b>\$ 17,463,891</b>	<b>\$ 1,061,931</b>	<b>\$ 2,186,138</b>	<b>\$</b>	<b>\$ 20,711,960</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
Liabilities:					
Accounts Payable	\$ 107,990	\$ 182,159		\$	\$ 290,149
Intergovernmental Payable		68,510			68,510
Interfund Payable	1,128,801				1,128,801
Payroll Deductions and Withholdings Payable	609,971				609,971
Unemployment Compensation Claims Payable	329,314				329,314
Unearned Revenue	132,800	175,643			308,443
Total liabilities	2,308,876	426,312			2,735,188
Fund Balances:					
Restricted for:					
Capital Reserve Account	4,535,650				4,535,650
Maintenance Reserve Account	1,573,393				1,573,393
Emergency Reserve	1,000,000				1,000,000
Reserve for Excess Surplus - Current Year	288,187				288,187
Unemployment Compensation	375,344				375,344
Student Activities		635,619			635,619
Assigned for:					
Year-end Encumbrances	546,376				546,376
Designated for Subsequent Year's Expenditures	1,000,000		29,730		1,029,730
Capital Projects Fund			2,156,408		2,156,408
Unassigned, Reported in:					
General Fund	5,836,065				5,836,065
Total Fund Balances	15,155,015	635,619	2,186,138		17,976,772
<b>Total Liabilities and Fund Balances</b>	<b>\$ 17,463,891</b>	<b>\$ 1,061,931</b>	<b>\$ 2,186,138</b>	<b>\$</b>	<b>\$ 20,711,960</b>

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



**WESTFIELD SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022**

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

Total Governmental Fund Balances	\$	17,976,772
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The carrying value of the assets is \$124,214,581, and the accumulated depreciation is \$58,537,864.		65,676,717
Long-term liabilities, including bonds (net of premiums and/or discounts), capital lease obligations, judgments payable and other obligations that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(20,247,832)
Short-term liabilities, including accrued interest on long-term debt, are not due payable in the current period and therefore are not reported as liabilities in the funds.		(161,572)
Some liabilities, including net pension obligations, are not due and payable in the current period and therefore are not reported in the funds.		
Net Pension Liability		(14,968,402)
Accounts Payable - Pension Related		(1,691,979)
Deferred outflows and inflows or resources related to pension are applicable to future periods and therefore are not reported in the funds.		
Deferred Outflows of Resources Related to Pensions		2,754,247
Deferred Inflows of Resources Related to Pensions		(9,837,106)
The difference between the face amount of Refunded Bonds and the escrow deposit required to legally defease the Bonds is recorded as a decrease to fund balance in the governmental funds, but is carried on the statement of net position as a Deferred Outflow of Resources and amortized over the life of the Bonds. The Deferred Amount from Refunding is \$467,538 and accumulated amortization is \$357,661.		109,877
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>39,610,722</u></b>

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

**WESTFIELD SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b><u>REVENUES</u></b>					
Local Tax Levy	\$ 105,517,781	\$	\$	\$ 2,666,148	\$ 108,183,929
Tuition Charges	3,384				3,384
Tuition Charges from Other LEA's	66,187				66,187
Transportation	23,100				23,100
Other Restricted Miscellaneous Revenues	3,463				3,463
Miscellaneous	471,114				471,114
Local Sources		1,085,142			1,085,142
State Sources	34,810,201	413,046	323,288	838,234	36,384,769
Federal Sources	36,677	3,611,877			3,648,554
<b>Total Revenues</b>	<b>140,931,907</b>	<b>5,110,065</b>	<b>323,288</b>	<b>3,504,382</b>	<b>149,869,642</b>
<b><u>EXPENDITURES</u></b>					
Current:					
Regular Instruction	36,469,717	3,016,849			39,486,566
Special Education Instruction	8,470,692				8,470,692
Other Special Instruction	1,290,348				1,290,348
Other Instruction	1,898,069				1,898,069
Support Services and Undistributed Costs:					
Tuition	6,543,325				6,543,325
Student & Instruction Related Services	14,857,941	1,853,288			16,711,229
School Administrative Services	3,677,432				3,677,432
Other Administrative Services	4,824,423				4,824,423
Plant Operations and Maintenance	6,540,019				6,540,019
Pupil Transportation	4,175,908				4,175,908
Unallocated Benefits	22,935,309				22,935,309
On-behalf TPAF Social Security and Pension Contributions	26,669,930				26,669,930
Debt Service:					
Principal				3,100,000	3,100,000
Interest and Other Charges				480,245	480,245
Capital Outlay	1,075,510	180,056	9,212,527		10,468,093
<b>Total Expenditures</b>	<b>139,428,623</b>	<b>5,050,193</b>	<b>9,212,527</b>	<b>3,580,245</b>	<b>157,271,588</b>

**WESTFIELD SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>GENERAL FUND</b>	<b>SPECIAL REVENUE FUND</b>	<b>CAPITAL PROJECTS FUND</b>	<b>DEBT SERVICE FUND</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
Excess (Deficiency) of Revenues over Expenditures	\$ 1,503,284	\$ 59,872	\$ (8,889,239)	\$ (75,863)	\$ (7,401,946)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers in	500,000		2,958,401		3,458,401
Transfers out	(2,958,401)		-		(2,958,401)
Total Other Financing Sources and Uses	(2,458,401)	-	2,958,401	-	500,000
Net Change in Fund Balances	(955,117)	59,872	(5,930,838)	(75,863)	(6,901,946)
Fund Balance—Beginning	16,110,132	575,747	8,116,976	75,863	24,878,718
<b>Fund Balance—Ending</b>	<b>\$ 15,155,015</b>	<b>\$ 635,619</b>	<b>\$ 2,186,138</b>	<b>\$ -</b>	<b>\$ 17,976,772</b>

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

**WESTFIELD SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

**Total net change in fund balances - governmental funds (from B-2)** \$ (6,901,946)

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

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

	Depreciation expense	\$ (3,839,738)	
	Capital Outlays - Net	<u>10,278,668</u>	6,438,930

Repayment of bond and lease obligation (long-term debt) principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 3,100,000

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the accrued amount, the difference is an addition to the reconciliation (+). 25,384

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). 221,997

Pension expenditures in the governmental funds are recognized when paid or payable from expendable available financial resources. In the statement of activities, pension costs are recognized on a full accrual basis utilizing actuarial valuations. The amount by which actuarially calculated pension expense exceeds the expenditure reported in the funds is a deduction. 3,659,874

Amortization Expenses - Net 28,199

**Change in net position of governmental activities (A-2)** **\$ 6,572,438**

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

## **PROPRIETARY FUNDS**

## **FIDUCIARY FUNDS**

**WESTFIELD SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2022**

	<u>MAJOR FUNDS</u>			<u>NON-MAJOR FUNDS</u>
	<u>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>INTERNAL SERVICE FUND SELF INSURANCE FUND</u>
	<u>FOOD SERVICE</u>	<u>WRAP PROGRAM</u>	<u>TOTALS</u>	
<b><u>ASSETS</u></b>				
Current assets:				
Cash and Cash Equivalents	\$ 754,030	\$ 109,521	\$ 863,551	\$ 3,855,234
Accounts Receivable	2,635		2,635	4,230
Inventory	26,795		26,795	
Interfund Receivable				1,128,801
<b>Total Current Assets</b>	<u>783,460</u>	<u>109,521</u>	<u>892,981</u>	<u>4,988,265</u>
Noncurrent Assets:				
Furniture, Machinery & Equipment	835,922		835,922	
Less Accumulated Depreciation	<u>(536,248)</u>		<u>(536,248)</u>	
<b>Total Noncurrent Assets</b>	<u>299,674</u>	<u>-</u>	<u>299,674</u>	
<b>Total Assets</b>	<u>\$ 1,083,134</u>	<u>\$ 109,521</u>	<u>\$ 1,192,655</u>	<u>\$ 4,988,265</u>
<b><u>LIABILITIES</u></b>				
Current Liabilities:				
Accounts Payable	\$ 108,767		\$ 108,767	\$ 564,362
Unearned Revenue	67,095	58,900	125,995	
Accrued Liability for Insurance Claims				4,423,903
<b>Total Current Liabilities</b>	<u>175,862</u>	<u>58,900</u>	<u>234,762</u>	<u>4,988,265</u>
<b><u>NET POSITION</u></b>				
Investment in Capital Assets	299,674		299,674	
Unrestricted	<u>607,598</u>	<u>50,621</u>	<u>658,219</u>	
<b>Total Net Position</b>	<u>\$ 907,272</u>	<u>\$ 50,621</u>	<u>\$ 957,893</u>	<u>\$</u>

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

**WESTFIELD SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>MAJOR FUNDS</b>			<b>NON-MAJOR FUNDS</b>
	<b>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</b>			<b>INTERNAL SERVICE FUND</b>
	<b>FOOD SERVICE</b>	<b>WRAP PROGRAM</b>	<b>TOTALS</b>	<b>SELF INSURANCE FUND</b>
<b><u>OPERATING REVENUES</u></b>				
Local Sources:				
Daily Sales - Non-Reimbursable Programs	\$ 1,340,827		\$ 1,340,827	
Charges for Services				19,478,624
Total Local Sources	1,340,827		1,340,827	19,478,624
Program Fees		335,500	335,500	
Total Operating Revenues	1,340,827	335,500	1,676,327	19,478,624
<b><u>OPERATING EXPENSES</u></b>				
Cost of Sales:				
Non-Program Sales	558,326		558,326	
Total Cost of Sales	558,326		558,326	
Direct Labor	248,810	297,507	546,317	
Employee Benefits				19,478,624
Administrative Labor	275,721		275,721	
Supplies	10,953	1,460	12,413	
Office and Administrative	34,785		34,785	
Outside Services	1,552		1,552	
Utilities		24,000	24,000	
Management Fees	88,322		88,322	
Depreciation	25,879		25,879	
Total Operating Expenses	1,244,348	322,967	1,567,315	19,478,624
<b>Operating Income</b>	<b>96,479</b>	<b>12,533</b>	<b>109,012</b>	
Non-Operating Revenues:				
Interest on Deposits	5,772		5,772	
<b>Total Non-Operating Revenues</b>	<b>5,772</b>		<b>5,772</b>	-
Income Before Operating Transfers	102,251		114,784	-
Operating Transfers Out	(500,000)		(500,000)	
<b>Change in Net Position</b>	<b>(397,749)</b>	<b>12,533</b>	<b>(385,216)</b>	
Total Net Position Beginning	1,305,021	38,088	1,343,109	
<b>Total Net Position Ending</b>	<b>\$ 907,272</b>	<b>\$ 50,621</b>	<b>\$ 957,893</b>	

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



**WESTFIELD SCHOOL DISTRICT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>MAJOR FUNDS</b>			<b>NON-MAJOR FUNDS</b>
	<b>BUSINESS TYPE ACTIVITIES -</b>			<b>INTERNAL</b>
	<b>ENTERPRISE FUNDS</b>			<b>SERVICE FUND</b>
	<b>FOOD SERVICE</b>	<b>WRAP PROGRAM</b>	<b>TOTALS</b>	<b>SELF INSURANCE FUND</b>
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 1,329,214	\$ 360,000	\$ 1,689,214	\$
Payments for Employee Services	(524,531)	(297,507)	(822,038)	
Payments to Suppliers	(597,184)	(25,460)	(622,644)	
Receipts from Services Provided				18,345,593
Payments for Insurance				(17,841,765)
<b>Net Cash Provided by Operating Activities</b>	<b>207,499</b>	<b>37,033</b>	<b>244,532</b>	<b>503,828</b>
Cash Flows from Non-Capital Financing Activities:				
Transfers to Other Funds	(500,000)		(500,000)	
<b>Net Cash Used by Non-Capital Financing Activities</b>	<b>(500,000)</b>	<b>-</b>	<b>(500,000)</b>	<b>-</b>
Cash Flows from Investing Activities:				
Interest on Deposits	5,772		5,772	
<b>Net Cash Provided by Investing Activities</b>	<b>5,772</b>	<b>-</b>	<b>5,772</b>	<b>-</b>
Net (Decrease)/Increase in Cash and Cash Equivalents	(286,729)	37,033	(249,696)	503,828
Cash and Cash Equivalents, July 1	1,040,759	72,488	1,113,247	3,351,406
<b>Cash and Cash Equivalents, June 30</b>	<b>\$ 754,030</b>	<b>\$ 109,521</b>	<b>\$ 863,551</b>	<b>\$ 3,855,234</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>				
Operating Income	\$ 96,479	\$ 12,533	\$ 109,012	\$ -
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities:				
Depreciation	25,879		25,879	
(Increase) in Accounts Receivable	(1,049)		(1,049)	(4,230)
(Increase) in Interfund Receivable				(1,128,801)
(Increase) in Inventory	(5,587)		(5,587)	
(Decrease)/Increase in Unearned Revenue	(10,564)	24,500	13,936	
Increase in Accounts Payable	102,341		102,341	564,362
Increase in Accrued Liability for Insurance Claims				1,072,497
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 207,499</b>	<b>\$ 37,033</b>	<b>\$ 244,532</b>	<b>\$ 503,828</b>

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

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

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

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

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

**B. Reporting Entity:**

The Westfield School District is a Type II district located in the County of Union, State of New Jersey, serving students domiciled in the Town of Westfield. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to staggered three-year terms. The purpose of the District is to educate students in grades K-12. The Westfield School District had an approximate enrollment at June 30, 2022 of 5,829 students.

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

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

Based on the aforementioned criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

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

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

## NOTES TO FINANCIAL STATEMENTS

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

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

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

The District reports the following major governmental funds:

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

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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

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

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

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

The District reports the following proprietary funds:

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

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

The District reports the following non-major proprietary fund:

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the fiscal period that the taxes are levied by the municipality(s) within which the District is domiciled. Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District recognizes the entire approved tax levy as revenue in the fiscal period for which they were levied.

The District is entitled to receive moneys under an established payment schedule and any unpaid amount is considered to be an "accounts receivable". Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. State categorical aid revenues are recognized as District revenue during the fiscal period in which they are appropriated.

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

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

#### **F. Budgets/Budgetary Control**

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

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

## NOTES TO FINANCIAL STATEMENTS

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

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

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. Pursuant to changes in the Local District School Budget Law, statutorily conforming base budgets of Districts with annual school elections held in November (The District has chosen this option) are no longer required to be presented to the voters for approval on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later.

The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

New Jersey statutes place limits on the Board's ability to increase budgeted expenditures through the appropriation of previously undesignated fund balance and requires the District to obtain additional approvals when budgetary transfers, measured using the advertised budgetary account totals rather than line-item totals, exceed certain thresholds. Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial statements. With the District's implementation of GASB Statement No. 84, federal, state, and local grants remain on the budgetary basis and student activities recognize revenue upon cash received and expenditures incurred when paid.

#### **G. Encumbrances:**

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

Open encumbrances in the special revenue fund for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year-end. At June 30, 2022, encumbered balances of grant funds advanced amounted to \$64,230.

## NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

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

#### **I. Tuition Revenue**

Tuition revenues for the fiscal year 2021-2022 were based on contractual per pupil rates established by and between the sending and receiving districts. These rates are not subject to change except through amendatory contracts.

## NOTES TO FINANCIAL STATEMENTS

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

#### **J. Inventories and Prepaid Expenses:**

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

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

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

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

#### **L. Capital Assets:**

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

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

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

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

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

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

Food Service Fund:	
Equipment	5-20 Years



## NOTES TO FINANCIAL STATEMENTS

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

#### **M. Compensated Absences:**

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

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

The District's compensated absences were recorded in the amount of \$2,578,137 at June 30, 2022 to conform with the financial procedures regarding the calculation of compensated absences.

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

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

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and will not be recorded as an outflow of resources (expenditure/expense) until that time. The District is reporting six items in this category; The Deferred Amount on Refunding, and Pension related items including the Change in Pension Assumptions, Change in Pension Proportion, Difference Between Projected and Actual Earnings, Difference Between Projected and Actual Experience and the amounts of pension payments made by the District subsequent to the pension measurement date. A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding bonds. Deferred Outflows for Changes in Pension Assumptions and Change in Pension Proportions represent future outflows of resources resulting from changes in actuarial assumptions used in the valuation of the pension liability and changes in the District's proportionate share of the system-wide Net Pension Liability. Deferred outflows for Subsequent pension payments reflects payments made by the District to the pension system subsequent to the date of the most recent actuarial valuation, which was July 1, 2020.

## NOTES TO FINANCIAL STATEMENTS

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

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

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

#### **O. Pensions:**

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

#### **P. Other Post-Employment Benefits:**

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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

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

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

#### **T. Fund Balance Policies:**

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

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

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

#### **U. Government-Wide Financial Statement Classifications**

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

## NOTES TO FINANCIAL STATEMENTS

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

#### **V. Proprietary Fund Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and products in connection with the primary purpose or function for which the fund was established. The District's Food Service proprietary fund reports operating revenues from the sales of lunches and a la carte items, and operating expenses include the costs of sales (food, supplies and labor), administrative costs and depreciation on capital assets. The District's WRAP program proprietary fund accounts for all revenues and expenditures for the after school enrichment programs similar to a private business enterprise.

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

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

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

The details of this \$20,247,832 difference are as follows:

Bonds payable	\$ 17,225,000
Premium on bonds	444,695
Compensated absences	<u>2,578,137</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 20,247,832</u>

#### **X. Estimates**

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

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

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

#### **Deposits**

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

## NOTES TO FINANCIAL STATEMENTS

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

Cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:9-41, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums.

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

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

<u>Depository Account</u>	<u>Bank Balance</u>
Insured—FDIC	\$ 621,602
NJGUDPA (N.J.S.A. 17:9-41)	20,833,244
Uninsured	<u>1,564,944</u>
Total	<u>\$ 23,019,790</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the board's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2022, the carrying amount of the District's deposits was \$20,961,420 and the bank balance was \$23,050,908. Of the bank balance, \$621,602 of the District's cash deposits on June 30, 2022 was covered by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$20,833,244. \$1,510,267 held in the District agency accounts and \$85,795 of cash equivalents are not covered by GUDPA.

As of June 30, 2022, based upon the insured balances as provided by FDIC and NJGUDPA coverage, none of the Board's book balance of \$20,961,420 was considered exposed to custodial risk. (See Note 1-H relating to statutory mitigations of custodial risk in the event of a bank failure.)

**New Jersey Cash Management Fund** – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. The District had \$85,795 on deposit with the New Jersey Cash Management Fund at June 30, 2022. Pursuant to GASB 40, the NJCMF, which is a pooled investment, is exempt from custodial credit exposure. The District does not have a policy for custodial credit risk.

## NOTES TO FINANCIAL STATEMENTS

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

**Money Market Mutual Funds** – At June 30, 2022, the District had \$121,602 of capital project cash balances on deposit with Fidelity Investments Inc. The funds were held in FIMM Funds, Treasury Portfolio Class III shares, which are publicly traded under the symbol FCSXX. These funds are uninsured.

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

### **NOTE 3. CAPITAL ASSETS**

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

Total Capital Assets at Cost	\$ 124,214,581
Less: Accumulated Depreciation	<u>(58,537,864)</u>
Governmental Activities Capital Assets, Net	<u>\$ 65,676,717</u>

**NOTES TO FINANCIAL STATEMENTS**

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

	<b><u>Beginning Balance</u></b>	<b><u>Additions</u></b>	<b><u>Transfers</u></b>	<b><u>Ending Balance</u></b>
<b>Governmental Activities:</b>				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 4,488,200	\$	\$	\$ 4,488,200
Construction in Progress	<u>7,270,833</u>	<u>8,941,904</u>	<u>(1,046,772)</u>	<u>15,165,965</u>
<b>Total Capital Assets Not Being Depreciated</b>	<b><u>11,759,033</u></b>	<b><u>8,941,904</u></b>	<b><u>(1,046,772)</u></b>	<b><u>19,654,165</u></b>
Building and Building Improvements	85,445,429	729,772	1,046,772	87,221,973
Machinery, Equipment, Furniture & Vehicles	<u>16,731,451</u>	<u>606,992</u>	<u></u>	<u>17,338,443</u>
<b>Totals at Historical Cost</b>	<b><u>102,176,880</u></b>	<b><u>1,336,764</u></b>	<b><u>1,046,772</u></b>	<b><u>104,560,416</u></b>
Less Accumulated Depreciation For:				
Building and Building Improvements	(41,192,146)	(3,160,355)		(44,352,501)
Equipment, Furniture, and Vehicles	<u>(13,505,980)</u>	<u>(679,383)</u>	<u></u>	<u>(14,185,363)</u>
<b>Total Accumulated Depreciation</b>	<b><u>(54,698,126)</u></b>	<b><u>(3,839,738)</u></b>	<b><u></u></b>	<b><u>(58,537,864)</u></b>
<b>Governmental Activities Capital Assets, Net</b>	<b><u>\$ 59,237,787</u></b>	<b><u>\$ 6,438,930</u></b>	<b><u>\$</u></b>	<b><u>\$ 65,676,717</u></b>
<b>Business-type Activities</b>				
Equipment	\$ 835,922	\$	\$	\$ 835,922
Less Accumulated Depreciation for:				
Equipment	<u>(510,369)</u>	<u>(25,879)</u>	<u></u>	<u>(536,248)</u>
<b>Business-type Activities Capital Assets, Net</b>	<b><u>\$ 325,553</u></b>	<b><u>\$ (25,879)</u></b>	<b><u>\$</u></b>	<b><u>\$ 299,674</u></b>

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

Instruction - Regular	\$	(3,071,790)
Unallocated		<u>(767,948)</u>
Total Depreciation Expense	\$	<b><u>(3,839,738)</u></b>

## NOTES TO FINANCIAL STATEMENTS

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

During the year ended June 30, 2022, the following changes occurred to long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Debt	\$ 20,325,000	\$ -	\$ 3,100,000	\$ 17,225,000	\$ 2,350,000
Total Bonds Payable	<u>20,325,000</u>	<u>-</u>	<u>3,100,000</u>	<u>17,225,000</u>	<u>2,350,000</u>
Other Liabilities:					
Compensated Absences Payable	2,800,134	87,921	309,918	2,578,137	430,172
Total Other Liabilities	<u>2,800,134</u>	<u>87,921</u>	<u>309,918</u>	<u>2,578,137</u>	<u>430,172</u>
Net Pension Liability (PERS)	20,847,106	-	5,878,704	14,968,402	
Unamortized Bond Premium	<u>534,612</u>	<u>-</u>	<u>89,917</u>	<u>444,695</u>	<u>75,075</u>
<b>Total Liabilities</b>	<b><u>\$ 44,506,852</u></b>	<b><u>\$ 87,921</u></b>	<b><u>\$ 9,378,539</u></b>	<b><u>\$ 35,216,234</u></b>	<b><u>\$ 2,855,247</u></b>

A. **Bonds Payable** – Bonds are authorized in accordance with State law by voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. Bonds payable at June 30, 2022 consisted of the following issues and amounts:

- a. 2013 School Bonds, originally issued August 1, 2013 in the amount of \$6,916,000. The outstanding balance of this issue at June 30, 2022 was \$3,220,000, which is payable in annual installments of \$460,000 due August 1, 2022 through August 1, 2028 at interest rates ranging from 2.500% to 3.000%.
- b. 2014 School Bonds, originally issued July 10, 2024 in the amount of \$3,200,000. The outstanding balance of this issue at June 30, 2022 was \$1,050,000, which is payable in annual installments of \$350,000 due August 1, 2022 through August 1, 2024 at interest rates ranging from 2.000% to 2.375%.
- c. Refunding School Bonds, Series 2015A, originally issued March 24, 2015 in the amount of \$5,700,000. The outstanding balance of this issue at June 30, 2022 was \$3,755,000, which is payable in annual installments ranging from \$590,000 to \$630,000 due October 1, 2022 through October 1, 2027 at interest rates ranging from 2.400% to 4.000%.
- d. Refunding School Bonds, Series 2016A, originally issued July 13, 2016 in the amount of \$6,675,000. The final annual installment was paid August 1, 2021 at an interest rate of 1.500% and is paid in full as of June 30, 2022.
- e. School Bonds, Series 2016B, originally issued July 13, 2016 in the amount of \$12,600,000. The outstanding balance of this issue at June 30, 2021 was \$9,200,000 which is payable in annual installments ranging from \$850,000 to \$950,000 due August 1, 2022 through August 1, 2031 at interest rates ranging from 2.000% to 2.500%.



## NOTES TO FINANCIAL STATEMENTS

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

Principal and interest due on bonds outstanding is as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,350,000	\$ 415,308	\$ 2,765,308
2024	2,375,000	352,120	2,727,120
2025	2,400,000	286,125	2,686,125
2026	2,050,000	223,570	2,273,570
2027	2,050,000	165,170	2,215,170
2028-2032	<u>6,000,000</u>	<u>274,785</u>	<u>6,274,785</u>
	<b><u>\$ 17,225,000</u></b>	<b><u>\$ 1,717,078</u></b>	<b><u>\$ 18,942,078</u></b>

Bonds Authorized but not Issued (ABNI) – At June 30, 2022, the District had no unissued bond authorizations.

### **NOTE 5. PENSION PLANS**

#### **Description of Systems**

Substantially all of the District's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

#### **Teachers' Pension and Annuity Fund**

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60<sup>th</sup> of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

## NOTES TO FINANCIAL STATEMENTS

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

#### **Public Employee's Retirement System**

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60<sup>th</sup> of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

#### **Funding Policy**

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contribution rates for TPAF and PERS are 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2022, the State of New Jersey contributed \$22,935,935 to the TPAF for on-behalf medical, non-contributory insurance and pension and post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$3,733,995 during the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries.

The District's actuarially determined contributions to PERS for each of the years ended June 30, 2022, 2021 and 2020 were \$1,691,979, \$1,479,740, and \$1,398,490, respectively.

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the 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.

## NOTES TO FINANCIAL STATEMENTS

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

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

##### *Public Employee's Retirement System (PERS)*

At June 30, 2022, the District reported a liability of \$14,968,402 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2020, which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2021, the District's proportion was 0.1263529587 percent, which was an decrease of 0.0014854762 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized full accrual pension expense of \$2,180,135 in the government-wide financial statements. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ 77,955	\$ 5,328,848
Net difference between projected and actual earnings on pension plan investments		3,943,070
Changes in proportion	748,242	458,032
Difference between expected and actual experience	236,071	107,156
District contributions subsequent to the measurement date	1,691,979	
	\$ 2,754,247	\$ 9,837,106

\$1,691,979 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. 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 ended June 30:**

2023	\$ (3,436,000)
2024	(2,330,318)
2025	(1,675,081)
2026	(1,327,774)
2027	(5,665)
	\$ (8,774,838)

## NOTES TO FINANCIAL STATEMENTS

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

#### *Actuarial Assumptions*

The total collective pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	
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%

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

#### *Mortality Rates*

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

#### *Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension 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 expecting 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, 2021 are summarized in the following table:

## NOTES TO FINANCIAL STATEMENTS

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

#### *Discount rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

#### *Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate*

The following presents the District's proportionate share of the net pension liability as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<b>At 1% Decrease (6.00%)</b>	<b>At Current Discount Rate (7.00%)</b>	<b>At 1% Increase (8.00%)</b>
District's proportionate share of the net pension liability	\$ 20,383,928	\$ 14,968,402	\$ 10,372,561

#### *Pension Plan Fiduciary Net Position*

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

## NOTES TO FINANCIAL STATEMENTS

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

#### *Additional Information*

Collective balances of the Local Group at June 30, 2021 are as follows:

Deferred outflows of resources	\$ 1,164,738,169
Deferred inflows of resources	8,339,123,762
Net pension liability	11,972,782,878
District's proportion	0.1263529587%

Collective pension (benefit) for the Local Group for the measurement period ended June 30, 2021 is \$(1,599,674,464).

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2021, 2020, 2019, 2018, 2017 and 2016 is 5.13, 5.16, 5.21, 5.63, 5.48, and 5.57 years, respectively.

#### **Teachers Pensions and Annuity Fund (TPAF) – Special Funding Situation**

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

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2022 was \$213,830,251. The District's proportionate share was \$0. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2021, the State's proportionate share of the TPAF net pension liability associated with the District was 0.4447829679 percent, which was a decrease of 0.0017161559 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$9,380,180 for contributions incurred by the State.

#### *Actuarial assumptions*

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

## NOTES TO FINANCIAL STATEMENTS

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

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

#### *Mortality Rates*

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-2021.

The actuarial assumptions used in the July 1, 2020 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% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

## NOTES TO FINANCIAL STATEMENTS

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

#### *Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

#### *Sensitivity of the State's proportionate share of the net pension liability associated with the District to changes in the discount rate*

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<b>At 1% Decrease (6.00%)</b>	<b>At Current Discount Rate (7.00%)</b>	<b>At 1% Increase (8.00%)</b>
State's proportionate share of the net pension liability associated with the District	\$ 252,996,904	\$ 213,830,251	\$ 180,932,723

#### *Pension plan fiduciary net position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.



## NOTES TO FINANCIAL STATEMENTS

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

#### **Additional Information**

Collective balances of the Local Group at June 30, 2021 are as follows:

Deferred outflows of resources	\$ 6,356,228,800
Deferred inflows of resources	27,175,330,929
Net pension liability	48,075,188,642
District's proportion	0.4447829679%

Collective pension expense of the Local Group for the plan for the measurement period ended June 30, 2021 is \$1,159,039,411. The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 is 7.93, 8.04, 8.29, 8.30, 8.30 and 8.30 years, respectively.

#### **C: DEFINED CONTRIBUTION RETIREMENT PLAN**

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

*Plan Membership and Contributing Employers-* Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually.

*Contribution Requirement and Benefit Provisions -* State and local government employers contribute 3% of the employee's base salary. Active members contribute 5.5% of base salary. Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

For the year ended June 30, 2022, the Board's total payroll for all employees was \$69,201,941. Total DCRP covered payroll was \$1,799,695. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan. Board and employee contributions to the DCRP for the year ended June 30, 2022 was \$53,991 and \$98,970, respectively.

### **NOTE 6. POST-RETIREMENT BENEFITS**

#### *General Information about the OPEB Plan*

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan 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. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as “the employers”) for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen’s Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L.1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan 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. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, 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: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State,

## NOTES TO FINANCIAL STATEMENTS

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

as a non-employer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$60,007,850,970 for this special funding situation.

The State's contributions to the SHBP Fund for TPAF retirees' post-retirement medical benefits on behalf of the District for the years ended June 30, 2022, 2021 and 2020 were \$4,342,739, \$4,128,934, and \$4,164,606, respectively, which equaled the required contributions for each year.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments.

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective OPEB liability on the Statement of Net Position. The State's proportionate share of the OPEB liability associated with the District as of June 30, 2021 was \$261,817,044. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

Additional information on pensions and OPEB can be accessed at [state.nj.us/treasury/pensions/financial-reports.shtml](http://state.nj.us/treasury/pensions/financial-reports.shtml).

#### *Actuarial assumptions and other inputs*

The total non-employer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021 and included in the June 30, 2021 audited financial statements of the State Health Benefit Local Education Retired Employees Plan. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

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

#### *Mortality Rates*

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality

## NOTES TO FINANCIAL STATEMENTS

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

table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "General" (PERS) and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the actual experience studies for the periods July 1, 2015 – June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

#### *Discount Rate*

The discount rate for June 30, 2021 was 2.16%. 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.

#### *Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

*The following represents sensitivity of total non-employer OPEB liability to changes in the discount rate and health care cost rate*

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2021 calculated using a discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current rate:

	1% Decrease (1.16%)	At Current Discount Rate (2.16%)	1% Increase (3.16%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 281,628,947	\$ 235,113,403	\$ 198,485,204

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2021 calculated using a healthcare cost trend rate as disclosed above as well as what the total non-employer 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 healthcare cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 190,325,064	\$ 235,113,403	\$ 295,260,833

## NOTES TO FINANCIAL STATEMENTS

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

#### *Changes in the Total Non-employer OPEB Liability*

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2022:

Balance at June 30, 2021	\$ 261,817,044
Increased by:	
Service cost	12,543,142
Interest cost	6,099,089
Changes of assumptions	231,957
Member contributions	155,924
	280,847,156
Decreased by:	
Differences between expected and actual experience	40,679,129
Changes of benefit terms	250,250
Benefit payments	4,804,374
	45,733,753
Balance at June 30, 2022	\$ 235,113,403

#### *Employees covered by benefit terms*

The following employees were covered by the benefit terms:

Local Education	June 30, 2021
Active Plan Members	213,901
Inactive Plan Members or Beneficiaries Currently Receiving Benefit	150,427
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	364,328

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

For the year ended June 30, 2021, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$14,196,031 for OPEB expenses incurred by the State. Collective balances of the Local Education Group at June 30, 2021 are as follows:

Deferred outflows of resources	\$ 21,546,947,255
Deferred inflows of resources	\$ 26,769,148,209
Collective OPEB expense	\$ 3,527,672,060
District's Proportion	0.41%

## NOTES TO FINANCIAL STATEMENTS

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

#### *Special Funding Situation*

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey.

### **NOTE 7. COMPENSATED ABSENCES**

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

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

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

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

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

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

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

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

- a. A liability should be accrued as the benefits are earned by employees if it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' termination or retirement (the Termination Payment Method), or

## NOTES TO FINANCIAL STATEMENTS

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

- b. A liability should be accrued based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments, as well as other employees who are expected to become eligible in the future to receive such payments (the Vesting Method).

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

The amount of \$2,578,137 presented in the Government-wide financial statements as compensated absences payable reflects accruals utilizing the Vesting Method and includes amounts for each employee eligible for a termination payment currently and those who will become eligible within the next five years. Employees who separate from service prior to attaining eligibility are not entitled to termination payments. Accrued vacations are negligible and were not included in calculations of the total value of compensated absences payable.

### **NOTE 8. DEFERRED COMPENSATION**

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

### **NOTE 9. RISK MANAGEMENT**

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

**Property and Liability Insurance** - The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the school year ended June 30, 2022, the District was a member of the New Jersey Schools Insurance Group (the "Group"). The Group provides workers' compensation, property, liability errors and omissions and crime coverages to its members through self-insured risk pooling and reinsurance policy coverage to reduce exposure to large losses. Additional information relating to the Group is available from its Executive Director at 6000 Midlantic Drive, Mount Laurel, NJ 08054 or at the Group's webpage [www.njsiq.org](http://www.njsiq.org).

**Employee Health Benefit/Prescription** - During the school year ended June 30, 2016, the District implemented a self-insurance program for health and prescription coverage's. For the year ended June 30, 2022, the Board has incurred cost totaling \$19,478,624 for health and prescription benefits for all employees. In addition, the Board has provided for incurred but not reported "IBNR" as calculated in the amount of \$1,717,300 and an aggregate stop loss corridor of \$2,706,603 for the year ended June 30, 2022.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2022:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund		\$ 1,128,801
Internal Service Fund	\$ 1,128,801	<u>                    </u>
 Total	 <u>\$ 1,128,801</u>	 <u>\$ 1,128,801</u>

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

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

**NOTE 12. TRANSFERS**

The following presents a reconciliation of transfers during the 2022 fiscal year:

	<u>In</u>	<u>Out</u>
General Fund	\$ 500,000	\$ 2,958,401
Capital Projects	2,958,401	
Food Service Fund		500,000
	<u>\$ 3,458,401</u>	<u>\$ 3,458,401</u>

\$2,958,401 was Board of Education approved transfers from the general fund to the capital projects fund to fund future capital projects. \$500,000 was transferred from the food service fund to the general fund.

**NOTE 13. FUND BALANCE APPROPRIATED**

**General Fund (Exhibit B-1)** - Of the \$15,155,015 General Fund balance at June 30, 2022, \$546,376 is assigned for encumbrances; \$1,000,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2023; \$288,187 has been restricted for excess surplus for the year ending June 30, 2024, \$1,573,393 has been restricted for the Maintenance Reserve Account; \$4,535,650 has been restricted for the Capital Reserve Account; \$1,000,000 for Emergency Reserve; \$375,344 for Unemployment Compensation and \$5,836,065 is unassigned.

**Special Revenue Fund (Exhibit B-1)** – The entire amount of \$635,619 of Special Revenue Fund fund balance at June 30, 2022 is restricted for student activities

**Capital Projects Fund (Exhibit B-1)** - The entire amount of \$2,186,138 of Capital Projects Fund fund balance at June 30, 2022 is assigned for Capital Projects Expenditures for authorized projects.

**Debt Service Fund (Exhibit B-1)** – There is no Debt Service Fund fund balance at June 30, 2022.

**NOTE 14. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance -- Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school



## NOTES TO FINANCIAL STATEMENTS

### **NOTE 14. CALCULATION OF EXCESS SURPLUS (CONT'D)**

districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. Based upon the reduction in the maximum undesignated surplus permitted as a result of the enactment of S1701, the District had excess surplus restricted for subsequent year's expenditures at June 30, 2022 in the amount of \$288,187.

### **NOTE 15. CAPITAL RESERVE ACCOUNT**

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes.

A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1 (d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted projects in its approved LRFP.

The activity of the capital reserve for July 1, 2021 to June 30, 2022 school year is as follows:

Beginning balance, July 1, 2021	\$ 6,154,605
Deposit:	
Approved by June 2022 board resolution	178,858
Budgeted increase	1,160,588
Total Deposits	<u>1,339,446</u>
Withdrawals	
Budgeted appropriation	<u>2,958,401</u>
Total Withdrawals	<u>2,958,401</u>
Ending Balance, June 30, 2022	<u>\$ 4,535,650</u>

### **NOTE 16. MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account was established through a Board resolution by the District in the amount of \$2,200,000 in the 2010-2011 school year for the accumulation of funds for the required maintenance of a facility in accordance with N.J.S.A. 18A:7G-9 as amended by P.L. 2004, c. 73 (S1701).

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 16. MAINTENANCE RESERVE ACCOUNT (CONT'D)**

The activity of the maintenance reserve for July 1, 2021 to June 30, 2022 school year is as follows

Beginning balance, July 1, 2021	\$ 1,096,012
Deposit:	
Approved by June 2022 board resolution	744,682
Budgeted increase	<u>200,000</u>
Total Deposits	<u>944,682</u>
Withdrawals	
Budgeted appropriation	<u>467,301</u>
Total Withdrawals	<u>467,301</u>
Ending Balance, June 30, 2022	<u>\$ 1,573,393</u>

### **NOTE 17. EMERGENCY RESERVE ACCOUNT**

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

The activity of the emergency reserve for July 1, 2021 to June 30, 2022 school year is as follows:

Beginning balance, July 1, 2021	<u>\$ 1,000,000</u>
Ending Balance, June 30, 2022	<u>\$ 1,000,000</u>

### **NOTE 18. UNEMPLOYMENT RESERVE ACCOUNT**

An unemployment reserve account was established by the District by transferring \$371,881 to an unemployment reserve from the unemployment fund in 2021 to fund future unemployment claims billed by the state. This reserve was established in the general fund in 2021 resulting from the implementation of Governmental Accounting Standards Board Statement No. 84, which required the District to record these funds as governmental activities. At June 30, 2022, the Unemployment Compensation reserve balance is \$375,344.

### **NOTE 19. TAX ABATEMENTS**

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

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 19. TAX ABATEMENTS (CONT'D)**

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

The Town of Westfield reported no tax abatements for calendar years 2021 or 2022 in its "User Friendly Budgets", which are required to be filed with the Division of Local Government Services, in the Department of Community Affairs, State of New Jersey, on an annual basis.

### **NOTE 20. CONTINGENT LIABILITIES**

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2022 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

During fiscal year 2021 and 2022, the New Jersey Department of Labor has been delayed in issuing bills to New Jersey governmental units and as such the District has not been billed for any quarters during the fiscal year. Unemployment claims for the fiscal year cannot be estimated, however, it is expected that the Federal Government through the CARES act will reimburse the State of New Jersey between 50 and 75 percent of all claims incurred. Since the District has not received a bill related to fiscal year 2022, and the amounts due are not known, no provision has been made in the District's financial statements for any liability.

### **NOTE 21. SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions from June 30, 2022 through February 24, 2023, the date that the financial statements were available for issuance and the effects of those that provide additional pertinent information about conditions that existed at the statement of net position date, have been recognized in the accompanying financial statements.

### **NOTE 22. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after June 15, 2021. Management has reviewed the requirements of the Statement and the impact on the financial statements was deemed not material.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* in May 2020. This Statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has not determined the impact of the Statement on the financial statements.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 22. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS (CONT'D)**

The GASB issued Statement No. 99, *Omnibus 2022* in April 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 101, *Compensated Absences* in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has not determined the impact of the Statement on the financial statements.

### **NOTE 23. RESTATEMENT OF BEGINNING BALANCE**

The beginning net position of the Governmental Activities in the government-wide Statement of Net Position has been restated to record a prior period adjustment to correct the District's compensated absence liability. A reconciliation of the prior period ending net position to the current year beginning net position for the Governmental Activities is as follows:

Beginning net position	\$ 34,961,173
Adjustment to correct compensated absence liability	<u>(1,922,889)</u>
Beginning net position, as restated	<u>\$ 33,038,284</u>

The above adjustment decreased the Governmental Activities change in net position \$1,922,889 for the prior year and had no impact on the current year change in net position.

**REQUIRED SUPPLEMENTARY  
INFORMATION  
PART II**

**SCHEDULES RELATED TO ACCOUNTING AND  
REPORTING FOR PENSIONS (68)  
SECTION – L**

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

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

	2022	2021	2020	2019	Year Ended June 30, 2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset) - Local Group	0.1263529587%	0.1278384349%	0.1245189916%	0.122689485%	0.120931697%	0.131258639%	0.129135621%	0.124742721%	0.117876054%
District's proportionate share of the net pension liability (asset)	\$ 14,968,402	\$ 20,847,106	\$ 22,436,433	\$ 24,156,948	\$ 28,150,966	\$ 38,875,044	\$ 28,988,359	\$ 23,355,249	\$ 22,528,456
District's covered-employee payroll	\$ 9,492,238	\$ 9,220,819	\$ 9,098,895	\$ 8,668,982	\$ 8,486,779	\$ 8,296,182	\$ 8,812,161	\$ 8,635,918	\$ 8,635,918
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	157.69%	226.09%	246.58%	278.66%	331.70%	468.59%	328.96%	270.44%	260.87%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	35.63%	42.51%	44.09%	53.60%	48.10%	40.14%	47.93%	48.62%	48.72%

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

Notes to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate remained at 7.00% as of June 30, 2021.

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

	Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Contractually required contribution	\$ 1,479,740	\$ 1,398,490	\$ 1,211,203	\$ 1,269,432	\$ 1,120,303	\$ 1,166,083	\$ 1,110,220	\$ 1,028,361	\$ 888,172	
Contributions in relation to the contractually required contribution	(1,479,740)	(1,398,490)	(1,211,203)	(1,269,432)	(1,120,303)	(1,166,083)	(1,110,220)	(1,028,361)	(888,172)	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 9,337,258	\$ 9,492,238	\$ 9,220,819	\$ 9,098,895	\$ 8,668,982	\$ 8,486,779	\$ 8,296,182	\$ 8,812,161	\$ 8,635,918	
Contributions as a percentage of covered-employee payroll	15.85%	14.73%	13.14%	13.95%	12.92%	13.74%	13.38%	11.67%	10.28%	

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



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

	2022	2021	2020	2019	Year Ended June 30, 2018	2017	2016	2015	2014
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.444782968%	0.446499124%	0.457250754%	0.4465238057%	0.4503615479%	0.4490997116%	0.4569592579%	0.4503467692%	0.4289118351%
District's proportionate share of the net pension liability (asset)									
State's proportionate share of the net pension liability (asset) associated with the District	\$ 213,830,251	\$ 294,014,300	\$ 280,619,104	\$ 284,068,854	\$ 303,649,995	\$ 353,290,428	\$ 323,678,183	\$ 240,695,691	\$ 216,768,668
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 213,830,251</u>	<u>\$ 294,014,300</u>	<u>\$ 280,619,104</u>	<u>\$ 284,068,854</u>	<u>\$ 303,649,995</u>	<u>\$ 353,290,428</u>	<u>\$ 323,678,183</u>	<u>\$ 240,695,691</u>	<u>\$ 216,768,668</u>
Plan fiduciary net position as a percentage of the total pension liability	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

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

Notes to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

**SCHEDULES RELATED TO ACCOUNTING AND  
REPORTING FOR OPEB (GASB 75)  
SECTION – M**

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

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

Last Ten Fiscal Years\*

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
State's proportion of the OPEB Liability associated with the District -	0.39%	0.39%	0.38%	0.38%	0.38%
District's proportionate share of the OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the OPEB liability associated with the District	\$ 235,113,403	\$ 261,817,044	160,191,054	177,158,722	202,388,345
Total proportionate share of the OPEB liability associated with the District	<u>\$ 235,113,403</u>	<u>\$ 261,817,044</u>	<u>\$ 160,191,054</u>	<u>\$ 177,158,722</u>	<u>\$ 202,388,345</u>
Beginning Balance	\$ 261,817,044	\$ 160,191,054	\$ 177,158,722	\$ 202,388,345	\$ 218,359,164
Increased by:					
Service cost	12,543,142	6,885,785	6,698,508	7,420,085	8,971,309
Interest cost	6,099,089	5,771,007	7,023,820	7,429,997	6,415,030
Changes of assumptions	231,957	47,824,977	2,388,462		
Member contributions	155,924	138,153	145,765	163,724	172,614
Differences between expected and actual experience		45,564,087			
	<u>19,030,112</u>	<u>106,184,009</u>	<u>16,256,555</u>	<u>15,013,806</u>	<u>15,558,953</u>
Decreased by:					
Differences between expected and actual experiences	40,679,129	-	28,306,835	15,176,418	
Changes of assumptions				20,329,850	26,842,028
Changes of benefit terms	250,250				
Gross benefit payments	<u>4,804,374</u>	<u>4,558,019</u>	<u>4,917,388</u>	<u>4,737,161</u>	<u>4,687,744</u>
	45,733,753	4,558,019	33,224,223	40,243,429	31,529,772
Ending Balance	<u>\$ 235,113,403</u>	<u>\$ 261,817,044</u>	<u>\$ 160,191,054</u>	<u>\$ 177,158,722</u>	<u>\$ 202,388,345</u>
Covered by employee payroll	\$ 61,276,579	\$ 59,819,378	\$ 59,148,038	\$ 58,203,496	\$ 53,013,600
Total OPEB liability as a percentage of covered employee payroll.	383.69%	437.68%	270.83%	304.38%	381.77%

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

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

Notes to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

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

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 105,517,781	\$	\$ 105,517,781	\$ 105,517,781	\$
Tuition from Individuals				3,384	3,384
Tuition from LEAs Within State	80,000		80,000	66,187	(13,813)
Transportation Fees from Individuals	50,000		50,000	23,100	(26,900)
Other Revenues					
Miscellaneous	880,000		880,000	471,114	(408,886)
Other Restricted Miscellaneous Revenue		41,625	41,625	3,463	(38,162)
<b>Total - Local Sources</b>	<b>106,527,781</b>	<b>41,625</b>	<b>106,569,406</b>	<b>106,085,029</b>	<b>(484,377)</b>
State Sources:					
Categorical Transportation Aid	575,681		575,681	575,681	
Extraordinary Aid	975,000		975,000	2,618,038	1,643,038
Categorical Special Ed. Aid	4,501,010		4,501,010	4,501,010	
Categorical Security Aid	437,833		437,833	437,833	
Non-Public Transportation Aid				101,500	101,500
Other State Aid				5,313	5,313
State of New Jersey On-Behalf Contributions:					
TPAF Pension Contrib. (non-budgeted)				18,587,275	18,587,275
TPAF Post Retire Med. Contrib. (non-budgeted)				4,342,739	4,342,739
TPAF NCGI/LTDI Premiums (non-budgeted)				5,921	5,921
TPAF Employer FICA Contrib. (non-budgeted)				3,733,995	3,733,995
<b>Total - State Sources</b>	<b>6,489,524</b>		<b>6,489,524</b>	<b>34,909,305</b>	<b>28,419,781</b>
Federal Sources:					
Medical Reimbursement	43,484		43,484	36,677	(6,807)
<b>Total - Federal Sources</b>	<b>43,484</b>		<b>43,484</b>	<b>36,677</b>	<b>(6,807)</b>
<b>Total Revenues</b>	<b>113,060,789</b>	<b>41,625</b>	<b>113,102,414</b>	<b>141,031,011</b>	<b>27,928,597</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	\$ 232,315		\$ 232,315	\$ 229,851	\$ 2,464
Kindergarten	606,980	(10,732)	596,248	565,859	30,389
Grades 1- 5	12,918,714	102,992	13,021,706	12,980,063	41,643
Grades 6- 8	9,316,440	51,648	9,368,088	9,289,792	78,296
Grades 9-12	11,394,801	(112,942)	11,281,859	11,274,156	7,703
Regular Programs - Home Instr.:					
Salaries of Teachers	133,154		133,154	64,297	68,857
Purchased Prof./Educational Services	80,600	10,669	91,269	87,468	3,801
Regular Programs - Undistrib. Instr.:					
Other Salaries for Instruction	154,992	2,165	157,157	133,719	23,438
Unused Sick/Vacation		56,280	56,280	56,280	
Purchased Prof./Educational Services	14,431	(6,231)	8,200	3,562	4,638
Purchased Technical Services	228,000	(70,167)	157,833	141,932	15,901
Other Purchased Services (400-500 series)	345,473	(568)	344,905	246,815	98,090
General Supplies	998,306	313,846	1,312,152	1,265,197	46,955
Textbooks	156,365	(17,893)	138,472	130,006	8,466
Other Objects	1,275		1,275	720	555
<b>Total Regular Programs - Instruction</b>	<b>36,581,846</b>	<b>319,067</b>	<b>36,900,913</b>	<b>36,469,717</b>	<b>431,196</b>
Learning/Language Disabilities:					
Salaries of Teachers	436,700	(2,000)	434,700	416,746	17,954
Other Salaries for Instruction	158,762	(51,443)	107,319	99,577	7,742
Purchased Prof./Educational Services	6,764	(5,144)	1,620	1,620	
General Supplies	8,451	(2,372)	6,079	5,297	782
Textbooks	321	(321)			
<b>Total Learning/Language Disabilities</b>	<b>610,998</b>	<b>(61,280)</b>	<b>549,718</b>	<b>523,240</b>	<b>26,478</b>
Behavioral Disabilities:					
Salaries of Teachers	173,553		173,553	172,366	1,187
Other Salaries for Instruction	40,539	19,549	60,088	36,280	23,808
General Supplies	5,841	1,040	6,881	6,688	193
<b>Total Behavioral Disabilities</b>	<b>219,933</b>	<b>20,589</b>	<b>240,522</b>	<b>215,334</b>	<b>25,188</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (CONT'D.):</b>					
Multiple Disabilities:					
Salaries of Teachers	\$	\$ 81,683	\$ 81,683	\$ 77,964	\$ 3,719
Other Salaries for Instruction		62,733	62,733	62,733	
General Supplies		2,756	2,756	2,710	46
<b>Total Multiple Disabilities</b>		<b>147,172</b>	<b>147,172</b>	<b>143,407</b>	<b>3,765</b>
Resource Room/Resource Center:					
Salaries of Teachers	6,925,461	(330,614)	6,594,847	6,447,113	147,734
Other Salaries for Instruction	205,069	20,203	225,272	216,074	9,198
Unused Sick/Vacation		12,600	12,600	12,600	
Purchased Prof. Educational Serv.	324	(324)			
General Supplies	37,978	(12,452)	25,526	19,167	6,359
Textbooks	3,378	(589)	2,789	2,660	129
<b>Total Resource Room/Resource Center</b>	<b>7,172,210</b>	<b>(311,176)</b>	<b>6,861,034</b>	<b>6,697,614</b>	<b>163,420</b>
Autism:					
Salaries of Teachers	468,218	(80,591)	387,627	360,433	27,194
Other Salaries for Instruction	312,633	(44,632)	268,001	205,125	62,876
General Supplies	11,302	(5,586)	5,716	3,287	2,429
<b>Total Autism</b>	<b>792,153</b>	<b>(130,809)</b>	<b>661,344</b>	<b>568,845</b>	<b>92,499</b>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	169,147	85,807	254,954	244,126	10,828
Other Salaries for Instruction	64,338	14,883	79,221	74,706	4,515
General Supplies		3,421	3,421	3,420	1
<b>Total Preschool Disabilities - Full-Time</b>	<b>233,485</b>	<b>104,111</b>	<b>337,596</b>	<b>322,252</b>	<b>15,344</b>
<b>Total Special Education</b>	<b>9,028,779</b>	<b>(231,393)</b>	<b>8,797,386</b>	<b>8,470,692</b>	<b>326,694</b>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,392,780	(124,865)	1,267,915	1,052,378	215,537
General Supplies	4,350	109	4,459	2,267	2,192
Textbooks	200	(33)	167	167	
<b>Total Basic Skills/Remedial - Instruction</b>	<b>1,397,330</b>	<b>(124,789)</b>	<b>1,272,541</b>	<b>1,054,812</b>	<b>217,729</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (CONT'D.):</b>					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 264,929	\$ 2,625	\$ 267,554	\$ 235,536	\$ 32,018
Total Bilingual Education - Instruction	<u>264,929</u>	<u>2,625</u>	<u>267,554</u>	<u>235,536</u>	<u>32,018</u>
School - Sponsored Cocurricular & Extra Curric - Instr.					
Activities:					
Salaries	459,592	-	459,592	427,149	32,443
Purchased Services (300-500 series)	8,100	6,717	14,817	12,314	2,503
Supplies and Materials	20,600	(5,570)	15,030	13,197	1,833
Other Objects	9,225	(8,622)	603	397	206
Total School - Sponsored Cocurricular Activities & Extra Curric. - Instr.	<u>497,517</u>	<u>(7,475)</u>	<u>490,042</u>	<u>453,057</u>	<u>36,985</u>
School - Sponsored Athletics:					
Salaries	1,155,732		1,155,732	1,120,767	34,965
Purchased Services (300-500 series)	59,430	(7,723)	51,707	45,671	6,036
Supplies and Materials	101,300	38,755	140,055	138,474	1,581
Misc. Expenditures	135,700	(2,399)	133,301	133,300	1
Total School - Sponsored Athletics	<u>1,452,162</u>	<u>28,633</u>	<u>1,480,795</u>	<u>1,438,212</u>	<u>42,583</u>
Summer School - Instruction					
Salaries	7,194		7,194	6,800	394
General Supplies	800	532	1,332		1,332
Total - Summer School - Instruction	<u>7,994</u>	<u>532</u>	<u>8,526</u>	<u>6,800</u>	<u>1,726</u>
Total Instruction	<u>49,230,557</u>	<u>(12,800)</u>	<u>49,217,757</u>	<u>48,128,826</u>	<u>1,088,931</u>



**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (CONT'D.):</b>					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	\$ 1,605,888	\$ (271,399)	\$ 1,334,489	\$ 1,316,925	\$ 17,564
Tuition to County Vocational School Dist. - Regular	560,000	38,000	598,000	587,800	10,200
Tuition to County Vocational School Dist. - Special	48,000	(14,000)	34,000	23,000	11,000
Tuition to Priv. Schools for the Disabled-W/ State	4,678,035	(616,372)	4,061,663	3,911,161	150,502
Tuition to Priv. Schools for the Disabled and Other LEAs- Special, Outside the State	455,761	128,200	583,961	580,594	3,367
Tuition - State Facilities	61,944		61,944	61,944	
Tuition - Other	68,443	(6,415)	62,028	61,901	127
<b>Total Undistrib. Expend. - Instruc.</b>	<b>7,478,071</b>	<b>(741,986)</b>	<b>6,736,085</b>	<b>6,543,325</b>	<b>192,760</b>
Attendance and Social Work Services:					
Salaries	44,451	824	45,275	44,580	695
<b>Total Attendance and Social Work Serv.</b>	<b>44,451</b>	<b>824</b>	<b>45,275</b>	<b>44,580</b>	<b>695</b>
Health Services:					
Salaries	1,255,240	39,386	1,294,626	1,247,702	46,924
Unused Sick/Vacation		14,383	14,383	14,382	1
Purchased Professional and Technical Services	156,858	60,807	217,665	187,429	30,236
Supplies and Materials	17,805	4,470	22,275	21,763	512
Other Objects	850		850	850	
<b>Total Health Services</b>	<b>1,430,753</b>	<b>119,046</b>	<b>1,549,799</b>	<b>1,472,126</b>	<b>77,673</b>
Speech, OT, PT & Related Services					
Salaries	1,916,019	(32,511)	1,883,508	1,912,650	(29,142)
Purchased Professional/Educational Services	1,402,223	77,442	1,479,665	1,407,898	71,767
Supplies and Materials	23,403	(5,351)	18,052	18,051	1
<b>Total Speech, OT, PT &amp; Related Services</b>	<b>3,341,645</b>	<b>39,580</b>	<b>3,381,225</b>	<b>3,338,599</b>	<b>42,626</b>
Other Support Services-Student Extra					
Salaries	1,815,867	(111,090)	1,704,777	1,662,794	41,983
Unused Sick/Vacation		3,500	3,500	3,500	
Purchased Professional/Educational Services	541,243	295,772	837,015	812,514	24,501
Other Objects	2,225	(2,225)			
<b>Total Other Support Services-Student Extra</b>	<b>2,359,335</b>	<b>185,957</b>	<b>2,545,292</b>	<b>2,478,808</b>	<b>66,484</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (CONT'D.):</b>					
Other Support Services - Guidance					
Salaries of Other Professional Staff	\$ 2,195,155	\$ (1,603)	\$ 2,193,552	\$ 2,186,786	\$ 6,766
Salaries of Secret. & Clerical Assts.	240,359		240,359	217,500	22,859
Other Salaries	3,200		3,200		3,200
Unused Sick/Vacation		6,545	6,545	6,545	
Purchased Professional/Educational Services	27,015	(7,115)	19,900	17,921	1,979
Other Purchased Services (400-500 series)	9,710	(6,350)	3,360	3,360	
Supplies and Materials	10,673	1,745	12,418	7,929	4,489
Other Objects	2,275	(1,430)	845	845	
<b>Total Other Support Services - Students - Regular</b>	<b>2,488,387</b>	<b>(8,208)</b>	<b>2,480,179</b>	<b>2,440,886</b>	<b>39,293</b>
Other Support Services - Child Study Teams					
Salaries of Other Professional Staff	1,950,475	(97,175)	1,853,300	1,850,474	2,826
Salaries of Secr. & Clerical Assts.	316,449		316,449	314,135	2,314
Unused Sick/Vacation		24,271	24,271	24,271	
Purchased Professional/Educational Services	142,587	136,449	279,036	245,667	33,369
Other Purchased Services (400-500 series)	13,672	28	13,700	13,389	311
Residential Costs	126,886	(36,205)	90,681	50,745	39,936
Supplies and Materials	23,709	(13,795)	9,914	9,690	224
<b>Total Other Support Services - Students - Child Study Teams</b>	<b>2,573,778</b>	<b>13,573</b>	<b>2,587,351</b>	<b>2,508,371</b>	<b>78,980</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (CONT'D.):</b>					
Improv. of Instruction Services/Other					
Support Services - Instruc. Staff:					
Salaries of Supervisors of Instruction	\$ 1,145,079	\$ (14,810)	\$ 1,130,269	\$ 1,092,675	\$ 37,594
Salaries of Secr. and Clerical Assts.	211,090		211,090	207,722	3,368
Other Salaries	14,908		14,908	14,100	8,808
Purchased Professional/Educational Services	67,699	(15,725)	51,974	49,037	2,937
Other Purchased Prof./Tech. Services	46,372	(13,514)	32,858	11,584	21,274
Other Purchased Services (400-500 series)					
Supplies and Materials	40,019	13,533	53,552	48,743	4,809
Miscellaneous Expenditures	13,579	(2,114)	11,465	11,325	140
	<u>1,538,746</u>	<u>(32,630)</u>	<u>1,506,116</u>	<u>1,427,186</u>	<u>78,930</u>
Total Improv. of Instruction Services/ Other Support Serv. - Instruct. Staff					
	<u>1,538,746</u>	<u>(32,630)</u>	<u>1,506,116</u>	<u>1,427,186</u>	<u>78,930</u>
Educational Media Serv./School Library:					
Salaries	954,109		954,109	914,842	39,267
Salaries of Technology Coordinators	99,320		99,320	96,250	3,070
Purch. Prof. and Tech. Serv.	61,852	(5,016)	56,836	55,542	1,294
Other Purchased Services (400-500 series)	756		756	756	
Supplies and Materials	31,385	14,914	46,299	31,782	14,517
	<u>1,147,422</u>	<u>9,898</u>	<u>1,157,320</u>	<u>1,099,172</u>	<u>58,148</u>
Total Educa. Media Serv./School Library					
	<u>1,147,422</u>	<u>9,898</u>	<u>1,157,320</u>	<u>1,099,172</u>	<u>58,148</u>
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	10,270		10,270	4,440	5,830
Purchased Professional/Educational Services	40,085	(2,066)	38,019	26,534	11,485
Other Purchased Services (400-500 series)	35,624	(16,055)	19,569	7,404	12,165
Supplies and Materials	21,477	(2,915)	18,562	9,835	8,727
	<u>107,456</u>	<u>(21,036)</u>	<u>86,420</u>	<u>48,213</u>	<u>38,207</u>
Total Instr. Staff Training Serv.					
	<u>107,456</u>	<u>(21,036)</u>	<u>86,420</u>	<u>48,213</u>	<u>38,207</u>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (CONT'D.):</b>					
Support Serv. General Administration:					
Salaries	\$ 856,064	\$ 10,073	\$ 866,137	\$ 820,171	\$ 45,966
Unused Sick/Vacation		54,464	54,464	54,464	
Legal Services	337,500	(83,916)	253,584	253,355	229
Audit Fees	41,402	(3,402)	38,000	38,000	
Other Purch. Professional Services	6,250	38,179	44,429	28,411	16,018
Purchased Technical Services	5,500	9,000	14,500	14,000	500
Communications/Telephone	212,070	7,163	219,233	191,094	28,139
BOE Other Purchased Services	2,500	1,404	3,904	1,199	2,705
Misc. Purch. Serv. (400-500, exc. 530 & 585)	558,240	16,667	574,907	564,933	9,974
General Supplies	21,847	15,532	37,379	9,226	28,153
Judgements Against School District	58,500	(53,500)	5,000	5,000	
Misc. Expenditures	77,445	2,638	80,083	73,813	6,270
<b>Total Support Serv. General Administration</b>	<b>2,177,318</b>	<b>14,302</b>	<b>2,191,620</b>	<b>2,053,666</b>	<b>137,954</b>
Support Serv. School Administration:					
Salaries of Principals/Asst. Principals	2,341,410	14,810	2,356,220	2,335,731	20,489
Salaries of Secr. and Clerical Assts.	1,123,095	(14,228)	1,108,867	1,092,946	15,921
Unused Sick/Vacation - General Admin.		106,208	106,208	106,208	
Purch. Professional & Technical Serv.	12,800	(800)	12,000	9,807	2,193
Other Purchased Services (400-500 series)	64,611	(1,702)	62,909	22,086	40,823
Supplies and Materials	98,715	6,407	105,122	91,693	13,429
Other Objects	21,235	(726)	20,509	18,961	1,548
<b>Total Support Serv. School Admin.</b>	<b>3,661,866</b>	<b>109,969</b>	<b>3,771,835</b>	<b>3,677,432</b>	<b>94,403</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (CONT'D.):</b>					
Central Services:					
Salaries	\$ 1,217,697	\$ 4,155	\$ 1,221,852	\$ 1,158,214	\$ 63,638
Unused Sick/Vacation - General Admin.		9,225	9,225	9,225	
Purch. Professional Services	11,000	1,900	12,900	12,500	400
Purch. Technical Services	93,973	(16,235)	77,738	64,857	12,881
Misc. Purchased Services (400-500 O/T 594)	80,171	(18,560)	61,611	36,661	24,950
Supplies and Materials	44,288	(11,171)	33,117	23,573	9,544
Miscellaneous Expenditures	18,846	(1,206)	17,640	7,135	10,505
<b>Total Central Services</b>	<b>1,465,975</b>	<b>(31,892)</b>	<b>1,434,083</b>	<b>1,312,165</b>	<b>121,918</b>
Admin. Info Technology					
Salaries	781,174		781,174	769,836	11,338
Unused Sick/Vacation		5,382	5,382	5,382	
Purch. Technical Serv.	448,319	37,352	485,671	485,596	75
Other Purchased Services (400-500 series)	3,500	1,960	5,460	4,144	1,316
Supplies and Materials	30,000	166,379	196,379	193,634	2,745
<b>Total Admin Info Technology</b>	<b>1,262,993</b>	<b>211,073</b>	<b>1,474,066</b>	<b>1,458,592</b>	<b>15,474</b>
Required Maint for School Facilities:					
Salaries	651,619		651,619	562,624	88,995
Unused Sick/Vacation		15,011	15,011	15,011	
Cleaning, Repair & Maint. Services	316,119	92,185	408,304	354,358	53,946
General Supplies	145,649	1,015	146,664	127,999	18,665
Other Objects	17,974	(3,500)	14,474	6,462	8,012
<b>Total Required Maint for School Facilities</b>	<b>1,131,361</b>	<b>104,711</b>	<b>1,236,072</b>	<b>1,066,454</b>	<b>169,618</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (CONT'D.):</b>					
Custodial Services:					
Salaries	\$ 2,978,434	\$ (326)	\$ 2,978,108	\$ 2,816,233	\$ 161,875
Salaries Non-Instructional Aides	197,742	198,033	395,775	363,556	32,219
Unused Sick/Vacation		2,050	2,050	2,050	
Purch. Professional & Technical Serv.	44,776	(17,238)	27,538	26,486	1,052
Cleaning, Repair & Maint. Services	172,873	(33,173)	139,700	136,840	2,860
Rental of Land & Bldg. Other than Lease Pur Agrmt	1,775	(948)	827	756	71
Other Purchased Property Services	158,493	(18,057)	140,436	140,435	1
Insurance	172,091	10,856	182,947	182,947	
General Supplies	288,184	(16,751)	271,433	269,390	2,043
Energy (Natural Gas)	402,178	85,610	487,788	481,544	6,244
Energy (Electricity)	681,919	(158,100)	523,819	523,818	1
Miscellaneous Expenditures	1,780	(95)	1,685	1,525	160
<b>Total Operation of Plant</b>	<b>5,100,245</b>	<b>51,861</b>	<b>5,152,106</b>	<b>4,945,580</b>	<b>206,526</b>
Care & Upkeep Grounds					
Salaries	168,728	12,490	181,218	141,855	39,363
Cleaning, Repair, and Maintenance Services	18,482	4,270	22,752	22,197	555
General Supplies	39,223	(5,897)	33,326	25,292	8,034
Other Objects		355	355	348	7
<b>Total Care &amp; Upkeep Grounds</b>	<b>226,433</b>	<b>11,218</b>	<b>237,651</b>	<b>189,692</b>	<b>47,959</b>
Security					
Salaries	98,976	3,793	102,769	102,769	
Purchased Professional and Technical Services	168,720	16,905	185,625	185,625	
Cleaning, Repair, and Maintenance Services		49,899	49,899	49,899	
General Supplies	5,500	286	5,786		5,786
<b>Total Security</b>	<b>273,196</b>	<b>70,883</b>	<b>344,079</b>	<b>338,293</b>	<b>5,786</b>
<b>Total Operation &amp; Maint. Of Plant Serv.</b>	<b>6,731,235</b>	<b>238,673</b>	<b>6,969,908</b>	<b>6,540,019</b>	<b>429,889</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (CONT'D.):</b>					
Student Transportation Services:					
Contracted Services (Between Home & School) - Vendors	\$ 406,418	\$ 92,395	\$ 498,813	\$ 408,345	\$ 90,468
Contracted Services (Other Than Between Home & School) - Vendors	397,890	(29,516)	368,374	264,994	103,380
Contracted Services (Special Ed. Students) - Vendors	593,989	(104,987)	489,002	480,486	8,516
Contracted Services (Regular Students) - ESCs & CTSA's	135,565	(106,979)	28,586	23,291	5,295
Contracted Services (Special Ed. Students) - ESCs & CTSA's	2,283,332	514,567	2,797,899	2,637,192	160,707
Contracted Services - Aid in Lieu of Payments - NonPublic Schools	351,000	11,600	362,600	361,600	1,000
<b>Total Student Transportation Services</b>	<b>4,168,194</b>	<b>377,080</b>	<b>4,545,274</b>	<b>4,175,908</b>	<b>369,366</b>
Unallocated Employee Benefits:					
Group Insurance	225,300	(80,577)	144,723	144,723	
Social Security Contributions	1,072,113	25,365	1,097,478	1,097,478	
Other Retirement Contributions - PERS	1,701,006	(104,280)	1,596,726	1,596,726	
Unemployment Compensation	60,000	(60,000)			
Workmen's Compensation	426,804	(63,058)	363,746	363,746	
Health Benefits	18,509,999	1,012,464	19,522,463	19,522,463	
Tuition Reimbursements	172,365	(121,169)	51,196	51,196	
Other Employee Benefits	387,004	(185,584)	201,420	158,977	42,443
<b>Total Unallocated Employee Benefits</b>	<b>22,554,591</b>	<b>423,161</b>	<b>22,977,752</b>	<b>22,935,309</b>	<b>42,443</b>
TPAF Pension Contrib. (non-budgeted)				18,587,275	(18,587,275)
TPAF Post Retire Med. Contrib. (non-budgeted)				4,342,739	(4,342,739)
TPAF NCGI/LTDI Premiums (non-budgeted)				5,921	(5,921)
TPAF Employer FICA Contrib. (non-budgeted)				3,733,995	(3,733,995)
<b>Total On-Behalf Benefits Contributions</b>				<b>26,669,930</b>	<b>(26,669,930)</b>
<b>Total Undistributed Expenditures</b>	<b>64,532,216</b>	<b>907,384</b>	<b>65,439,600</b>	<b>90,224,287</b>	<b>(24,784,687)</b>
<b>Total Operating Expenditures</b>	<b>113,762,773</b>	<b>894,584</b>	<b>114,657,357</b>	<b>138,353,113</b>	<b>(23,695,756)</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (CONT'D.):</b>					
CAPITAL OUTLAY:					
Regular Programs - Instruction:					
Grades 1-5	\$	\$ 52,303	\$ 52,303	\$ 50,589	\$ 1,714
Grades 6-8		14,622	14,622	12,276	2,346
Grades 9-12		71,019	71,019	66,537	4,482
Other Instruction:					
School Sponsored Cocurricular		8,406	8,406	8,394	12
School Sponsored Athletic		13,403	13,403	13,400	3
Undistributed Expenditures-Support Services:					
Related Services		22,244	22,244	22,056	188
Instructional Staff		3,136	3,136	3,135	1
School Administration		35,439	35,439	17,067	18,372
Central Services		27,003	27,003	27,002	1
Admin. Info. Tech.		25,103	25,103	25,102	1
Req. Maint. For School Facilities		876,252	876,252	617,772	258,480
Custodial Services		93,590	93,590	93,590	
Security		45,206	45,206	24,456	20,750
<b>Total Equipment</b>		<b>1,287,726</b>	<b>1,287,726</b>	<b>981,376</b>	<b>306,350</b>
Facilities Acquis. & Constr. Services:					
Construction Services		96,415	96,415	46,118	50,297
Assessment for Debt Service on SDA Funding	48,016		48,016	48,016	
<b>Total Facil. Acquis. &amp; Constr. Services</b>	<b>48,016</b>	<b>96,415</b>	<b>144,431</b>	<b>94,134</b>	<b>50,297</b>
<b>Total Capital Outlay</b>	<b>48,016</b>	<b>1,384,141</b>	<b>1,432,157</b>	<b>1,075,510</b>	<b>356,647</b>
<b>Total Expenditures</b>	<b>113,810,789</b>	<b>2,278,725</b>	<b>116,089,514</b>	<b>139,428,623</b>	<b>(23,339,109)</b>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(750,000)	(2,237,100)	(2,987,100)	1,602,388	4,589,488



**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources (Uses)					
Operating Transfers from Food Service Fund	\$	\$ 500,000	\$ 500,000	\$ 500,000	\$
Transfer Capital Reserve to Capital Projects Fund	(12,012,688)	9,054,287	(2,958,401)	(2,958,401)	
Total Other Financing Sources (Uses)	(12,012,688)	9,554,287	(2,458,401)	(2,458,401)	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(12,762,688)	7,317,187	(5,445,501)	(856,013)	4,589,488
Fund Balances, July 1	16,548,185		16,548,185	16,548,185	
<b>Fund Balances, June 30</b>	<b>\$ 3,785,497</b>	<b>\$ 7,317,187</b>	<b>\$ 11,102,684</b>	<b>\$ 15,692,172</b>	<b>\$ 4,589,488</b>
<b>Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)</b>					
Budgeted fund balance	\$ (2,110,588)	\$	\$ (2,110,588)	\$ 2,478,900	\$ 4,589,488
Increase in capital reserve	1,160,588		1,160,588	1,160,588	
Withdrawal from capital reserve to capital projects	(12,012,688)	9,054,287	(2,958,401)	(2,958,401)	
Increase in maintenance reserve	200,000		200,000	200,000	
Appropriation of surplus		(10,000)	(10,000)	(10,000)	
Appropriations from maintenance reserve		(467,302)	(467,302)	(467,302)	
Adjustment for prior year encumbrances		(1,259,798)	(1,259,798)	(1,259,798)	
<b>Total</b>	<b>\$ (12,762,688)</b>	<b>\$ 7,317,187</b>	<b>\$ (5,445,501)</b>	<b>\$ (856,013)</b>	<b>\$ 4,589,488</b>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Emergency Reserve				\$ 1,000,000	
Maintenance Reserve				1,573,393	
Capital Reserve				4,535,650	
Unemployment Compensation				375,344	
Excess Surplus - Current Year				288,187	
Assigned Fund Balance:					
Year-end Encumbrances				546,376	
Assigned:					
Designated for Subsequent Year's Expenditures				1,000,000	
Unassigned Fund Balance					
				6,373,222	
				<b>15,692,172</b>	
<u>Reconciliation to Governmental Funds Statements (GAAP):</u>					
Delayed State Aid Payments not recognized on GAAP basis					
				(537,157)	
<b>Fund Balance per Governmental Funds (GAAP)</b>				<b>\$ 15,155,015</b>	

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND (Budgetary Basis)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	\$ 327,785	\$ 153,771	\$ 481,556	\$ 413,046	\$ (68,510)
Federal Sources	1,614,643	2,883,789	4,498,432	3,611,877	(886,555)
Local Sources		343,002	343,002	1,084,375	741,373
<b>Total Revenues</b>	<b>1,942,428</b>	<b>3,380,562</b>	<b>5,322,990</b>	<b>5,109,298</b>	<b>(213,692)</b>
<b>EXPENDITURES:</b>					
Instruction					
Teacher Salaries	206,300	699,554	905,854	834,144	71,710
Tuition	1,240,702	800,459	2,041,161	1,953,262	87,899
Purchased Professional/Educational Services		87,504	87,504	86,117	1,387
General Supplies	4,096	176,843	180,939	55,149	125,790
Textbooks	24,131	1,736	25,867	21,872	3,995
Instructional Equipment	47,775	97,258	145,033	65,093	79,940
Other Objects		1,111	1,111	445	666
<b>Total Instruction</b>	<b>1,523,004</b>	<b>1,864,465</b>	<b>3,387,469</b>	<b>3,016,082</b>	<b>371,387</b>
Support Services					
Salaries of Other Professional Staff	125,046	9,257	134,303	110,149	24,154
Salaries of Secr & Cler Assts		21,065	21,065	15,255	5,810
Other Salaries	134,366	94,500	228,866	228,691	175
Personal Services - Employee Benefits	41,156	226,306	267,462	261,389	6,073
Purchased Professional/Educational Services	47,023	857,421	904,444	275,633	628,811
Other Purchased Professional Services	41,796	12,272	54,068	36,849	17,219

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND (Budgetary Basis)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Support Services (Cont'd.)					
Contracted Services-Trans. (Between Home/School)	\$	\$ 1,375	\$ 1,375	\$ 1,375	\$ -
Contracted Services-Trans. (Special Ed.)	10,874	55,961	66,835	64,585	2,250
Travel	1,405	22,807	24,212	18,166	6,046
Supplies and Materials	17,758	30,865	48,623	13,286	35,337
Other Objects		300	300	300	-
Student Activities				827,610	(827,610)
<b>Total Support Services</b>	<b>419,424</b>	<b>1,332,129</b>	<b>1,751,553</b>	<b>1,853,288</b>	<b>(101,735)</b>
Facilities Acquisition and Construction Services:					
Construction Services		183,968	183,968	180,056	3,912
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>183,968</b>	<b>183,968</b>	<b>180,056</b>	<b>3,912</b>
<b>Total Expenditures</b>	<b>1,942,428</b>	<b>3,380,562</b>	<b>5,322,990</b>	<b>5,049,426</b>	<b>273,564</b>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	59,872	\$ (59,872)
Fund Balance, July 1				575,747	
Fund Balance, June 30				\$ 635,619	
Recapitulation:					
Restricted:					
Student Activities				\$ 635,619	
<b>Total Fund Balance</b>				<b>\$ 635,619</b>	

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

**WESTFIELD SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1)	\$ 141,031,011	(C-2)	\$ 5,109,298
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized				
Prior year				64,997
Current year				(64,230)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements (Net)		(99,104)		
<b>Total revenues as reported on the statement of revenues, expenditures and change in fund balances - governmental funds</b>	<b>(B-2)</b>	<b>\$ 140,931,907</b>	<b>(B-2)</b>	<b>\$ 5,110,065</b>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	\$ 139,428,623	(C-2)	\$ 5,049,426
Difference - budget to GAAP:				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.				
Prior year				64,997
Current year				(64,230)
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<b>(B-2)</b>	<b>\$ 139,428,623</b>	<b>(B-2)</b>	<b>\$ 5,050,193</b>

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**  
**SECTION – E**

**WESTFIELD SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit - E-1  
Page 1 of 1

	TOTAL BROUGHT FORWARD (EX. E-1a)	TOTAL BROUGHT FORWARD (EX. E-1b)	TITLE I PART A REGULAR	TITLE IIA PART A	TITLE III	TITLE IV	I.D.E.A.				COVID-19 Education Stabilization Fund			TOTALS	
							PART B BASIC	PRE-SCHOOL	ARP PART B BASIC	ARP PRE-SCHOOL	ESSER II	ESSER III	ACSERS		
<b>REVENUES</b>															
State Sources	\$ 413,046		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 413,046
Federal Sources			151,605	71,911	21,385	17,138	1,466,624	60,163	272,319	18,626	528,176	931,323	72,607	3,611,877	
Local Sources		1,084,375												1,084,375	
<b>Total Revenues</b>	<b>413,046</b>	<b>1,084,375</b>	<b>151,605</b>	<b>71,911</b>	<b>21,385</b>	<b>17,138</b>	<b>1,466,624</b>	<b>60,163</b>	<b>272,319</b>	<b>18,626</b>	<b>528,176</b>	<b>931,323</b>	<b>72,607</b>	<b>5,109,298</b>	
<b>EXPENDITURES</b>															
Instruction:															
Salaries of Teachers	102,917		99,311		7,795						250,869	373,252		834,144	
Tuition							1,266,630		266,782			419,850		1,953,262	
Purchased Prof. - Educational Services		13,510												86,117	
General Supplies		27,755	3,909	7,397	8,838	7,250							72,607	55,149	
Textbooks	21,872													21,872	
Instructional Equipment	21,677	43,416												65,093	
Misc. Expenditures		195			250									445	
<b>Total Instruction</b>	<b>146,466</b>	<b>84,876</b>	<b>103,220</b>	<b>7,397</b>	<b>16,883</b>	<b>7,250</b>	<b>1,266,630</b>	<b>60,163</b>	<b>266,782</b>	<b>18,626</b>	<b>250,869</b>	<b>793,102</b>	<b>72,607</b>	<b>3,016,082</b>	
Support Services:															
Salaries of Other Prof. Staff	57,640			52,509										110,149	
Salaries of Secr & Cler Assts							15,255							15,255	
Other Salaries						8,158	150,000				70,533			228,691	
Personal Services - Empl. Benefits			48,075	4,836	327	624	12,699				166,274	28,554		261,389	
Purch. Prof. - Educ. Services	16,410	76,665		6,960			22,040		5,537	14,204	40,500	93,317		275,633	
Other Purch. Prof. Services	36,849													36,849	
Contract Serv. - Trans. (Between Home & School)					1,375									1,375	
Contract Serv. - Trans. (Special Education)								60,163		4,422				64,585	
Travel				209	2,500							15,457		18,166	
Supplies and Materials	4,537	6,440	310		1,106							893		13,286	
Misc. Expenditures					300									300	
Student Activities		827,610												827,610	
<b>Total Support Services</b>	<b>115,436</b>	<b>910,715</b>	<b>48,385</b>	<b>64,514</b>	<b>4,502</b>	<b>9,888</b>	<b>199,994</b>	<b>60,163</b>	<b>5,537</b>	<b>18,626</b>	<b>277,307</b>	<b>138,221</b>	<b>72,607</b>	<b>1,853,288</b>	
Facilities Acquis. & Const. Serv.:															
Construction Services	151,144	28,912												180,056	
<b>Total Facil. Acquis. &amp; Const. Serv.</b>	<b>151,144</b>	<b>28,912</b>												<b>180,056</b>	
<b>Total Expenditures</b>	<b>413,046</b>	<b>1,024,503</b>	<b>151,605</b>	<b>71,911</b>	<b>21,385</b>	<b>17,138</b>	<b>1,466,624</b>	<b>60,163</b>	<b>272,319</b>	<b>18,626</b>	<b>528,176</b>	<b>931,323</b>	<b>72,607</b>	<b>5,049,426</b>	
Excess (Deficiency) of Revenues Over Expenditures	-	59,872	-	-	-	-	-	-	-	-	-	-	-	59,872	
Fund Balance, July 1		575,747												575,747	
Fund Balance, June 30	\$ -	\$ 635,619	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 635,619	



**WESTFIELD SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit - E-1a  
Page 1 of 1

	SDA EMERGENT	NONPUBLIC TEXTBOOKS	NONPUBLIC NURSING	NONPUBLIC TECHNOLOGY	NONPUBLIC SECURITY	N.J. NONPUBLIC AUXILIARY SERV., CH.192			N.J. NONPUBLIC HANDICAPPED SERV., CH. 193			TOTAL CARRIED FORWARD
						COMP. EDUCATION	ESL	HOME INSTRUCTION	SUPPL. INST.	EXAM. AND CLASS.	CORR. SPEECH	
<b>REVENUES</b>												
State Sources	\$ 151,144	\$ 21,872	\$ 36,849	\$ 16,410	\$ 26,214	\$ 70,679	\$ 639	\$ 1,037	\$ 30,562	\$ 38,110	\$ 19,530	\$ 413,046
<b>Total Revenues</b>	<u>151,144</u>	<u>21,872</u>	<u>36,849</u>	<u>16,410</u>	<u>26,214</u>	<u>70,679</u>	<u>639</u>	<u>1,037</u>	<u>30,562</u>	<u>38,110</u>	<u>19,530</u>	<u>413,046</u>
<b>EXPENDITURES</b>												
Instruction:												
Salaries of Teachers						70,679	639	1,037	30,562			102,917
Purchased Prof. - Educational Services												-
General Supplies												-
Textbooks		21,872										21,872
Instructional Equipment	-				21,677							21,677
Misc. Expenditures												-
<b>Total Instruction</b>	<u>-</u>	<u>21,872</u>	<u>-</u>	<u>-</u>	<u>21,677</u>	<u>70,679</u>	<u>639</u>	<u>1,037</u>	<u>30,562</u>	<u>-</u>	<u>-</u>	<u>146,466</u>
Support Services:												
Salaries of Other Prof. Staff										38,110	19,530	57,640
Salaries of Sec & Cler Assts												-
Other Salaries												-
Personal Services - Empl. Benefits												-
Purch. Prof./Educational Serv.				16,410								16,410
Other Purch. Prof. Services			36,849									36,849
Contract Serv. - Trans. (Other Than Home & School)												-
Contracted Serv. - Trans. (Sp. Ed.)												-
Travel												-
Supplies and Materials					4,537							4,537
Misc. Expenditures												-
Student Activities												-
<b>Total Support Services</b>	<u>-</u>	<u>-</u>	<u>36,849</u>	<u>16,410</u>	<u>4,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,110</u>	<u>19,530</u>	<u>115,436</u>
Facilities Acquis. & Const. Serv.:												
Construction Services	151,144											151,144
<b>Total Facil. Acquis. &amp; Const. Serv.</b>	<u>151,144</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,144</u>
<b>Total Expenditures</b>	<u>151,144</u>	<u>21,872</u>	<u>36,849</u>	<u>16,410</u>	<u>26,214</u>	<u>70,679</u>	<u>639</u>	<u>1,037</u>	<u>30,562</u>	<u>38,110</u>	<u>19,530</u>	<u>413,046</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1												
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**WESTFIELD SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>LOCAL PROGRAMS</u>	<u>STUDENT ACTIVITY FUND</u>	<u>CARRIED FORWARD</u>
<b><u>REVENUES</u></b>			
State Sources	\$	\$	\$ -
Federal Sources			-
Local Sources	<u>196,893</u>	<u>887,482</u>	<u>1,084,375</u>
<b>Total Revenues</b>	<u>196,893</u>	<u>887,482</u>	<u>1,084,375</u>
<b><u>EXPENDITURES</u></b>			
Instruction:			
Salaries of Teachers			-
Tuition			-
Purchased Prof. - Educational Services	13,510		13,510
General Supplies	27,755		27,755
Textbooks			-
Instructional Equipment	43,416		43,416
Misc. Expenditures	<u>195</u>		<u>195</u>
Total Instruction	<u>84,876</u>	<u>-</u>	<u>84,876</u>
Support Services:			
Salaries of Other Prof. Staff			-
Salaries of Secr & Cler Assts			-
Other Salaries			-
Personal Services - Empl. Benefits			-
Purch. Prof. Ed. Services	76,665		76,665
Contract Serv. - Trans. (Other Than Home & School)			-
Travel			-
Other Purch. Services			-
Supplies and Materials	6,440		6,440
Student Activities		<u>827,610</u>	<u>827,610</u>
Total Support Services	<u>83,105</u>	<u>827,610</u>	<u>910,715</u>
Facilities Acquis. & Const. Serv.:			
Construction Services	<u>28,912</u>		<u>28,912</u>
Total Facil. Acquis. & Const. Serv.	<u>28,912</u>	<u>-</u>	<u>28,912</u>
<b>Total Expenditures</b>	<u>196,893</u>	<u>827,610</u>	<u>1,024,503</u>
Excess (Deficiency) of Revenues Over Expenditures		<u>59,872</u>	<u>59,872</u>
Fund Balance, July 1		<u>575,747</u>	<u>575,747</u>
Fund Balance, June 30	<u>\$</u>	<u>\$ 635,619</u>	<u>\$ 635,619</u>

**CAPITAL PROJECTS FUND**  
**SECTION – F**

**WESTFIELD SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
YEAR ENDED JUNE 30, 2022**

<u>ISSUE/PROJECT TITLE</u>	<u>REVISED APPROPRIATION</u>	<u>EXPENDITURES TO DATE</u>		<u>UNEXPENDED BALANCE</u>
		<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	
Kehler Field, High School and Elementary School Renovations	\$ 23,819,737	\$ 12,744,360	\$ 8,889,239	2,186,138
SDA Grant Alyssa's Law Security Funding	353,018		323,288	29,730
<b>Total</b>	<b><u>\$ 24,172,755</u></b>	<b><u>\$ 12,744,360</u></b>	<b><u>\$ 9,212,527</u></b>	<b><u>\$ 2,215,868</u></b>

**Reconciliation of Unexpended Capital Project Balances  
to Fund Balance - GAAP Basis as at June 30, 2022**

Unexpended Project Balances June 30, 2022 (As Above)	\$ 2,215,868
Less: State SDA Grant not Recognized	<u>29,730</u>
<b>Total Fund Balance (GAAP Basis) - June 30, 2022</b>	<b><u>\$ 2,186,138</u></b>

**WESTFIELD SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGE IN FUND BALANCE - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022**

Revenues and Other Financing Sources		
State Sources - SDA Alyssa's Law School Security Grant	\$	353,018
Transfer from Capital Reserve		<u>2,958,401</u>
Total revenues		<u>3,311,419</u>
Expenditures and Other Financing Uses		
Purchased Professional and Technical Services		247,294
Construction Services		<u>8,965,233</u>
Total expenditures		<u>9,212,527</u>
Excess (deficiency) of revenues over (under) expenditures		(5,901,108)
Fund balance - beginning		<u>8,116,976</u>
<b>Fund balance - ending</b>	<b>\$</b>	<b><u><u>2,215,868</u></u></b>
<b><u>Reconciliation of Budgetary Basis Fund Balance to Capital Projects Fund Balance (Exhibit B-1):</u></b>		
Fund Balance - June 30, 2022 (Budgetary Basis)	\$	2,215,868
Less: Uncollected State SDA Grants Recognized as Revenue on the Budgetary Basis but not Recognized on a GAAP Basis		<u>(29,730)</u>
<b>Fund balance (GAAP Basis) - June 30, 2022</b>	<b>\$</b>	<b><u><u>2,186,138</u></u></b>

**WESTFIELD SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS  
KEHLER FIELD, HIGH SCHOOL AND ELEMENTARY SCHOOL UPGRADES  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Other Projects	\$ 76,621	\$	\$ 76,621	\$ 76,621
Transfer from Capital Reserve	<u>20,784,715</u>	<u>2,958,401</u>	<u>23,743,116</u>	<u>23,743,116</u>
Total revenues	<u>20,861,336</u>	<u>2,958,401</u>	<u>23,819,737</u>	<u>23,819,737</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	1,300,739	247,294	1,548,033	670,834
Construction services	<u>11,443,621</u>	<u>8,641,945</u>	<u>20,085,566</u>	<u>23,148,903</u>
Total expenditures	<u>12,744,360</u>	<u>8,889,239</u>	<u>21,633,599</u>	<u>23,819,737</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b><u>\$ 8,116,976</u></b>	<b><u>\$ (5,930,838)</u></b>	<b><u>\$ 2,186,138</u></b>	<b><u>\$ -</u></b>

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$3,770,972
Additional Authorized Cost	\$20,048,765
Revised Authorized Cost	\$23,819,737

Percentage Increase over Original

Authorized Cost	531.66%
Percentage completion	91%
Original target completion date	2018
Revised target completions date	2022

**WESTFIELD SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS  
SDA ALYSSA'S LAW SCHOOL SECURITY GRANT  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Alyssa's Law School Security Grant	\$	353,018	\$ 353,018	\$ 353,018
Total revenues	-	353,018	353,018	353,018
<b>Expenditures and Other Financing Uses</b>				
Construction services		323,288	323,288	353,018
Total expenditures	-	323,288	323,288	353,018
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ -</b>	<b>\$ 29,730</b>	<b>\$ 29,730</b>	<b>\$ -</b>

## Additional project information:

Project Number	N/A
Grant Date	7/1/2020
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$353,018
Additional Authorized Cost	
Revised Authorized Cost	\$353,018
Percentage Increase over Original Authorized Cost	0.00%
Percentage completion	92%
Original target completion date	2023
Revised target completions date	2023

**PROPRIETARY FUNDS**

**SECTION – G**



**ENTERPRISE FUND**

**WESTFIELD SCHOOL DISTRICT  
COMBINING STATEMENT OF NET POSITION  
ENTERPRISE FUND  
AS OF JUNE 30, 2022**

<b><u>ASSETS</u></b>	<b><u>FOOD SERVICE</u></b>	<b><u>WRAP PROGRAM</u></b>	<b><u>TOTALS</u></b>
Current Assets:			
Cash and Cash Equivalents	\$ 754,030	\$ 109,521	\$ 863,551
Accounts Receivable:			
Other	2,635		2,635
Inventory	<u>26,795</u>		<u>26,795</u>
Total Current Assets	<u>783,460</u>	<u>109,521</u>	<u>892,981</u>
Noncurrent Assets:			
Capital Assets:			
Equipment	835,922		835,922
Accumulated Depreciation	<u>(536,248)</u>		<u>(536,248)</u>
Total Noncurrent Assets	<u>299,674</u>		<u>299,674</u>
<b>Total Assets</b>	<b><u>\$ 1,083,134</u></b>	<b><u>\$ 109,521</u></b>	<b><u>\$ 1,192,655</u></b>
<b><u>LIABILITIES AND NET POSITION</u></b>			
Current Liabilities:			
Accounts Payable	\$ 108,767		\$ 108,767
Unearned Revenue	<u>67,095</u>	<u>58,900</u>	<u>125,995</u>
Total Current Liabilities	<u>175,862</u>	<u>58,900</u>	<u>234,762</u>
Net Position:			
Investment in Capital Assets	299,674		299,674
Unrestricted	<u>607,598</u>	<u>50,621</u>	<u>658,219</u>
Total Net Position	<u>907,272</u>	<u>50,621</u>	<u>957,893</u>
<b>Total Liabilities and Net Position</b>	<b><u>\$ 1,083,134</u></b>	<b><u>\$ 109,521</u></b>	<b><u>\$ 1,192,655</u></b>

**WESTFIELD SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>FOOD SERVICE</u>	<u>WRAP PROGRAM</u>	<u>TOTAL</u>
<b><u>OPERATING REVENUES</u></b>			
Local Sources:			
Daily Sales - Non-Reimbursable Programs	\$ 1,340,827	\$	\$ 1,340,827
Program Fees		335,500	335,500
Total Operating Revenues	<u>1,340,827</u>	<u>335,500</u>	<u>1,676,327</u>
<b><u>OPERATING EXPENSES</u></b>			
Cost of Sales	558,326		558,326
Direct Labor	248,810	297,507	546,317
Administrative Labor	275,721		275,721
Supplies	10,953	1,460	12,413
Office and Administrative	34,785		34,785
Outside Services	1,552		1,552
Utilities		24,000	24,000
Management Fees	88,322		88,322
Depreciation	25,879		25,879
Total Operating Expenses	<u>1,244,348</u>	<u>322,967</u>	<u>1,567,315</u>
<b>Operating Income</b>	<b><u>96,479</u></b>	<b><u>12,533</u></b>	<b><u>109,012</u></b>
Non-Operating Revenues (Expenses):			
Interest on Deposits	5,772		5,772
<b>Total Non-Operating Revenues</b>	<b><u>5,772</u></b>	<b><u>-</u></b>	<b><u>5,772</u></b>
Income Before Operating Transfers	102,251	12,533	114,784
Transfer Out - General Fund	<u>(500,000)</u>		<u>(500,000)</u>
<b>Change in Net Position</b>	<b><u>(397,749)</u></b>	<b><u>12,533</u></b>	<b><u>(385,216)</u></b>
Total Net Position Beginning	<u>1,305,021</u>	<u>38,088</u>	<u>1,343,109</u>
<b>Total Net Position Ending</b>	<b><u>\$ 907,272</u></b>	<b><u>\$ 50,621</u></b>	<b><u>\$ 957,893</u></b>

**WESTFIELD SCHOOL DISTRICT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>FOOD SERVICE</u>	<u>WRAP PROGRAM</u>	<u>TOTAL</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 1,329,214	\$ 360,000	\$ 1,689,214
Payments for Employee Services	(524,531)	(297,507)	(822,038)
Payments to Suppliers	(597,184)	(25,460)	(622,644)
<b>Net Cash Provided by Operating Activities</b>	<b><u>207,499</u></b>	<b><u>37,033</u></b>	<b><u>244,532</u></b>
Cash Flows from Non-Capital Financing Activities:			
Operating Transfer Out	(500,000)		(500,000)
<b>Net Cash Used for Non-Capital Financing Activities</b>	<b><u>(500,000)</u></b>	<b><u>-</u></b>	<b><u>(500,000)</u></b>
Cash Flows from Investing Activities:			
Interest on Deposits	5,772		5,772
<b>Net Cash Provided by Investing Activities</b>	<b><u>5,772</u></b>	<b><u>-</u></b>	<b><u>5,772</u></b>
Net (Decrease)/Increase in Cash and Cash Equivalents	(286,729)	37,033	(249,696)
Cash and Cash Equivalents, July 1	1,040,759	72,488	1,113,247
<b>Cash and Cash Equivalents, June 30</b>	<b><u>\$ 754,030</u></b>	<b><u>\$ 109,521</u></b>	<b><u>\$ 863,551</u></b>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 96,479	\$ 12,533	\$ 109,012
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities:			
Depreciation	25,879		25,879
(Increase) in Accounts Receivable	(1,049)		(1,049)
(Increase) in Inventory	(5,587)		(5,587)
(Decrease)/Increase in Unearned Revenue	(10,564)	24,500	13,936
Increase in Accounts Payable	102,341		102,341
<b>Net Cash Provided by Operating Activities</b>	<b><u>\$ 207,499</u></b>	<b><u>\$ 37,033</u></b>	<b><u>\$ 244,532</u></b>

**LONG-TERM DEBT**

**SECTION – I**

WESTFIELD SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2022

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2021	RETIRED	BALANCE JUNE 30, 2022
			DATE	AMOUNT				
School Bonds	8/1/2013	\$ 6,916,000	8/1/2022	\$ 460,000	2.500%	\$ 3,680,000	\$ 460,000	\$ 3,220,000
			8/1/2023	460,000	3.000%			
			8/1/2024	460,000	3.000%			
			8/1/2025	460,000	3.000%			
			8/1/2026	460,000	3.000%			
			8/1/2027	460,000	3.000%			
			8/1/2028	460,000	3.000%			
School Bonds	7/10/2014	3,200,000	8/1/2022	350,000	2.000%	1,400,000	350,000	1,050,000
			8/1/2023	350,000	2.250%			
			8/1/2024	350,000	2.375%			
Refunding School Bonds, Series 2015 A	3/24/2015	5,700,000	10/1/2022	590,000	4.000%	4,225,000	470,000	3,755,000
			10/1/2023	615,000	4.000%			
			10/1/2024	640,000	4.000%			
			10/1/2025	640,000	4.000%			
			10/1/2026	640,000	4.000%			
			10/1/2027	630,000	2.400%			

WESTFIELD SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2022

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2021	RETIRED	BALANCE JUNE 30, 2022
			DATE	AMOUNT				
Refunding School Bonds, Series 2016 A	7/13/2016	\$ 6,675,000				\$ 870,000	\$ 870,000	\$ -
School Bonds, Series 2016 B	7/13/2016	12,600,000	8/1/2022	\$ 950,000	2.000%			
			8/1/2023	950,000	2.000%			
			8/1/2024	950,000	2.000%			
			8/1/2025	950,000	2.000%			
			8/1/2026	950,000	2.000%			
			8/1/2027	900,000	2.000%			
			8/1/2028	900,000	2.000%			
			8/1/2029	900,000	2.000%			
			8/1/2030	900,000	2.000%			
			8/1/2031	850,000	2.500%			
						10,150,000	950,000	9,200,000
<b>Total</b>						<b>\$ 20,325,000</b>	<b>\$ 3,100,000</b>	<b>\$ 17,225,000</b>

**WESTFIELD SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 2,666,148	\$ -	\$ 2,666,148	\$ 2,666,148	\$ -
Total Local Sources	2,666,148	-	2,666,148	2,666,148	-
State Aid - Debt Service	838,234	-	838,234	838,234	-
Total Revenues	3,504,382	-	3,504,382	3,504,382	-
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Redemption of Bond Principal	3,100,000	-	3,100,000	3,100,000	-
Bond Interest	480,245	-	480,245	480,245	-
Total Regular Debt Service	3,580,245	-	3,580,245	3,580,245	-
Total expenditures	3,580,245	-	3,580,245	3,580,245	-
Net Change in Fund Balance	(75,863)	-	(75,863)	(75,863)	-
Fund Balance, July 1	75,863	-	75,863	75,863	-
<b>Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



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

## **FINANCIAL TRENDS**

**WESTFIELD SCHOOL DISTRICT**  
**NET ASSETS/POSITION BY COMPONENTS**  
**LAST TEN FISCAL YEARS**  
**Unaudited**

**Exhibit J-1**

	June 30,									
	Restated	GASB #68 Restated						GASB #84 Restated	Restated	
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities</b>										
Net investment in capital assets	\$ 10,724,623	\$ 11,658,528	\$ 14,113,937	\$ 17,621,502	\$ 11,130,655	\$ 20,065,255	\$ 26,976,612	\$ 35,862,718	\$ 38,549,770	\$ 49,006,289
Restricted	3,525,144	5,732,998	5,886,394	8,428,307	22,660,315	21,908,541	21,059,726	20,019,406	19,254,991	10,594,331
Unrestricted/(deficit)	618,078	(22,651,303)	(23,325,495)	(24,717,778)	(28,030,698)	(27,600,573)	(26,310,130)	(24,024,845)	(24,766,477)	(19,989,898)
<b>Total governmental activities net position</b>	<u>\$ 14,867,845</u>	<u>\$ (5,259,778)</u>	<u>\$ (3,325,164)</u>	<u>\$ 1,332,031</u>	<u>\$ 5,760,272</u>	<u>\$ 14,373,224</u>	<u>\$ 21,726,208</u>	<u>\$ 31,857,279</u>	<u>\$ 33,038,284</u>	<u>\$ 39,610,722</u>
<b>Business-type activities</b>										
Invested in capital assets	\$ 37,294	\$ 30,955	\$ 24,616	\$ 18,277	\$ 322,433	\$ 459,157	\$ 316,024	\$ 351,873	\$ 325,553	\$ 299,674
Unrestricted	114,071	181,308	414,803	593,263	591,850	867,954	1,241,620	1,395,315	1,017,556	658,219
<b>Total business-type activities net position</b>	<u>\$ 151,365</u>	<u>\$ 212,263</u>	<u>\$ 439,419</u>	<u>\$ 611,540</u>	<u>\$ 914,283</u>	<u>\$ 1,327,111</u>	<u>\$ 1,557,645</u>	<u>\$ 1,747,188</u>	<u>\$ 1,343,109</u>	<u>\$ 957,893</u>
<b>Government-wide</b>										
Net investment in capital assets	\$ 10,761,917	\$ 11,689,483	\$ 14,138,553	\$ 17,639,779	\$ 11,453,088	\$ 20,524,413	\$ 27,292,636	\$ 36,214,591	\$ 38,875,323	\$ 49,305,963
Restricted	3,525,144	5,732,998	5,886,394	8,428,307	22,660,315	21,908,541	21,059,726	20,019,406	19,254,991	10,594,331
Unrestricted/(deficit)	732,149	(22,469,995)	(22,910,692)	(24,124,515)	(27,438,848)	(26,732,619)	(25,068,510)	(22,629,530)	(23,748,921)	(19,331,679)
<b>Total district net assets/position</b>	<u>\$ 15,019,210</u>	<u>\$ (5,047,515)</u>	<u>\$ (2,885,745)</u>	<u>\$ 1,943,571</u>	<u>\$ 6,674,555</u>	<u>\$ 15,700,335</u>	<u>\$ 23,283,852</u>	<u>\$ 33,604,467</u>	<u>\$ 34,381,393</u>	<u>\$ 40,568,615</u>

Source: ACFR Schedule A-1.

**WESTFIELD SCHOOL DISTRICT**  
**Changes in Net Asset/Position**  
**Last Ten Fiscal Years**  
**Unaudited**

**Exhibit J-2**

	<u>Fiscal Year Ending June 30,</u>									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>EXPENSES</b>										
Governmental Activities										
Instruction										
Regular	\$ 33,216,431	\$ 33,171,669	\$ 32,170,882	\$ 33,945,264	\$ 34,753,267	\$ 36,122,785	\$ 37,571,944	\$ 36,944,281	\$ 40,657,247	\$ 42,558,356
Special Education	7,347,902	8,076,449	8,152,638	7,980,420	8,190,781	8,361,149	9,766,996	10,011,544	8,566,376	8,470,692
Other Special Instruction	984,132	1,024,005	2,155,957	1,081,477	1,184,559	1,140,743	1,178,793	1,301,154	1,309,471	1,290,348
Other Instruction	1,537,375	1,567,943	1,675,043	1,567,029	1,627,761	1,643,247	1,763,297	1,815,169	1,745,647	1,898,069
Support Services										
Tuition	5,997,483	5,839,281	6,686,758	6,688,650	6,570,330	6,640,145	5,139,929	5,597,633	6,237,009	6,543,325
Student & Instruction Related Services	11,303,844	11,450,450	11,684,484	12,153,419	12,458,158	13,283,367	14,151,973	14,170,552	15,634,183	16,711,229
School Administrative Services	3,354,346	3,495,703	3,575,510	3,472,539	3,613,535	3,423,415	3,420,531	3,512,032	3,620,413	3,677,432
General & Business Administrative Services	3,577,560	3,708,227	3,689,079	4,013,438	4,552,751	4,066,604	4,141,012	4,487,540	4,605,815	4,824,423
Plant Operations and Maintenance	5,762,483	5,878,848	5,954,354	5,943,911	6,029,301	5,972,184	6,152,407	6,232,723	5,706,850	6,729,444
Pupil Transportation	2,456,187	2,744,174	2,505,294	2,550,903	2,618,167	2,746,357	3,171,761	2,949,490	3,167,718	4,175,908
Unallocated Benefits	24,322,921	24,007,770	26,417,254	26,368,820	52,176,028	53,851,627	47,488,977	38,579,855	55,552,717	42,020,905
Interest on Long-Term Debt	813,870	889,586	808,442	952,171	758,829	733,389	744,088	629,941	520,872	454,861
Unallocated Depreciation & Amortization	1,316,041	1,201,462	1,255,944	1,771,245	705,067	390,741	632,123	575,603	665,701	739,749
Total Governmental Activities	<u>101,990,575</u>	<u>103,055,566</u>	<u>106,731,639</u>	<u>108,489,286</u>	<u>135,238,535</u>	<u>138,375,754</u>	<u>135,323,832</u>	<u>126,807,517</u>	<u>147,990,019</u>	<u>140,094,741</u>
Business-Type Activities:										
Food Service	1,158,886	1,242,856	1,161,518	1,189,123	1,231,331	1,307,660	1,348,600	953,918	186,471	1,244,348
Child Care		89,922	197,980	485,571	480,757	523,935	512,422	404,657	396,738	322,967
Total Business-Type Activities	<u>1,158,886</u>	<u>1,332,778</u>	<u>1,359,498</u>	<u>1,674,695</u>	<u>1,712,088</u>	<u>1,831,594</u>	<u>1,861,022</u>	<u>1,358,575</u>	<u>583,209</u>	<u>1,567,315</u>
Total Primary Government Expenses	<u>\$ 103,149,461</u>	<u>\$ 104,388,345</u>	<u>\$ 108,091,137</u>	<u>\$ 110,163,981</u>	<u>\$ 136,950,623</u>	<u>\$ 140,207,348</u>	<u>\$ 137,184,854</u>	<u>\$ 128,166,092</u>	<u>\$ 148,573,228</u>	<u>\$ 141,662,056</u>
<b>Program Revenues</b>										
Governmental Activities										
Operating Grants and Contributions	\$ 9,269,748	\$ 8,415,719	\$ 9,210,875	\$ 11,209,759	\$ 34,156,080	\$ 40,360,685	\$ 32,625,857	\$ 24,396,372	\$ 40,939,510	\$ 30,485,269
Interest on Long-Term Debt	353,654	363,541	306,218	245,926	774,814					
Total Governmental Activities Program Revenues	<u>9,623,402</u>	<u>8,779,260</u>	<u>9,517,093</u>	<u>11,455,685</u>	<u>34,930,894</u>	<u>40,360,685</u>	<u>32,625,857</u>	<u>24,396,372</u>	<u>40,939,510</u>	<u>30,485,269</u>
Business-Type Activities										
Charges for Services										
Food Service	1,109,513	1,164,484	1,226,149	1,314,583	1,410,190	1,482,337	1,568,419	1,059,004	10,752	1,340,827
Child Care		138,600	278,053	430,003	494,800	640,605	526,400	459,900	161,709	335,500
Operating Grants and Contributions	79,054	89,977	80,768	99,531	104,733	107,996	89,447	5,435		
Total Business Type Activities Program Revenues	<u>1,188,567</u>	<u>1,393,061</u>	<u>1,584,970</u>	<u>1,844,117</u>	<u>2,009,723</u>	<u>2,230,938</u>	<u>2,184,266</u>	<u>1,524,339</u>	<u>172,461</u>	<u>1,676,327</u>
Total District Program Revenues	<u>\$ 10,811,969</u>	<u>\$ 10,172,321</u>	<u>\$ 11,102,062</u>	<u>\$ 13,299,802</u>	<u>\$ 36,940,617</u>	<u>\$ 42,591,623</u>	<u>\$ 34,810,122</u>	<u>\$ 25,920,711</u>	<u>\$ 41,111,971</u>	<u>\$ 32,161,596</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (92,367,173)	\$ (94,276,307)	\$ (97,214,546)	\$ (97,033,601)	\$ (100,307,641)	\$ (98,015,069)	\$ (102,697,975)	\$ (102,411,145)	\$ (107,050,509)	\$ (109,609,472)
Business-Type Activities	29,681	60,283	225,471	169,422	297,635	399,344	323,244	165,764	(410,748)	109,012
Total District-Wide Net Expense	<u>\$ (92,337,492)</u>	<u>\$ (94,216,024)</u>	<u>\$ (96,989,075)</u>	<u>\$ (96,864,179)</u>	<u>\$ (100,010,007)</u>	<u>\$ (97,615,726)</u>	<u>\$ (102,374,731)</u>	<u>\$ (102,245,381)</u>	<u>\$ (107,461,257)</u>	<u>\$ (109,500,460)</u>

**WESTFIELD SCHOOL DISTRICT**  
**Changes in Net Asset/Position**  
**Last Ten Fiscal Years**  
**Unaudited**

**Exhibit J-2**  
**(continued)**

	<u>Fiscal Year Ending June 30,</u>									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>General Revenues and Other Changes in Net Assets/Position</b>										
Governmental Activities										
Property Taxes, Levied for General Purposes, Net	\$ 84,667,331	\$ 86,360,677	\$ 88,967,333	\$ 91,791,272	\$ 94,193,247	\$ 96,710,506	\$ 98,644,716	\$ 101,420,397	\$ 103,448,805	\$ 105,517,781
Taxes Levied for Debt Service	2,527,277	2,551,925	2,848,413	3,201,836	2,685,543	3,459,971	3,289,272	3,329,393	2,701,644	2,666,148
Unrestricted Grants and Contributions	4,194,340	4,115,308	4,180,857	4,354,644	4,886,435	3,236,885	5,240,839	4,478,011	3,960,336	4,881,729
Restricted Grants and Contributions	2,172,729	1,906,840	2,212,314	2,163,177	2,174,893	988,965	322,393	410,349	833,695	1,161,522
Tuition Received	135,874	138,397	210,478	162,071	77,540	67,437	101,757	37,005	44,542	69,571
Investment earnings	29,515	29,129	41,146	58,023	167,841	21,542	911,216	571,427	192,273	154,855
Miscellaneous Income	550,740	411,212	688,620	619,234	550,383	2,165,431	1,580,941	1,344,144	961,714	1,230,304
Transfers	(557)	9,135				(22,716)	(40,175)	(30,866)	(1,988,606)	500,000
Total Governmental Activities	<u>94,277,249</u>	<u>95,522,623</u>	<u>99,149,160</u>	<u>102,350,258</u>	<u>104,735,882</u>	<u>106,628,021</u>	<u>110,050,959</u>	<u>111,559,860</u>	<u>110,154,403</u>	<u>116,181,910</u>
Business-Type Activities										
Miscellaneous Income	430	616	1,684	2,700	5,108		27,652	23,780	6,668	5,772
Transfers						13,485	(120,362)			(500,000)
Total Business-Type Activities	<u>430</u>	<u>616</u>	<u>1,684</u>	<u>2,700</u>	<u>5,108</u>	<u>13,485</u>	<u>(92,711)</u>	<u>23,780</u>	<u>6,668</u>	<u>(494,228)</u>
Total Primary Government	<u>\$ 94,277,679</u>	<u>\$ 95,523,239</u>	<u>\$ 99,150,844</u>	<u>\$ 102,352,958</u>	<u>\$ 104,740,990</u>	<u>\$ 106,641,505</u>	<u>\$ 109,958,248</u>	<u>\$ 111,583,640</u>	<u>\$ 110,161,071</u>	<u>\$ 115,687,682</u>
<b>Change in Net Assets/Net Position</b>										
Governmental Activities	\$ 1,910,076	\$ 1,246,316	\$ 1,934,614	\$ 5,316,657	\$ 4,428,241	\$ 8,612,952	\$ 7,352,984	\$ 9,148,715	\$ 3,103,894	\$ 6,572,438
Business-Type Activities	30,111	60,898	227,155	172,122	302,742	412,828	230,533	189,544	(404,080)	(385,216)
Total District	<u>\$ 1,940,187</u>	<u>\$ 1,307,214</u>	<u>\$ 2,161,769</u>	<u>\$ 5,488,779</u>	<u>\$ 4,730,984</u>	<u>\$ 9,025,780</u>	<u>\$ 7,583,517</u>	<u>\$ 9,338,259</u>	<u>\$ 2,699,814</u>	<u>\$ 6,187,222</u>

Source: ACFR Schedule A-2.

**WESTFIELD SCHOOL DISTRICT**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(modified accrual basis of accounting)*  
**Unaudited**

Exhibit J-3

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted:										
Committed:	\$ 5,022,670	\$ 4,468,499	\$ 4,807,697	\$ 9,041,326	\$ 14,861,873	\$ 16,566,982	\$ 13,549,452	\$ 18,860,064	\$ 10,486,404	\$ 7,772,574
Assigned:	1,154,265	880,573	722,022	510,251	430,764	1,021,507	393,297	1,394,601	1,259,798	546,376
Unassigned:	587,609	659,053	654,598	653,439	652,507	812,931	2,349,996	2,133,501	4,117,248	5,836,065
Total General Fund	<u>\$ 6,764,543</u>	<u>\$ 6,316,899</u>	<u>\$ 6,187,358</u>	<u>\$ 10,205,016</u>	<u>\$ 16,108,943</u>	<u>\$ 18,507,355</u>	<u>\$ 16,650,384</u>	<u>\$ 23,397,658</u>	<u>\$ 16,110,132</u>	<u>\$ 15,155,015</u>
All Other Governmental Funds										
Restricted:										
Student Activities									\$ 575,747	\$ 635,619
Assigned, Reported In:										
Capital Projects Fund	\$ (1,527,195)	\$ 658,442	\$ 353,633	\$ (1,147,567)	\$ 7,313,383	\$ 5,192,415	\$ 7,668,196	\$ 1,177,544	8,116,976	2,186,138
Debt Service Fund	1	2	2	24,297	54,295	54,296	123,735	123,735	75,864	-
Total All Other Governmental Funds	<u>\$ (1,497,526)</u>	<u>\$ 383,927</u>	<u>\$ 353,634</u>	<u>\$ (1,123,270)</u>	<u>\$ 7,367,678</u>	<u>\$ 5,246,711</u>	<u>\$ 7,791,931</u>	<u>\$ 1,301,279</u>	<u>\$ 8,768,587</u>	<u>\$ 2,821,757</u>

Source: ACFR Schedule B-1.

**WESTFIELD SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**  
*(modified accrual basis of accounting)*  
**Unaudited**

	<u>Fiscal Year Ending June 30,</u>									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Revenues</b>										
Tax levy	\$ 87,194,608	\$ 88,912,602	\$ 91,815,746	\$ 94,993,108	\$ 96,878,790	\$ 100,170,477	\$ 101,933,988	\$ 104,749,790	\$ 106,150,449	\$ 108,183,929
Tuition charges	135,874	138,397	210,478	162,071	77,540	67,437	101,757	37,005	44,542	69,571
Miscellaneous	580,255	580,277	729,765	864,554	983,213	2,380,787	2,492,157	1,977,914	1,340,942	1,582,819
State sources	14,155,460	12,845,146	14,270,874	16,116,374	18,518,748	20,114,412	24,584,827	23,946,661	28,605,095	36,384,769
Federal sources	1,835,010	1,816,326	2,196,857	1,669,836	1,729,306	1,762,026	1,803,964	1,757,887	2,560,040	3,648,554
<b>Total revenue</b>	<u>103,901,208</u>	<u>104,292,747</u>	<u>109,223,720</u>	<u>113,805,944</u>	<u>118,187,597</u>	<u>124,495,139</u>	<u>130,916,693</u>	<u>132,469,258</u>	<u>138,701,068</u>	<u>149,869,642</u>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	33,216,431	33,171,669	32,170,882	33,945,264	33,231,684	34,218,969	35,028,570	34,465,074	37,737,269	39,486,566
Special education instruction	7,347,902	8,076,449	8,152,638	7,980,420	8,190,781	8,354,649	9,766,996	10,021,974	8,508,910	8,470,692
Other special instruction	984,132	1,024,005	2,155,957	1,081,477	1,184,559	1,133,696	1,178,793	1,301,154	1,309,471	1,290,348
Other instruction	1,537,375	1,567,943	1,675,043	1,567,029	1,627,762	1,643,247	1,763,297	1,815,169	1,745,647	1,898,069
<b>Support Services:</b>										
Tuition	5,997,483	5,839,281	6,686,758	6,688,650	6,570,330	6,662,861	5,180,104	5,628,499	6,294,475	6,543,325
Student & inst. related services	11,303,844	11,450,450	11,684,484	12,153,419	12,458,158	13,325,341	14,134,781	14,138,354	15,634,183	16,711,229
General administration	3,354,346	3,495,703	3,575,510	3,472,539	3,613,535	3,437,646	3,430,924	3,512,032	3,620,413	3,677,432
School administrative services	3,577,560	3,708,227	3,689,079	3,932,882	3,822,747	4,066,604	4,139,435	4,470,032	4,605,815	4,824,423
Central services										
Admin. information technology										
Plant operations and maintenance	5,762,483	5,878,848	5,954,354	5,943,911	6,029,301	5,978,362	6,150,307	6,222,552	5,679,056	6,540,019
Pupil transportation	2,456,187	2,744,174	2,505,294	2,550,903	2,618,167	2,746,357	3,171,761	2,949,490	3,167,718	4,175,908
Employee benefits	24,350,801	23,663,574	26,389,347	25,200,825	27,621,203	30,408,685	35,483,009	35,066,593	41,941,168	49,605,239
Capital outlay	3,645,813	6,248,288	5,155,835	3,324,404	6,304,593	7,986,155	6,684,991	8,513,202	3,611,836	10,468,093
<b>Debt service:</b>										
Principal	2,095,000	2,150,000	2,236,000	2,585,000	2,750,000	3,381,000	3,435,000	3,500,000	3,116,000	3,100,000
Interest and other charges	829,025	765,465	918,631	838,467	650,359	874,121	680,475	608,513	543,073	480,245
<b>Total expenditures</b>	<u>106,458,383</u>	<u>109,784,075</u>	<u>112,949,812</u>	<u>111,265,190</u>	<u>116,673,180</u>	<u>124,217,694</u>	<u>130,228,444</u>	<u>132,212,636</u>	<u>137,515,034</u>	<u>157,271,588</u>
Excess (Deficiency) of revenues over (under) expenditures	(2,557,175)	(5,491,327)	(3,726,093)	2,540,753	1,514,417	277,444	688,249	256,622	1,186,034	(7,401,946)
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing		6,916,000	6,331,360		12,600,000					
Proceeds from refunding			3,474,143		6,675,000					
Premium/Discount on Bonds Issued					320,415					
Payments to escrow agent			(6,239,243)		(6,714,957)					
Transfers in	9,477	9,135	522,017	341,140	280,859	3,694,351	7,354,924	685,825	9,249,214	3,458,401
Transfers out	(10,034)		(522,017)	(341,140)	(280,859)	(3,694,351)	(7,354,924)	(685,825)	(11,237,820)	(2,958,401)
<b>Total other financing sources (uses)</b>	<u>(557)</u>	<u>6,925,135</u>	<u>3,566,260</u>	<u>-</u>	<u>12,880,458</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,988,606)</u>	<u>500,000</u>
<b>Net change in fund balances</b>	<u>\$ (2,557,732)</u>	<u>\$ 1,433,808</u>	<u>\$ (159,833)</u>	<u>\$ 2,540,753</u>	<u>\$ 14,394,875</u>	<u>\$ 277,444</u>	<u>\$ 688,249</u>	<u>\$ 256,622</u>	<u>\$ (802,572)</u>	<u>\$ (6,901,946)</u>
Debt service as a percentage of noncapital expenditures	2.84%	2.82%	2.93%	3.17%	3.08%	3.66%	3.33%	3.32%	2.73%	2.44%

**Source: District records**

Note: Noncapital expenditures are total expenditures less capital outlay.

**WESTFIELD SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED**

**Exhibit J-5**

*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,	<u>Gate Receipts</u>	<u>Student Activities</u>	<u>Rentals</u>	<u>Interest on Deposits</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
2013					\$ 403,936	\$ 403,936
2014	\$ 16,004	\$ 153,466		\$ 29,129	241,742	440,341
2015	12,654	145,874		41,146	225,219	424,893
2016	30,876	152,063	\$ 143,262	58,023	296,034	680,257
2017	18,766			167,841	531,617	718,224
2018	21,542	221,026	170,605	584,385	1,189,415	2,186,973
2019	12,831	339,734	113,610	911,216	1,114,766	2,492,157
2020	32,099	163,561	96,500	571,427	461,991	1,325,579
2021	1,891	142,355		192,273	438,368	774,887
2022	14,457	172,558	17,931	154,855	111,313	471,114

Source: District records (Exhibit B-2).



## **REVENUE CAPACITY**

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

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value) <sup>c</sup>
2013	\$ 9,606,800	\$ 1,658,496,600	\$ -	\$ 4,200	\$ 166,000,400	\$ 1,988,100	\$ 20,257,900	\$ 1,856,354,000	\$ -	\$ 1,956,540	\$ 1,858,310,540	\$ 4.785	\$ 7,109,068,630
2014	10,233,800	1,650,848,800	-	4,200	165,809,000	1,458,500	19,074,100	1,847,428,400	-	1,620,019	1,849,048,419	4.966	7,222,845,387
2015	12,119,800	1,647,855,600	-	4,200	164,116,600	1,341,600	19,074,100	1,844,511,900	-	1,505,114	1,846,017,014	5.146	7,256,875,671
2016	13,486,700	1,652,471,400	-	4,200	162,612,000	1,341,600	19,074,100	1,848,990,000	-	1,598,256	1,850,588,256	5.235	7,526,933,842
2017	13,579,600	1,660,423,900	-	4,200	160,853,100	1,341,600	19,074,100	1,855,276,500	-	1,584,072	1,856,860,572	5.395	7,686,424,696
2018	13,162,700	1,673,761,100	-	4,200	157,854,800	1,441,600	20,306,100	1,866,530,500	-	1,564,090	1,868,094,590	5.457	7,777,752,094
2019	57,049,700	7,312,278,400	-	5,900	748,327,100	5,819,200	124,288,300	8,247,768,600	-	6,569,291	8,254,337,891	1.270	8,101,346,600
2020	66,169,800	7,307,388,600	-	5,900	753,423,800	5,819,200	119,874,800	8,252,682,100	-	6,668,594	8,259,350,694	1.286	8,116,615,626
2021	47,404,400	7,391,810,800	-	5,900	757,543,900	5,819,200	120,130,000	8,322,714,200	-	7,040,677	8,329,754,877	1.299	8,514,363,789
2022	24,125,700	7,480,524,800	-	5,900	755,730,800	5,819,200	144,543,400	8,410,749,800	1,524,880	6,912,903	8,416,137,823	1.303	8,416,137,823

Source: District records Tax list summary & Municipal Tax Assessor.

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Property values for 2019 and subsequent periods reflect a revaluation of taxable properties. Revaluation occurs when authorized by the Governing Body or ordered by the County Board of Taxation

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

<sup>b</sup> Tax rates are per \$100

<sup>c</sup> Union County Abstract of Ratables, when available. Or other local sources

N/A - Not Available.

**WESTFIELD SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS**

**Exhibit J-7**

**Unaudited**

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

<u>Year Ended Dec. 30</u>	<u>Total Direct School Tax Rate</u>	<u>Town of Westfield</u>	<u>Union County</u>	<u>Total Tax Rate**</u>
2013	4.785	1.505	1.893	8.183
2014	4.966	1.548	2.043	8.557
2015	5.146	1.577	2.126	8.849
2016	5.235	1.604	2.190	9.029
2017	5.395	1.627	2.224	9.246
2018	5.457	1.636	2.204	9.297
2019	1.270	0.371	0.509	2.150
2020	1.286	0.379	0.493	2.158
2021	1.299	0.386	0.478	2.163
2022	1.303	0.393	0.464	2.160

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

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

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

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

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

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

**Exhibit J-8**

Taxpayer	YEAR ENDED DEC. 31, 2022			YEAR ENDED DEC. 31, 2013		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
WYCHWOOD GARDENS	\$ 38,991,400	1	0.46%	\$		
ECHO LAKE COUNTRY CLUB	26,863,900	2	0.32%			
WESTFIELD PROPERTY OWNER, LLC	25,413,500	3	0.30%			
EAST COAST DUNCAN HILL, LLC	23,504,700	4	0.28%			
LT WESTFIELD LLC	23,384,300	5	0.28%			
WEILL, MAURICE	19,781,600	6	0.24%	<b>N/A</b>		
WESTFIELD MERIDIAN LLP	17,057,900	7	0.20%			
SZR WESTFIELD ASSISTED LIVING	16,849,400	8	0.20%			
ERNSTOFF, ROBERT	16,474,400	9	0.20%			
BENTLEY WESTFIELD, LLC	14,000,000	10	0.17%			
<b>TOTAL</b>	<b>\$ 222,321,100</b>		<b>2.64%</b>	<b>\$</b>		<b>\$</b>

SOURCE(S): MUNICIPAL TAX ASSESSOR

N/A - Not Available.

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

**Exhibit J-9**

Fiscal Year Ended Dec. 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 87,194,608	\$ 87,194,608	100.00%	N/A
2013	88,912,602	88,912,602	100.00%	N/A
2014	91,815,746	91,815,746	100.00%	N/A
2015	94,993,108	94,993,108	100.00%	N/A
2016	96,878,790	96,878,790	100.00%	N/A
2017	100,170,477	100,170,477	100.00%	N/A
2018	101,933,988	101,933,988	100.00%	N/A
2019	104,749,790	104,749,790	100.00%	N/A
2020	106,150,449	106,150,449	100.00%	N/A
2021	108,183,929	108,183,929	100.00%	N/A

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

N/A - Not Available.

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

**Exhibit J-10**

Fiscal Year Ended June 30,	Governmental Activities			Bond Anticipation Notes (BANs)	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases				
2013	\$ 20,587,000				\$ 20,587,000	1.222%	673
2014	25,353,000				25,353,000	1.433%	830
2015	26,507,000				26,507,000	1.451%	872
2016	23,922,000				23,922,000	1.318%	792
2017	33,757,000				33,757,000	1.860%	1,118
2018	30,376,000				30,376,000	1.674%	1,006
2019	26,941,000				26,941,000	1.400%	902
2020	23,441,000				23,441,000	1.153%	794
2021	20,325,000				20,325,000	1.01%	689
2022	17,225,000				17,225,000	0.78%	568

Source: District ACFR Schedule I-1.

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

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

## **DEBT CAPACITY**

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

**Exhibit J-11**

Fiscal Year Ended June 30,	GENERAL BONDED DEBT OUTSTANDING			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	\$ 20,587,000		\$ 20,587,000	1.11%	676
2014	25,353,000		25,353,000	1.37%	835
2015	26,507,000		26,507,000	1.44%	877
2016	23,922,000		23,922,000	1.29%	796
2017	33,757,000		33,757,000	1.82%	1,129
2018	30,376,000	\$ (54,296)	30,321,704	1.62%	1,018
2019	26,941,000	(123,735)	26,817,265	0.32%	909
2020	23,441,000	(123,735)	23,317,265	0.28%	783
2021	20,325,000	(75,863)	20,249,137	0.24%	686
2022	17,225,000		17,225,000	0.20%	568

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

a See Exhibit J-6 for Property Tax Data

b See Exhibit J-14 for Population Data



**WESTFIELD SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2022  
Unaudited**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property Taxes</b>			
Town of Westfield	\$ 24,639,970	100.000%	\$ 24,639,970
<b>Other Debt</b>			
County of Union - Town's Share	651,212,321	10.532%	68,583,728
Rahway Valley Sewarge Authority - Town's Share	129,416,033	15.820%	<u>20,473,616</u>
<b>Subtotal Overlapping Debt</b>			113,697,314
<b>Net Direct Debt of School District as at June 30, 2022</b>			<u>17,225,000</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 130,922,314</u></u>

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

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

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

WESTFIELD SCHOOL DISTRICT  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS  
 Unaudited

Exhibit J-13

Legal Debt Margin Calculation for Calendar Year 2022  
 Equalized

	Equalized	Equalized Valuation Basis
	2020	8,094,777,309
	2021	8,109,947,032
	2022	8,507,323,112
	[A]	<u>\$ 24,712,047,453</u>
<b>Avg Equalized Valuation of Taxable Property</b>	[A/3]	\$ 8,237,349,151
<b>School Borrowing Margin (4%)</b>	[B]	329,493,966
<b>Net Bonded School Debt (6/30/22)</b>	[C]	17,225,000
<b>Legal Debt Margin</b>	[B-C]	<u>\$ 312,268,966</u>

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 290,803,202	\$ 289,534,541	\$ 290,575,027	\$ 294,519,299	\$ 299,749,036	\$ 304,663,804	\$ 310,091,292	\$ 316,106,816	\$ 321,382,811	\$ 329,493,966
Total Net Debt Applicable to Limit	<u>20,587,000</u>	<u>25,353,000</u>	<u>26,507,000</u>	<u>40,006,000</u>	<u>33,757,000</u>	<u>30,376,000</u>	<u>27,941,000</u>	<u>23,441,000</u>	<u>20,325,000</u>	<u>17,225,000</u>
Legal Debt Margin	<u>\$ 270,216,202</u>	<u>\$ 264,181,541</u>	<u>\$ 264,068,027</u>	<u>\$ 254,513,299</u>	<u>\$ 265,992,036</u>	<u>\$ 274,287,804</u>	<u>\$ 282,150,292</u>	<u>\$ 292,665,816</u>	<u>\$ 301,057,811</u>	<u>\$ 312,268,966</u>
Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit	7.08%	8.76%	9.12%	13.58%	11.26%	9.97%	9.01%	7.42%	6.32%	5.23%

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

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

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

**Exhibit J-14**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2013	30,408	\$ 1,677,031,608	\$ 55,151	5.60%
2014	30,464	1,709,913,856	56,129	4.70%
2015	30,351	1,797,689,730	59,230	4.20%
2016	30,209	1,850,905,430	61,270	3.50%
2017	30,035	1,877,968,410	62,526	3.20%
2018	29,899	1,944,511,364	65,036	3.10%
2019	29,780	2,032,842,360	68,262	2.80%
2020	29,512	2,014,548,144	68,262	2.40%
2021	30,316	2,199,213,588	72,543	3.60%
2022	30,754	2,230,987,422	72,543	4.20%

**Source(s):**

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

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

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

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

WESTFIELD SCHOOL DISTRICT  
 PRINCIPAL EMPLOYERS  
 CURRENT AND TEN YEARS AGO  
 Unaudited

Exhibit J-15

Employer	2022			2013		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
	UNAVAILABLE	1	0.00%	UNAVAILABLE	UNAVAILABLE	0.00%
	UNAVAILABLE	2	0.00%	UNAVAILABLE	UNAVAILABLE	0.00%
	UNAVAILABLE	3	0.00%	UNAVAILABLE	UNAVAILABLE	0.00%
	UNAVAILABLE	4	0.00%	UNAVAILABLE	UNAVAILABLE	0.00%
	UNAVAILABLE	5	0.00%	UNAVAILABLE	UNAVAILABLE	0.00%
	UNAVAILABLE	6	0.00%	UNAVAILABLE	UNAVAILABLE	0.00%
	UNAVAILABLE	7	0.00%	UNAVAILABLE	UNAVAILABLE	0.00%
	UNAVAILABLE	8	0.00%	UNAVAILABLE	UNAVAILABLE	0.00%
	UNAVAILABLE	9	0.00%	UNAVAILABLE	UNAVAILABLE	0.00%
	UNAVAILABLE	10	0.00%	UNAVAILABLE	UNAVAILABLE	0.00%
	-		0.00%	-		0.00%

N/A - Unavailable.

## **OPERATING INFORMATION**

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

**Exhibit J-16**

**Unaudited**

<b><u>Function/Program</u></b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Instruction										
Teachers	475	478	475	480	484	482	483	485	484	484
Classroom Aides	14	38	31	26	30	45	43	39	42	43
Support Services:										
Student & Instruction Related Services	197	191	189	194	190	186	196	207	190	192
General Administrative Services	7	6	6	6	6	6	6	6	6	6
School Administrative Services	40	41	41	39	39	39	39	39	39	39
Business Administrative Services	15	15	15	14	14	14	14	15	15	15
Admin Info Technology Services	9	9	8	8	8	8	9	9	9	9
Plant Operations and Maintenance	61	61	61	61	61	61	61	61	61	61
<b>Total</b>	<b>816</b>	<b>839</b>	<b>826</b>	<b>828</b>	<b>832</b>	<b>841</b>	<b>851</b>	<b>861</b>	<b>846</b>	<b>849</b>

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

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

Exhibit J-17

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures<sup>a</sup></u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff<sup>b</sup></u>	<u>Average Daily Enrollment (ADE)<sup>c</sup></u>	<u>Average Daily Attendance (ADA)<sup>c</sup></u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2012-13	6,286	\$ 99,888,545	\$ 15,891	5.27%	475	6,286	6,040	0.2%	96.1%
2013-14	6,255	101,695,121	16,258	2.31%	478	6,193	5,973	-1.5%	96.4%
2014-15	6,266	105,676,238	16,865	3.73%	475	6,256	6,039	1.0%	96.5%
2015-16	6,320	105,812,870	16,743	-0.73%	480	6,272	6,061	0.3%	96.6%
2016-17	6,322	108,009,312	17,085	2.04%	484	6,301	6,074	0.5%	96.4%
2017-18	6,357	114,124,538	17,953	5.08%	482	6,311	6,105	0.2%	96.7%
2018-19	6,238	121,441,122	19,468	8.44%	481	6,191	5,975	-1.9%	96.5%
2019-20	6,227	120,896,781	19,415	8.15%	483	6,202	6,049	-1.7%	97.5%
2020-21	5,936	131,640,439	22,177	13.91%	483	5,928	5,843	-4.3%	98.6%
2021-22	5,829	144,478,816	24,786	27.67%	484	5,807	5,588	-6.4%	96.2%

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

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

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

b Teaching staff includes only full-time equivalents of certificated staff obtained from Budget Supporting Documentation.

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



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

**Exhibit J-18**

**Unaudited**

	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
<b>BUILDING</b>										
<b>ELEMENTARY</b>										
FRANKLIN [1929] [1956] [2000]										
SQUARE FEET	65,814	65,814	65,814	65,814	65,814	65,814	65,814	65,814	65,814	65,814
CAPACITY - STATE MODEL - STUDENTS	550	550	550	550	550	550	550	550	550	550
ENROLLMENT	636	570	575	569	584	594	580	604	541	529
JEFFERSON [1953] [1955] [1996]										
SQUARE FEET	47,849	47,849	47,849	47,849	47,849	47,849	47,849	47,849	47,849	47,849
CAPACITY - STATE MODEL - STUDENTS	431	431	431	431	431	431	431	431	431	431
ENROLLMENT	483	502	496	489	481	474	442	466	466	457
MCKINLEY [1906] [1931] [2000]										
SQUARE FEET	61,140	61,140	61,140	61,140	61,140	61,140	61,140	61,140	61,140	61,140
CAPACITY - STATE MODEL - STUDENTS	337	337	337	337	337	337	337	337	337	337
ENROLLMENT	349	344	350	353	361	348	340	353	329	332
TAMAQUES [1961]										
SQUARE FEET	48,350	48,350	48,350	48,350	48,350	48,350	48,350	48,350	48,350	48,350
CAPACITY - STATE MODEL - STUDENTS	430	430	430	430	430	430	430	430	430	430
ENROLLMENT	441	439	439	438	429	408	401	431	424	411
WASHINGTON [1954] [1992]										
SQUARE FEET	36,700	36,700	36,700	36,700	36,700	36,700	36,700	36,700	36,700	36,700
CAPACITY - STATE MODEL - STUDENTS	332	332	332	332	332	332	332	332	332	332
ENROLLMENT	319	330	326	320	330	311	309	270	283	260
WILSON [1935] [1963] [1996] [2000]										
SQUARE FEET	45,595	45,595	45,595	45,595	45,595	45,595	45,595	45,595	45,595	45,595
CAPACITY - STATE MODEL - STUDENTS	449	449	449	449	449	449	449	449	449	449
ENROLLMENT	389	385	387	394	388	371	354	347	314	319
LINCOLN SCHOOL [1922] [2008]										
SQUARE FEET	26,980	26,980	26,980	26,980	26,980	26,980	26,980	26,980	26,980	26,980
CAPACITY - STATE MODEL - STUDENTS	465	465	465	465	465	465	465	465	465	465
ENROLLMENT	283	234	313	315	300	311	300	283	247	215
<b>INTERMEDIATE</b>										
EDISON [1958] [1964]										
SQUARE FEET	124,998	124,998	124,998	124,998	124,998	124,998	124,998	124,998	124,998	124,998
CAPACITY - STATE MODEL - STUDENTS	768	768	768	768	768	768	768	768	768	768
ENROLLMENT	826	808	811	831	825	843	841	818	794	772
ROOSEVELT [1926] [1964]										
SQUARE FEET	112,890	112,890	112,890	112,890	112,890	112,890	112,890	112,890	112,890	112,890
CAPACITY - STATE MODEL - STUDENTS	683	683	683	683	683	683	683	683	683	683
ENROLLMENT	717	731	729	734	752	782	777	736	679	681
<b>HIGH SCHOOL</b>										
WESTFIELD HIGH SCHOOL [1950] [1906] [2002]										
SQUARE FEET	303,320	303,320	303,320	303,320	303,320	303,320	303,320	303,320	303,320	303,320
CAPACITY - STATE MODEL - STUDENTS	1,713	1,713	1,713	1,713	1,713	1,713	1,713	1,713	1,713	1,713
ENROLLMENT	1,844	1,853	1,852	1,863	1,863	1,915	1,865	1,894	1,850	1,853
<b>OTHER</b>										
ADMINISTRATION [1914]										
SQUARE FEET	29,410	29,410	29,410	29,410	29,410	29,410	29,410	29,410	29,410	29,410

SOURCE: DISTRICT RECORDS

NOTE: YEAR OF ORIGINAL CONSTRUCTION IS SHOWN IN PARENTHESES FOLLOWING THE NAME OF THE BUILDING. DATES, IF ANY FOR A SUBSEQUENT ADDITION ALSO FOLLOW IN PARENTHESES.

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

Exhibit J-19

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

School Facilities	Project # (s)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
FRANKLIN ELEMENTARY SCHOOL	N/A	\$ 85,316	\$ 71,791	\$ 84,209	\$ 75,771	\$ 74,903	\$ 71,561	\$ 64,378	\$ 78,663	\$ 80,717	\$ 84,358
JEFFERSON ELEMENTARY SCHOOL	N/A	53,323	50,375	54,128	56,965	51,959	82,148	72,977	57,191	58,685	61,332
LINCOLN ELEMENTARY SCHOOL	N/A	31,994	37,072	34,802	33,689	41,116	44,675	30,190	32,248	33,089	34,582
MCKINLEY ELEMENTARY SCHOOL	N/A	74,652	79,896	93,323	69,224	70,831	64,098	66,222	73,077	74,986	78,366
TAMAQUES ELEMENTARY SCHOOL	N/A	63,987	46,449	50,364	50,022	54,558	44,557	47,277	57,790	59,299	61,973
WASHINGTON ELEMENTARY SCHOOL	N/A	42,658	44,968	53,168	80,267	60,822	44,099	38,639	43,864	45,010	47,041
WILSON ELEMENTARY SCHOOL	N/A	53,323	45,743	62,170	47,389	44,637	57,136	88,365	95,475	55,921	58,443
EDISON INTERMEDIATE SCHOOL	N/A	149,304	120,102	134,347	130,929	151,442	124,974	129,150	144,118	153,305	160,218
ROOSEVELT INTERMEDIATE SCHOOL	N/A	138,639	121,955	123,993	124,343	139,627	138,299	124,232	134,930	138,453	144,698
WESTFIELD HIGH SCHOOL	N/A	373,258	324,970	317,569	313,681	355,399	316,957	324,952	359,594	400,056	362,503
ADMINISTRATION BUILDING	N/A		55,651	51,801	46,228	33,066	35,291	45,420			
<b>GRAND TOTAL</b>		<b>\$ 1,066,454</b>	<b>\$ 998,972</b>	<b>\$ 1,059,874</b>	<b>\$ 1,028,508</b>	<b>\$ 1,078,360</b>	<b>\$ 1,023,795</b>	<b>\$ 1,031,802</b>	<b>\$ 1,076,950</b>	<b>\$ 1,099,521</b>	<b>\$ 1,093,514</b>

SOURCE: DISTRICT RECORDS.

**WESTFIELD SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**As of 6/30/2022**  
**UNAUDITED**

<b>Commercial Package Policy - New Jersey Schools Insurance Group (NJSIG)</b>	<b>COVERAGE</b>	<b>DEDUCTIBLE</b>
Real & Personal Property (per occurrence)	\$500,000,000	\$5,000
Blanket Extra Expense	\$50,000,000	\$5,000
Blanket Valuable Paper & Records	\$10,000,000	\$5,000
Demolition & Increased Cost of Construction	\$25,000,000	
Limited Builders Risk	\$10,000,000	
Fire Dept. Service Charge	\$10,000	
Arson Reward	\$10,000	
Pollution Cleanup & Removal	\$250,000	
<b>Flood/Earthquake:</b>		
Flood Zone A & V	\$25,000,000	\$500,000
All Other Flood Zones	\$75,000,000	\$10,000
Earthquake	\$50,000,000	\$1,000
Terrorism	\$1,000,000	
<b>Electronic Data Processing:</b>		
Blanket Hardware/Software, Extra Expense, Business Income, Transit, Debris Removal	\$1,000,000	\$1,000
Flood (Deductible for Zone A & Z) (Deductible All Other Flood Zones)		\$500,000 \$10,000
<b>Equipment Breakdown</b>		
Combined Single Limit/Accident for Property Damage & Business Income	\$100,000,000	\$5,000
Property Damage	Included	\$5,000
Off Premises Property Damage	\$1,000,000	\$5,000
Extra Expense	\$10,000,000	\$5,000
Service Interruption	\$10,000,000	\$5,000
Perishable Goods	\$1,000,000	\$5,000
Data Restoration	\$1,000,000	\$5,000
Demolition	\$1,000,000	\$5,000
Ordinance or Law	\$1,000,000	\$5,000
Expediting Expense	\$1,000,000	\$5,000
Hazardous Substances	\$1,000,000	\$5,000
Newly Acquired Locations - 120 Days Notice	\$1,000,000	\$5,000
<b>Crime Coverage:</b>		
Public Employee Dishonesty	\$1,000,000	\$1,000
Theft, Disapp. & Destruction/Money Orders & Counterfeit Currency	\$50,000	\$500
Forgery or Alteration	\$1,000,000	\$1,000
Computer Fraud	\$100,000	\$1,000
<b>Public Officials Bond</b>		
Board Secretary - D Sullivan (Selective Ins Co)	\$438,000	\$0
<b>General Liability:</b>		
Bodily Injury & Property Damage	\$31,000,000	
Products & Completed Operations	\$31,000,000	
Sexual Abuse	\$27,000,000	
Personal Injury & Advertising Injury	\$31,000,000	
Employee Benefits Liability	\$31,000,000	\$1,000
Premises Medical Payments	\$10,000 per accident \$5,000 per person	
Terrorism	\$1,000,000	
<b>Automotive Coverage:</b>		
Combined Single Limit for Bodily Injury & Property Damage	\$31,000,000	\$1,000 coll/comp
Personal Injury Protection	\$250,000	
Medical Payments	\$10,000	
Underinsured	\$1,000,000	
Terrorism	\$1,000,000	
Garagekeepers	Included	
<b>School Leaders Errors &amp; Omissions</b>		
Coverage A - protection againsts "loss"/Wrongful Acts	\$31,000,000	\$25,000
Coverage B - defense costs for specific administrative actions	\$100,000	\$25,000
	\$300,000	\$25,000
Retro Date	7/1/1986	
<b>Workers' Compensation</b>		
Part One	Statutory	
Part Two		
Bodily Injury by Accident	\$2,000,000	
Bodily Injury by Disease	\$2,000,000	
<b>Environmental Impairment (Mold)</b>		
Philidelphia Ins Co	\$ 1,000,000	\$ 10,000
<b>Travel Accident Insurance</b>		
ACE USA	\$1,000,000	
<b>Student Accident</b>		
US Fire/Chubb	\$7,500,000	
<b>Cyber Liability</b>		
AIG Specialty	\$1,000,000	\$ 100,000

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

**Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards***

**Independent Auditors' Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the business-type activities and each major fund of the Westfield School District, in the County of Union, New Jersey (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 24, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and

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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 or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### **Purpose of This Report**

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

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**  
Cranford, New Jersey  
February 24, 2023



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

**Report on Compliance for Each Major Federal and State  
Program and Report on Internal Control Over Compliance Required  
by the Uniform Guidance and NJ OMB Circular 15-08**

**Independent Auditors' Report**

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

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

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

We have audited Westfield School District's, in the County of Union, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2022. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

**Basis for Opinion on Each Major Federal and State Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

### **Auditors' Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**  
Cranford, New Jersey  
February 24, 2023



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

WESTFIELD SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance	Cash Received	Budgetary Expenditures	Adjustments	Passed Through to Subrecipients	Balance
				From	To		June 30, 2021 Deferred Revenue/ (Accounts Receivable)					June 30, 2022 Deferred Revenue/ (Accounts Receivable)
<b>General Fund:</b>												
<b>U.S. Department of Education</b>												
<b>Passed through State Department of Education:</b>												
Medical Assistance Program (SEM)	93.778	2205NJ5MAP	100-054-7540-211	7/1/21	6/30/22	\$ 36,677	\$ _____	\$ 36,677	\$ (36,677)	\$ _____	\$ _____	\$ _____
<b>Total General Fund</b>								<b>36,677</b>	<b>(36,677)</b>			
<b>Special Revenue Fund:</b>												
<b>U.S. Department of Education</b>												
<b>Passed through State Department of Education:</b>												
Special Education Cluster:												
IDEA Special Education Grants to States	84.027	H027A200100	034-5065-100-016	7/1/20	9/30/21	1,628,426	(53,620)	68,602	(14,982)			
IDEA Special Education Grants to States	84.027	H027A200100	034-5065-100-016	7/1/21	9/30/22	1,474,479		1,250,860	(1,451,642)			(200,782)
IDEA Preschool Grants for Children with Disabilities	84.173	H173A200114	034-5065-100-020	7/1/20	9/30/21	60,163		58,212	(60,163)			(1,951)
American Rescue Plan IDEA Special Education	84.027X	H027A200100	034-5065-100-016	7/1/21	9/30/22	280,068		248,009	(272,319)			(24,310)
American Rescue Plan IDEA Preschool Grants for Children with Disabilities	84.173X	H173A200114	034-5065-100-020	7/1/21	9/30/22	23,922		15,741	(18,626)			(2,885)
Subtotal of Special Education Cluster:							(53,620)	1,641,424	(1,817,732)			(229,928)
No Child Left Behind (NCLB):												
Title I, Part A, Grants to Local Educational Agencies	84.010A	S010A210030	034-5064-100-194	7/1/20	9/30/21	175,585	(39,720)	60,443	(20,723)			
Title I, Part A, Grants to Local Educational Agencies	84.010A	S010A220030	034-5064-100-194	7/1/21	9/30/22	146,219		65,610	(130,882)			(65,272)
Title I Part A Subtotal:							(39,720)	126,053	(151,605)			(65,272)
Title II A, Improving Teacher Quality State Grants	84.367A	S367A200029	034-5063-100-290	7/1/19	9/30/20	80,047	(7,430)			7,430		
Title II A, Improving Teacher Quality State Grants	84.367A	S367A210029	034-5063-100-290	7/1/20	9/30/21	83,622	(36,442)	47,561	(11,119)			
Title II A, Improving Teacher Quality State Grants	84.367A	S367A220029	034-5063-100-290	7/1/21	9/30/22	85,893		23,614	(60,792)			(37,178)
Title II A Subtotal:							(43,872)	71,175	(71,911)	7,430		(37,178)
Title III English Language Acquisition Grants	84.365A	S365A210030	NCLB-21	7/1/20	9/30/21	19,607	(329)	4,870	(4,541)			
Title III English Language Acquisition Grants	84.365A	S365A220030	NCLB-22	7/1/21	9/30/22	21,743		8,589	(14,503)			(5,914)
Title III, Supplemental Immigrant Student Aid	84.365A	S365A200030	NCLB-20	7/1/19	9/30/20	7,630	5,685			(5,685)		
Title III, Supplemental Immigrant Student Aid	84.365A	S365A210030	NCLB-21	7/1/20	9/30/21	2,962	(621)	621				
Title III, Supplemental Immigrant Student Aid	84.365A	S365A210030	NCLB-22	7/1/21	9/30/22	2,341		2,100	(2,341)			(241)
Title III Subtotal:							4,735	16,180	(21,385)	(5,685)		(6,155)
Title IV	84.424	S424A200031	034-5063-100-348	7/1/20	9/30/21	22,307	(4,905)	5,630	(725)			
Title IV	84.424	S424A210031	034-5063-100-348	7/1/21	9/30/22	10,625		10,213	(16,413)			(6,200)
Title IV Subtotal:							(4,905)	15,843	(17,138)			(6,200)
Elementary and Secondary School Emergency Relief (ESSER) Cluster:												
COVID-19 - CARES ESSER I	84.425D	S425D200027	21-5120-513	3/13/2020	9/30/22	130,130	(58,802)	58,802				
COVID-19 - CARES ESSER II	84.425D	S425D210027	21-5120-513	3/13/2020	9/30/23	552,746		355,445	(528,176)			(172,731)
COVID-19 - CARES ESSER III	84.425U	S425U210027	21-5120-513	3/13/2020	9/30/22	1,673,543		558,996	(931,323)			(372,327)
Subtotal of ESSER Cluster							(58,802)	973,243	(1,459,499)			(545,058)
<b>U.S. Department of the Treasury</b>												
<b>Passed through State Department of Education:</b>												
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ACSERS)	21.027	N/A	N/A	7/1/2021	6/30/22	72,607			(72,607)			(72,607)
<b>Total U.S. Department of the Treasury</b>									(72,607)			(72,607)
<b>Total Special Revenue Fund</b>							(196,184)	2,843,918	(3,611,877)	1,745		(962,398)
<b>TOTAL FEDERAL AWARDS</b>							\$ (196,184)	\$ 2,880,595	\$ (3,648,554)	\$ 1,745	\$ _____	\$ (962,398)

Footnote(s):

N/A - Not Available

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

WESTFIELD SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Schedule - B  
Exhibit K - 4

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NO.	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2021			CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE AT JUNE 30, 2022		MEMO	
				GAAP DEF.REV./ (ACCTS.REC.)	MEMO BUDGETARY (ACCTS. REC.)	DUE TO GRANTOR				(ACCTS.REC.)	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<b>General Fund</b>													
<b>State Department of Education:</b>													
Special Education Categorical Aid	495-034-5120-089	\$ 3,497,975	7/1/20-6/30/21	\$	\$ (339,644)	\$	\$ 339,644	\$	\$	\$	\$	\$	\$ (3,497,975)
Special Education Categorical Aid	495-034-5120-089	4,501,010	7/1/21-6/30/22				4,062,577	(4,501,010)				(438,433)	(4,501,010)
Categorical Transportation Aid	495-034-5120-014	575,681	7/1/20-6/30/21		(55,897)		55,897						(575,681)
Categorical Transportation Aid	495-034-5120-014	575,681	7/1/21-6/30/22				519,605	(575,681)				(56,076)	(575,681)
Security Aid	495-034-5120-084	437,833	7/1/20-6/30/21		(42,512)		42,512						(437,833)
Security Aid	495-034-5120-084	437,833	7/1/21-6/30/22				395,185	(437,833)				(42,648)	(437,833)
Lead Testing for Schools Aid	495-034-5120-104	5,313	7/1/21-6/30/22					(5,313)		(5,313)			(5,313)
Extraordinary Aid	100-034-5120-473	2,026,585	7/1/20-6/30/21	(2,026,585)		2,026,585							(2,026,585)
Extraordinary Aid	100-034-5120-473	2,618,038	7/1/21-6/30/22					(2,618,038)		(2,618,038)			(2,618,038)
Non-Public Transportation	495-034-5120-014	91,060	7/1/20-6/30/21	(91,060)		91,060							(91,060)
Non-Public Transportation	495-034-5120-014	101,500	7/1/21-6/30/22					(101,500)		(101,500)			(101,500)
T.P.A.F. Social Security Aid	495-034-5095-003	3,733,995	7/1/21-6/30/22			3,550,714		(3,733,995)		(183,281)			(3,733,995)
On-behalf T.P.A.F. Pension Contribution	495-034-5095-002	18,587,275	7/1/21-6/30/22					(18,587,275)					(18,587,275)
On-behalf T.P.A.F. Post Retirement Medical	495-034-5095-001	4,342,739	7/1/21-6/30/22					(4,342,739)					(4,342,739)
On-behalf T.P.A.F. LTDI Premiums	495-034-5094-004	5,921	7/1/21-6/30/22					(5,921)					(5,921)
<b>Total General Fund</b>				<b>(2,117,645)</b>	<b>(438,053)</b>		<b>11,083,779</b>	<b>(34,909,305)</b>		<b>(2,908,132)</b>		<b>(537,157)</b>	<b>(41,538,439)</b>
<b>Special Revenue Fund</b>													
<b>State Department of Education:</b>													
SDA Emergent Needs								(151,144)					(151,144)
N.J. Nonpublic Aid:													
Textbook Aid	100-034-5120-064	24,131	7/1/20-6/30/21			6,627			(6,627)				
Textbook Aid	100-034-5120-064	25,867	7/1/21-6/30/22				25,867	(21,872)			3,995		(21,872)
Auxiliary Services:													
Compensatory Education	100-034-5120-067	72,286	7/1/20-6/30/21			16,984			(16,984)				
Compensatory Education	100-034-5120-067	70,858	7/1/21-6/30/22				70,858	(70,679)			179		(70,679)
Home Instruction	100-034-5120-067	1,037	7/1/21-6/30/22					(1,037)		(1,037)			(1,037)
Transportation	100-034-5120-067	10,874	7/1/21-6/30/22			10,874			(10,874)				
English As A Second Language	100-034-5120-067	444	7/1/21-6/30/22			89			(89)				
English As A Second Language	100-034-5120-068	639	7/1/21-6/30/22				639	(639)					(639)
Handicapped Services:													
Supplementary Instruction	100-034-5120-066	29,141	7/1/20-6/30/21			974			(974)				
Supplementary Instruction	100-034-5120-066	30,562	7/1/21-6/30/22				30,562	(30,562)					(30,562)
Examination & Classification	100-034-5120-066	58,887	7/1/21-6/30/22			9,660			(9,660)				
Examination & Classification	100-034-5120-066	38,490	7/1/21-6/30/22				38,490	(38,110)			380		(38,110)
Corrective Speech	100-034-5120-066	25,519	7/1/20-6/30/21			11,119			(11,119)				
Corrective Speech	100-034-5120-066	23,064	7/1/21-6/30/22				23,064	(19,530)			3,534		(19,530)
Nursing Services	100-034-5120-070	40,290	7/1/20-6/30/21			12,669			(12,669)				
Nursing Services	100-034-5120-070	46,368	7/1/21-6/30/22				46,368	(36,849)			9,519		(36,849)
Technology Initiative	100-034-5120-373	18,102	7/1/20-6/30/21			18,102			(16,410)				(16,410)
Nonpublic Security	100-034-5120-509	64,350	7/1/20-6/30/21			17,946			(17,946)				
Nonpublic Security	100-034-5120-509	75,425	7/1/21-6/30/22				75,425	(26,214)			49,211		(26,214)
<b>Total Special Revenue Fund</b>						<b>86,942</b>	<b>329,375</b>	<b>(413,046)</b>		<b>(86,942)</b>	<b>(1,037)</b>	<b>68,510</b>	<b>(413,046)</b>

WESTFIELD SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Schedule - B  
 Exhibit K -4

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NO.	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2021			CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE AT JUNE 30, 2022		MEMO	
				GAAP DEF.REV./ (ACCTS.REC.)	MEMO BUDGETARY (ACCTS. REC.)	DUE TO GRANTOR				(ACCTS.REC.)	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<b>Debt Service Fund</b>													
<b>State Department of Education:</b>													
Debt Service Aid	495-034-5120-017	\$ 838,234	7/1/21-6/30/22	\$ _____	\$ _____	\$ _____	\$ 838,234	\$ (838,234)	\$ _____	\$ _____	\$ _____	\$ _____	\$ (838,234)
<b>Total Debt Service Fund</b>							838,234	(838,234)					(838,234)
<b>Capital Projects Fund</b>													
<b>State Department of Education:</b>													
SDA Grants - Cluster	5730-xxx-xx-xxxx		Indefinite	(395,673)			395,673						
SDA Alyssa's Law School Security Grant	20E00312	353,018	7/1/20-6/30/22				258,620	(323,288)		(64,668)			(323,288)
<b>Total Capital Projects Fund</b>				(395,673)			654,293	(323,288)		(64,668)			(323,288)
<b>Total State Financial Assistance</b>				\$ (2,513,318)	\$ (438,053)	\$ 86,942	\$ 12,905,681	\$ (36,483,873)	\$ (86,942)	\$ (2,973,837)	\$ 68,510	\$ (537,157)	\$ (43,113,007)

Pursuant to the directive of the New Jersey State Department of Education, on-behalf payments for T.P.A.F. Pensions, Post-Retirement Medical and Non-Contributory Insurance are excluded from the scope of the State Single Audit and are not considered when determining Type A or Major Programs under NJOMB Circular 15-08.

**Reconciliation:**

Budgetary Expenditures	\$ 36,483,873
Less:	
On-behalf T.P.A.F. Pension Contribution	(18,587,275)
On-behalf T.P.A.F. Post Retirement Medical	(4,342,739)
On-behalf T.P.A.F. LTDI Premiums	(5,921)
Amount Subject to State Single Audit	<u>\$ 13,547,938</u>

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

**WESTFIELD SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND**  
**STATE FINANCIAL ASSISTANCE**  
**JUNE 30, 2022**

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented, or used in the preparation of, the basic financial statements. The District did not allocate any indirect costs to any of its federal and/or state financial awards/assistance programs during the 2021-2022 school year.

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

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A: 22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund accompanying schedules agree with amounts reported in the District's general-purpose financial statements. The general-purpose financial statements present the special revenue fund on both a GAAP basis and a budgetary basis. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also

**WESTFIELD SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE  
JUNE 30, 2022**

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

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

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

<u>Accounts Receivable</u>	<u>Budgetary Basis</u>	<u>Less: Encumbrances (Net)</u>	<u>GAAP Basis</u>
Federal	\$961,639	\$24,000	\$937,639

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(99,104) for the general fund and \$767 for the special revenue fund. See note to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds (C-3). Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 36,677	\$ 34,810,201	\$ 34,846,878
Special Revenue Fund	3,611,877	413,046	4,024,923
Capital Projects Fund		323,288	323,288
Debt Service Fund		838,234	838,234
Total financial award revenues	<u>\$ 3,648,554</u>	<u>\$ 36,384,769</u>	<u>\$ 40,033,323</u>

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

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

**NOTE 5. OTHER**

TPAF Pensions Contributions, Post-Retirement Medical, and Long Term Disability Benefits represents the amount paid by the state on behalf of the District for the year ended June 30, 2022. 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, 2022.

The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2022 amounted to \$22,935,935. Since on-behalf post retirement pension, medical and disability insurance benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey

WESTFIELD SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE  
JUNE 30, 2022

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

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

**NOTE 6. INDIRECT COSTS**

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

**WESTFIELD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section 1 - Summary of Auditors' Results

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal Control over financial reporting:

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

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

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

**Federal Awards**

Internal Control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR-200.516(a)? \_\_\_\_\_ Yes     X     No

Identification of major federal programs:

Assistance Listing Number	FAIN Numbers	Name of Federal Program or Cluster
		<u>Special Education (IDEA) Cluster:</u>
84.027	S027A210100	IDEA Special Education Grants to States
84.027	S027A220100	IDEA Special Education Grants to States
84.027	S027A220100	American Rescue Plan IDEA Special Education Grants to States
84.173	S173A200114	IDEA Preschool Grants for Children with Disabilities
84.173	S173A200114	American Rescue Plan IDEA Preschool Grants for Children with Disabilities
		<u>American Rescue Plan- ESSER Cluster:</u>
84.425D	S425D200027	Coronavirus Relief Fund- ESSER II
84.425D	S425D200027	American Rescue Plan- ESSER III

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

Auditee qualified as low-risk auditee?     X     Yes \_\_\_\_\_ No



**WESTFIELD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

**State Financial Assistance**

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

Auditee qualified as low-risk auditee?  X  Yes   No

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

Internal Control over major programs:

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

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

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

Identification of major state programs:

                    GMIS Number(s)                    

495-034-5120-014

                    Name of State Program or Cluster                    

Reimbursed T.P.A.F. Social Security Contributions

**WESTFIELD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section II - Schedule of Financial Statement Findings

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

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

None Noted.

**Noncompliance**

None Noted.

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

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

**Federal Award Programs:**

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

None Noted.

**Noncompliance**

None Noted.

**State Financial Assistance Programs:**

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

None Noted.

**Noncompliance**

None Noted.

**WESTFIELD SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

No prior year audit findings were noted.