



**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, 2023**

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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
June 30, 2023**

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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

Patty Ramos
Business Administrator/
Board Secretary

December 4, 2023

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

Dear Board Members and Constituents:

The annual comprehensive financial report (“ACFR”) of the Township of Westfield School District (District) as of and for the fiscal year ended June 30, 2023, 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 government-wide statements 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 ACFR 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 and is unaudited. 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 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> |
|--------------------|---|-----------------------|
| 2022-2023 | 5,875 | 1.0% |
| 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% |

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

Property taxes provided 93% of the District's General Fund budgeted revenues for the 2022-23 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 2022-2023 by Westfield students and staff included the following:
 - Westfield High School Class of 2023 earned a 98% graduation rate.
 - 94% of Westfield High School graduates are pursuing a higher education.
 - 227 Westfield High School students were inducted into the National Honor Society.

- 1 National Merit Finalist and 11 Commended Students in the 2023 National Merit Scholarship Program.
 - 79 AP Scholars with Distinction; 43 AP Scholars with Honor; 76 AP Scholars
 - 21 perfect SAT or ACT standardized test scores were earned by Westfield High School students.
 - 70 Westfield High School students inducted into National Honor Societies for French, Spanish, Italian, and Chinese.
 - 120 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 10th grader earned a perfect score on the intermediate level of the National Latin Exam.
 - 49 Westfield High School students earned a variety of awards and recognitions at all four levels of the National Latin Exam.
 - For a 6th consecutive year, the Westfield Public School District was named one of the “Best Communities for Music Education” in the nation.
 - 1 WHS 12th grader performed with NAfME National Choir.
 - 7 WHS student vocalists performed with 2023 All Eastern Chorus ensembles; 13 performed with All-State Mixed or Treble Chorus
 - 4 WHS student musicians performed with the All-State WHS Wind Ensemble and Symphonic Band.
 - 25 WHS student musicians selected to perform with regional choral and band ensembles.
 - Westfield High School Theatre Department received three Paper Mill Playhouse Rising Star Awards for its March 2023 production of "Sunday in the Park with George."
 - 45 of our 2023 graduating student-athletes are participating at the collegiate level.
 - Westfield High School Athletics Program awarded the prestigious ShopRite Cup for a 2nd consecutive year and only 3rd time since 2010.
 - Taking home State championships for the 2022-2023 season were WHS Girls Volleyball, Boys Winter/Indoor Track and Field, and Boys Swimming.
 - Placing 2nd in the NJSIAA State tournament were Girls Tennis, Girls Swimming, Boys Golf, Boys Cross Country, Boys Winter/Indoor Track Relays, and Boys Spring Track and Field.
 - 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 internal controls 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. 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, 2023.

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 government-wide financial statements. These funds and the government-wide financial statements are explained in "Notes to the Financial Statements", Note 1.

7. Debt Administration: The total debt outstanding for the District was \$14,875,000 as of June 30, 2023.

8. 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.

9. 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.

10. 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 Uniform Guidance, and related grant guidance and State OMB Circular 15-08. The auditors' report

on the basic 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.

11. Acknowledgments:

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

Respectfully submitted,

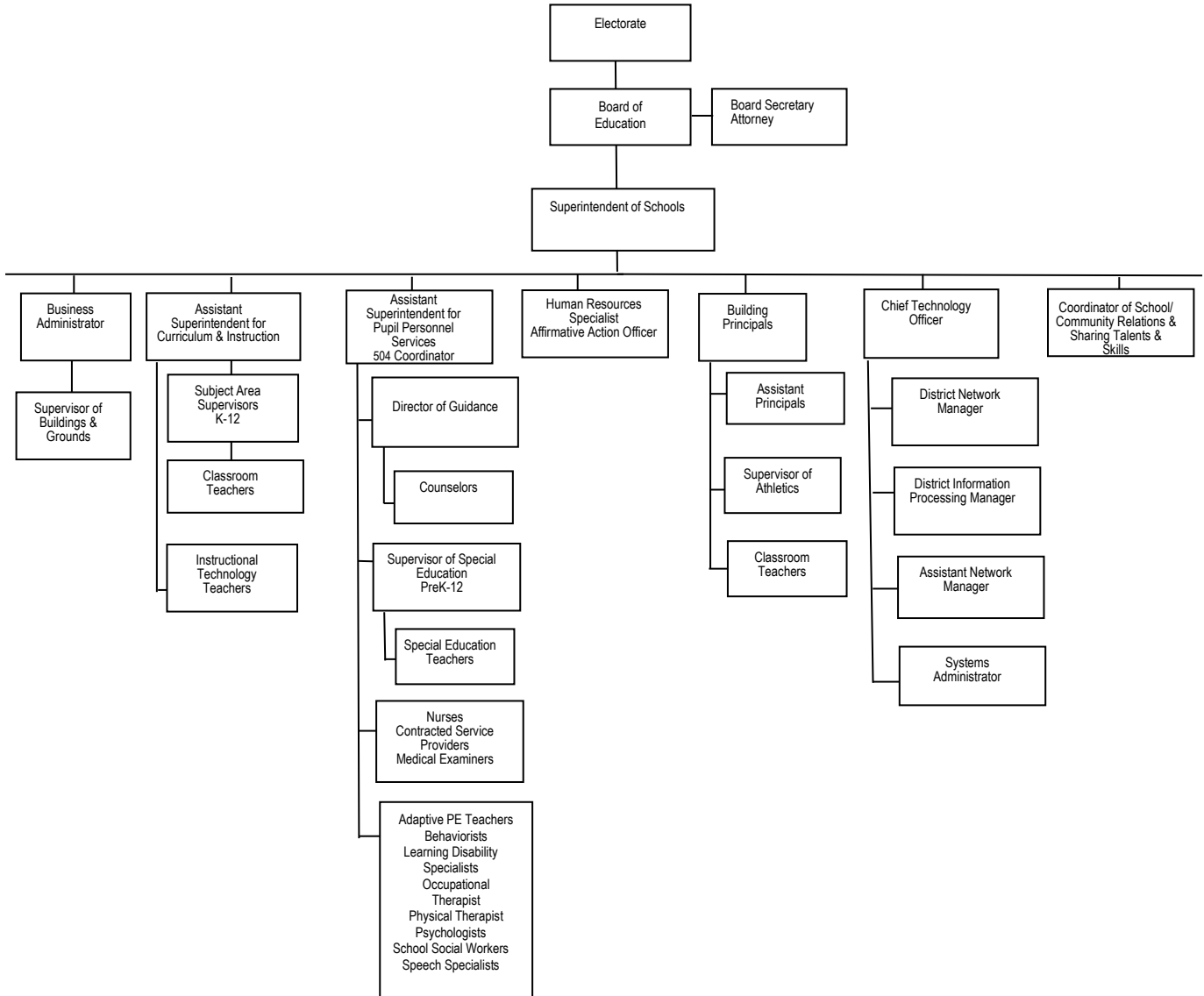


Raymond Gonzalez, Ed.D
Superintendent



Patty Ramos
School Business Administrator/Board Secretary

1110 ORGANIZATIONAL CHART



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

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

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

**ROSTER OF OFFICIALS
JUNE 30, 2023**

Members of the Board of Education

Term Expires

| | |
|----------------------------------|------|
| Sonal Patel, President | 2024 |
| Robert Benacchio, Vice President | 2025 |
| Sahar Aziz | 2024 |
| Kent Diamond | 2026 |
| Brendan Galligan | 2026 |
| Charles Gelinas | 2026 |
| Leila Morrelli | 2024 |
| Kristen Sonnek-Schmelz | 2025 |
| Mary Wickens | 2025 |

Other Officials

Raymond Gonzalez, Ed.D., Superintendent of Schools
Dana Sullivan, Business Administrator/Board Secretary retired 12/31/2022
Patricia Ramos, Business Administrator/Board Secretary effective 1/1/2023

**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

Phoenix 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, 2023, 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, 2023, 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.

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. 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

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**Honorable President and Members
of the Board of Education
Westfield School District**

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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.

**Honorable President and Members
of the Board of Education
Westfield School District**

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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 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.

**Honorable President and Members
of the Board of Education
Westfield School District**

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Other Information

Management is responsible for the other information included in the Annual Comprehensive Annual Financial Report for the year ended June 30, 2023. 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 December 4, 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

Cranford, New Jersey
December 4, 2023

Scott A Clelland

Scott A. Clelland, CPA
Licensed Public School Accountant, No. 1049

**REQUIRED SUPPLEMENTARY
INFORMATION**

PART I

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
June 30, 2023

This section of the district's annual comprehensive financial report presents a discussion and analysis of the district's financial performance during the fiscal year ending June 30, 2023. 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.

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 2022-2023 fiscal year include the following:

Governmental funds reported a total fund balance of \$21,308,509, which is a \$3,331,737 increase from last year's total governmental fund balance. The majority of the increase was due to revenues that exceeded expenditures in the general fund in the current year. The general or operating fund balance was reported for GAAP purposes at \$20,124,864 which represents an increase of \$4,969,849 over the prior year. Of this total, \$1,500,000 of excess surplus will be appropriated toward the 2024-2025 budget, and an additional \$1,500,000 has been restricted for the 2023-2024 budget. \$401,679 has been restricted for unemployment compensation. \$523,134 of general fund balance was assigned to cover open purchase orders at year-end. The unassigned general fund balance is reported at \$3,218,016. General fund balance is below the maximum permitted under the Department of Education regulations based upon 2% of general fund expenditures, with specified modifications. Total spending for all governmental funds was \$150,246,937. Total revenues were \$153,578,674 resulting in an excess of revenues over expenditures of \$3,331,737 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

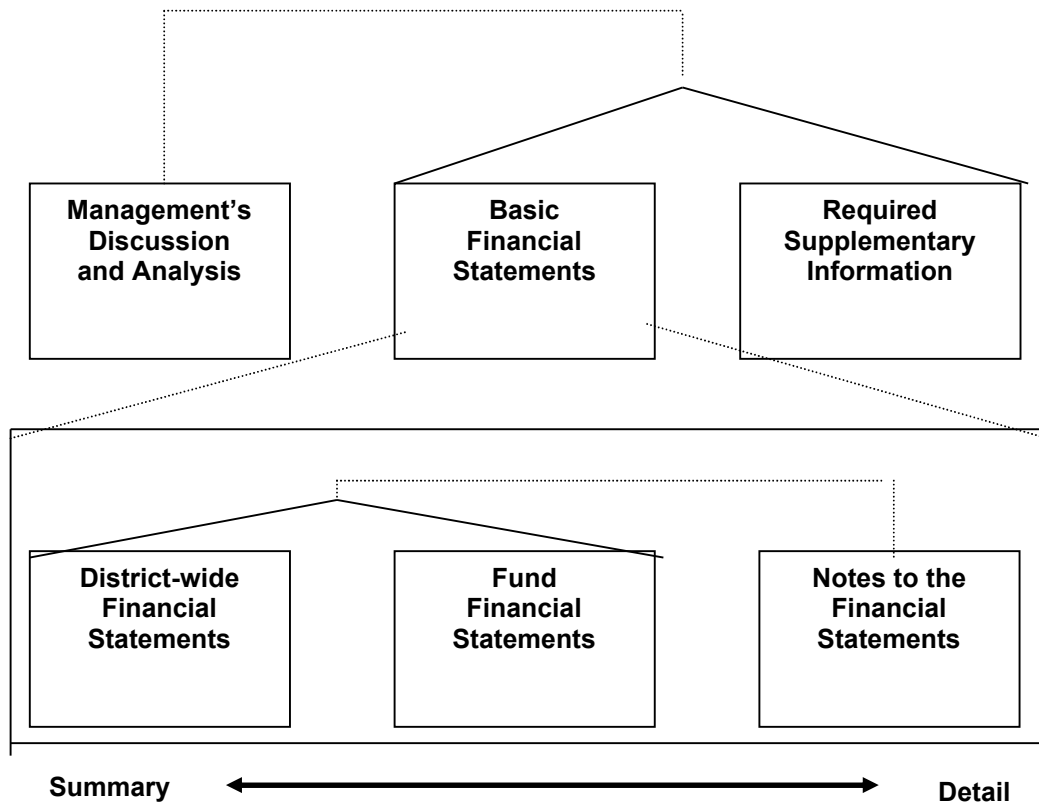


Figure A-2 summarizes the major features of the district’s financial statements, including the portion of the district’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

| | District-Wide Statements | Fund Financial Statements | |
|--|--|---|--|
| | | Governmental Funds | Proprietary Funds |
| | | Scope | Entire district |
| Required financial Statements | <ul style="list-style-type: none"> • Statement of net position • Statement of activities | <ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures, and changes in fund balances | <ul style="list-style-type: none"> • Statement of net position • Statement of cash flows |
| 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 \$46,379,146 at June 30, 2023. Of this amount, a deficit amount of \$19,203,759 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 and compensated absences. 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, 2023

| | Governmental Activities 2022 | Governmental Activities 2023 | Amount Difference | % Increase (Decrease) |
|---|---|---|-----------------------------------|--------------------------------------|
| Assets | | | | |
| Current and other assets | \$ 24,571,424 | \$ 27,216,120 | \$ 2,644,696 | 10.76% |
| Capital assets | <u>65,676,717</u> | <u>64,397,292</u> | <u>(1,279,425)</u> | -1.95% |
| Total Assets | \$ <u>90,248,141</u> | \$ <u>91,613,412</u> | \$ <u>1,365,271</u> | 1.51% |
| Deferred Outflows of Resources | <u>2,864,124</u> | <u>4,413,706</u> | <u>1,549,582</u> | 54.10% |
| Total Deferred Outflows of Resources | \$ <u>2,864,124</u> | \$ <u>4,413,706</u> | \$ <u>1,549,582</u> | 54.10% |
| Liabilities | | | | |
| Current and other liabilities | 11,303,450 | 10,523,330 | (780,120) | -6.90% |
| Long-term liabilities | <u>32,360,987</u> | <u>35,766,096</u> | <u>3,405,109</u> | 10.52% |
| Total Liabilities | \$ <u>43,664,437</u> | \$ <u>46,289,426</u> | \$ <u>2,624,989</u> | 6.01% |
| Deferred Inflows of Resources | <u>9,837,106</u> | <u>3,358,546</u> | <u>(6,478,560)</u> | -65.86% |
| Total Deferred Inflows of Resources | \$ <u>9,837,106</u> | \$ <u>3,358,546</u> | \$ <u>(6,478,560)</u> | -65.86% |
| Net Position | | | | |
| Net investment in capital assets | 49,006,289 | 49,227,359 | 221,070 | 0.45% |
| Restricted | 10,594,331 | 16,355,546 | 5,761,215 | 54.38% |
| Unrestricted | <u>(19,989,898)</u> | <u>(19,203,759)</u> | <u>786,139</u> | 3.93% |
| Total Net Position | \$ <u><u>39,610,722</u></u> | \$ <u><u>46,379,146</u></u> | \$ <u><u>6,768,424</u></u> | 17.09% |

The increase in current and other assets is attributed to an approximately \$4.01 million increase in cash in the general fund which was driven by an increase in the fund balance as of year end. The increase in general fund cash was offset by an approximately \$1.58 million decrease in capital projects fund cash as capital projects progressed during fiscal year 2023 which drew down on the cash and fund balance. Deferred outflow of resources represents deferred pension costs associated with the District's net pension liability. Deferred inflows of resources represent the District's proportionate share of earnings and assumptions associated with the District's net pension liability. The deferred outflows of resources and deferred inflows of resources fluctuated based on actuarially provided calculations related to the net pension liability. The majority of the decrease in current and other liabilities is due to a decrease in accounts payable. Accounts payable fluctuate based on the timing of payments of bills lists before year end. The increase in long-term liabilities is mainly attributable to an increase in the net pension liability of \$5,280,067 offset by a decrease in bonds payable of \$2,350,000. In fiscal year 2023, the District did not issue any new debt and paid \$2,350,000 in principal maturities during the fiscal year. Restricted net position increased mainly due to an increase in the capital reserve of \$5,356,118 and an increase in excess surplus of \$1,500,000. This was offset by decreases of \$516,874 in the maintenance reserve and \$1,643,642 in capital projects.

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 slightly so you can see the District's total revenues and expenses for the year.

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

| | <u>Governmental Activities</u> | | <u>Amount Difference</u> | <u>Percentage Increase (Decrease)</u> |
|---|--------------------------------|-----------------------|------------------------------|---|
| | <u>2022</u> | <u>2023</u> | | |
| Revenues: | | | | |
| Program revenue | | | | |
| Charges for Services | \$ 980,153 | \$ 1,293,139 | \$ 312,986 | 31.93% |
| Operating Grants and Contributions | 30,485,269 | 23,953,846 | (6,531,423) | -21.42% |
| General revenue | | | | |
| Local tax levy | 108,183,929 | 109,594,132 | 1,410,203 | 1.30% |
| Federal and state aid | 6,043,251 | 7,250,508 | 1,207,257 | 19.98% |
| Miscellaneous revenues | \$474,577 | 1,671,206 | 1,196,629 | 252.15% |
| Total revenues | \$ 146,167,179 | \$ 143,762,831 | \$ (2,404,348) | -1.64% |
| Function/program expense: | | | | |
| Instruction | | | | |
| Regular programs | 42,558,356 | 41,737,944 | (820,412) | -1.93% |
| Special programs | 9,761,040 | 10,129,602 | 368,562 | 3.78% |
| Other instructional programs | 1,898,069 | 1,957,264 | 59,195 | 3.12% |
| Support services | | | | |
| Student services | 16,711,229 | 17,214,133 | 502,904 | 3.01% |
| Tuition | 6,543,325 | 8,091,422 | 1,548,097 | 23.66% |
| General administration and | | | | |
| business services | 4,824,423 | 4,974,412 | 149,989 | 3.11% |
| School administration | 3,677,432 | 3,748,509 | 71,077 | 1.93% |
| Plant services | 6,729,444 | 6,569,404 | (160,040) | -2.38% |
| Pupil transportation | 4,175,908 | 5,395,685 | 1,219,777 | 29.21% |
| Unallocated benefits | 42,020,905 | 36,015,689 | (6,005,216) | -14.29% |
| Unallocated depreciation and amortization | 739,749 | 766,456 | 26,707 | 3.61% |
| Interest on long-term debt | 454,861 | 393,887 | (60,974) | -13.40% |
| Total expenses | \$ 140,094,741 | \$ 136,994,407 | \$ (3,100,334) | -2.21% |
| Transfers (From) or To | 500,000 | | (500,000) | -100.00% |
| Increase in net position | \$ 6,572,438 | \$ 6,768,424 | \$ 195,986 | 2.98% |

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

| | Business-Type Activities | | Amount Difference | Percentage Increase (Decrease) |
|--|--------------------------|---------------------|----------------------|--------------------------------------|
| | 2022 | 2023 | | |
| Revenues: | | | | |
| Program revenue | | | | |
| Charges for services | \$ 1,676,327 | \$ 2,186,920 | \$ 510,593 | 30.46% |
| Miscellaneous revenues | 5,772 | 57,150 | 51,378 | 890.12% |
| Total revenues | \$ 1,682,099 | \$ 2,244,070 | \$ 561,971 | 33.41% |
| Expenses : | | | | |
| Food Service | 1,244,348 | 1,547,626 | 303,278 | 24.37% |
| WRAP Program | 322,967 | 334,399 | 11,432 | 3.54% |
| Total expenses | \$ 1,567,315 | \$ 1,882,025 | \$ 314,710 | 20.08% |
| Transfers from food service | (500,000) | | 500,000 | 100.00% |
| (Decrease) Increase in net position | \$ (385,216) | \$ 362,045 | \$ 747,261 | 193.98% |

Governmental activities charges for services increased in fiscal year 2023 due to increased student activity revenues as student activity programs resumed a full year of operations in fiscal year 2023 after being negatively impacted in the prior year from the pandemic. The decrease in governmental activities operating grants and contributions was mainly attributed to a decrease in the GASB Statement No. 75 OPEB benefit recognized on behalf of the District. The governmental activities state and federal aid increased as a result of an increase in the state categorical special education aid and an increase in federal FEMA grant revenue in the current year. Governmental activities miscellaneous revenues increased due to increases in interest revenue. Governmental activities tuition expenses mainly increased due to tuition associated with private schools for the disabled. Governmental activities pupil transportation costs increased in all categories, but the main increase was recognized in increased costs associated with special education transportation. Governmental activities unallocated benefits decreased due to decreases in health benefit costs and a decrease in the GASB Statement No. 75 OPEB expense recognized on behalf of the District. Governmental activities interest on long-term debt decreased as no debt was issued in fiscal year 2023 and existing debt was paid down. A transfer from the cafeteria fund to the general fund was not performed in fiscal year 2023, therefore resulting in the fluctuation of transfers noted in governmental activities and business-type activities. Overall, business-type activities revenues and expenses increased in 2023 due to 2023 being the first full fiscal year resuming normal operations since the pandemic.

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) | |
|---|-----------------------|-----------------------|------------------------|--------------|
| | 2022 | 2023 | \$ | % |
| Instruction | | | | |
| Regular programs | \$ 42,558,356 | \$ 41,737,944 | \$ (820,412) | -1.9% |
| Special programs | 9,761,040 | 10,129,602 | 368,562 | 3.8% |
| Other Instructional programs | 1,898,069 | 1,957,264 | 59,195 | 3.1% |
| Support services | | | | |
| Student services | 16,711,229 | 17,214,133 | 502,904 | 3.0% |
| Tuition | 6,543,325 | 8,091,422 | 1,548,097 | 23.7% |
| Instructional staff support | | | | |
| General administration and business services | 4,824,423 | 4,974,412 | 149,989 | 3.1% |
| School administration | 3,677,432 | 3,748,509 | 71,077 | 1.9% |
| Plant services | 6,729,444 | 6,569,404 | (160,040) | -2.4% |
| Student transportation | 4,175,908 | 5,395,685 | 1,219,777 | 29.2% |
| Unallocated benefits | 42,020,905 | 36,015,689 | (6,005,216) | -14.3% |
| Unallocated depreciation and amortization | 739,749 | 766,456 | 26,707 | 3.6% |
| Interest on long-term debt | 454,861 | 393,887 | (60,974) | -13.4% |
| Total | \$ 140,094,741 | \$ 136,994,407 | \$ (3,100,334) | -2.2% |

As noted above, tuition expenses mainly increased due to tuition associated with private schools for the disabled. Pupil transportation costs increased in all categories, but the main increase was recognized in increased costs associated with special education transportation. Unallocated benefits decreased due to decreases in health benefit costs and a decrease in the GASB Statement No. 75 OPEB expense recognized on behalf of the District. Interest on long-term debt decreased as no debt was issued in fiscal year 2023 and existing debt was paid down.

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 \$21,308,509, which is an increase of \$3,331,737 from last year. This amount includes the general fund (increase of \$4,969,849), special revenue fund (increase of \$5,530) and capital projects fund (decrease of \$1,643,642). The primary reasons for the increase/decrease are:

1. Use of capital reserves to finance capital projects without the need for debt issuances.
2. Decreases in benefit expenses in 2023.

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 \$30.44 million. This is due primarily to the State reimbursement/on behalf payments in the amount of \$27.22 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 financial statements.

Actual expenditures reflect a negative variance of \$23.91 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, 2023, the school district governmental activities reported \$126,966,861 invested in a broad range of capital assets, including land, construction in progress, buildings, building improvements, other improvements, vehicles, furniture and equipment. This amount represents a net increase (including additions, trade-ins and retirements) of \$2,752,280 from the prior year. Figure A-6 details the composition of capital assets at June 30th of the current and prior year and the net changes for the current year.

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

| | <u>FY 2022</u> | <u>FY 2023</u> | <u>Increase (Decrease)</u> |
|--------------------------------------|------------------------------|------------------------------|--------------------------------|
| Land | \$ 4,488,200 | \$ 4,488,200 | \$ - |
| Construction in Progress | 15,165,965 | 10,891,205 | (4,274,760) |
| Buildings and Improvements | 87,221,973 | 94,077,550 | 6,855,577 |
| Furniture, Equipment and Vehicles | <u>17,338,443</u> | <u>17,509,906</u> | <u>171,463</u> |
| Total | \$ <u>124,214,581</u> | \$ <u>126,966,861</u> | \$ <u>2,752,280</u> |

Long-Term Liabilities

At the end of this year, the school district had \$14,875,000 in bonds (Type II debt) outstanding versus \$17,225,000 last year – a decrease of 16%. The summary of year-end long-term liabilities and changes for the 2022-2023 school year is as follows:

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

| | <u>Governmental Activities</u> | | <u>Increase (Decrease)</u> |
|------------------------------|--------------------------------|-----------------------------|--------------------------------|
| | <u>2022</u> | <u>2023</u> | |
| School Serial Bonds Payable | \$ 17,225,000 | \$ 14,875,000 | \$ (2,350,000) |
| Unamortized Premium on Bonds | 444,695 | 369,620 | (75,075) |
| Other Long Term Liabilities: | | | |
| Net Pension Liability | 14,968,402 | 20,248,469 | 5,280,067 |
| Compensated Absences Payable | <u>2,578,137</u> | <u>3,140,409</u> | <u>562,272</u> |
| Total | \$ <u>35,216,234</u> | \$ <u>38,633,498</u> | \$ <u>3,417,264</u> |

FACTORS AFFECTING THE DISTRICT'S FUTURE

- The largest expenditure in the school budget is for employee salaries and wages. The contract with the Westfield Association of Administrators and Supervisors expired on June 30, 2023. 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 Patty Ramos, 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, 2023

| | <u>GOVERNMENTAL</u> <u>ACTIVITIES</u> | <u>BUSINESS-TYPE</u> <u>ACTIVITIES</u> | <u>TOTAL</u> |
|--|--|---|----------------------|
| <u>ASSETS</u> | | | |
| Cash and Cash Equivalents | \$ 23,817,552 | \$ 1,138,560 | \$ 24,956,112 |
| Other Receivables | 528,645 | 23,894 | 552,539 |
| Receivables from Other Governments | 2,847,612 | | 2,847,612 |
| Inventory | | 26,929 | 26,929 |
| Restricted Cash Held With Fiscal Agent | 22,311 | | 22,311 |
| Capital Assets, Non-Depreciable | 15,379,405 | | 15,379,405 |
| Capital Assets, Depreciable, Net | 49,017,887 | 391,508 | 49,409,395 |
| Total Assets | 91,613,412 | 1,580,891 | 93,194,303 |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | |
| Pension Deferrals | 4,339,019 | | 4,339,019 |
| Deferred Amount on Refinancing | 74,687 | | 74,687 |
| Total Deferred Outflows of Resources | 4,413,706 | - | 4,413,706 |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | 1,646,396 | 108,197 | 1,754,593 |
| Accrued Interest Payable | 140,151 | | 140,151 |
| Accrued Liabilities | 4,389,903 | | 4,389,903 |
| Payable to Other Governments | 108,167 | | 108,167 |
| Payroll Deductions and Withholdings Payable | 610,085 | | 610,085 |
| Unemployment Compensation Claims Payable | 332,222 | | 332,222 |
| Unearned Revenue | 429,004 | 152,756 | 581,760 |
| Noncurrent Liabilities: | | | |
| Due Within One Year | 2,867,402 | | 2,867,402 |
| Due Beyond One Year | 15,517,627 | | 15,517,627 |
| Net Pension Liability | 20,248,469 | | 20,248,469 |
| Total Liabilities | 46,289,426 | 260,953 | 46,550,379 |
| <u>DEFERRED INFLOW OF RESOURCES</u> | | | |
| Pension Deferrals | 3,358,546 | | 3,358,546 |
| Total Deferred Inflow of Resources | 3,358,546 | - | 3,358,546 |
| <u>NET POSITION</u> | | | |
| Net investment in capital assets | 49,227,359 | 391,508 | 49,618,867 |
| Restricted for: | | | |
| Capital Reserve | 9,891,768 | | 9,891,768 |
| Maintenance Reserve | 2,090,267 | | 2,090,267 |
| Emergency Reserve | 1,000,000 | | 1,000,000 |
| Capital Projects | 542,496 | | 542,496 |
| Unemployment Compensation | 401,679 | | 401,679 |
| Student Activities | 641,149 | | 641,149 |
| Excess Surplus | 1,788,187 | | 1,788,187 |
| Unrestricted (Deficit) | (19,203,759) | 928,430 | (18,275,329) |
| Total Net Position | \$ 46,379,146 | \$ 1,319,938 | \$ 47,699,084 |

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, 2023**

| Functions/Programs | EXPENSES | PROGRAM REVENUES | | NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION | | |
|--|-----------------------|-------------------------|--|---|-----------------------------|----------------------|
| | | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL |
| Governmental Activities: | | | | | | |
| Instruction: | | | | | | |
| Regular | \$ 41,737,944 | \$ | \$ 2,132,372 | \$ (39,605,572) | \$ | \$ (39,605,572) |
| Special Education | 8,713,862 | | | (8,713,862) | | (8,713,862) |
| Other Special Instruction | 1,415,740 | | | (1,415,740) | | (1,415,740) |
| Other Instruction | 1,957,264 | | | (1,957,264) | | (1,957,264) |
| Support Services: | | | | | | |
| Tuition | 8,091,422 | 137,424 | 2,454,237 | (5,499,761) | | (5,499,761) |
| Student & Instruction Related Services | 17,214,133 | 1,127,555 | 1,152,001 | (14,934,577) | | (14,934,577) |
| School Administrative Services | 3,748,509 | | | (3,748,509) | | (3,748,509) |
| General and Business Administrative Services | 4,974,412 | | | (4,974,412) | | (4,974,412) |
| Plant Operations and Maintenance | 6,569,404 | | 128,367 | (6,441,037) | | (6,441,037) |
| Pupil Transportation | 5,395,685 | 28,160 | 683,633 | (4,683,892) | | (4,683,892) |
| Unallocated Benefits | 36,015,689 | | 17,403,236 | (18,612,453) | | (18,612,453) |
| Interest on Long-Term Debt | 393,887 | | | (393,887) | | (393,887) |
| Unallocated Depreciation and Amortization | 766,456 | | | (766,456) | | (766,456) |
| Total Governmental Activities | 136,994,407 | 1,293,139 | 23,953,846 | (111,747,422) | | (111,747,422) |
| Business-Type Activities: | | | | | | |
| Food Service | 1,547,626 | 1,691,580 | | | 143,954 | 143,954 |
| WRAP Program | 334,399 | 495,340 | | | 160,941 | 160,941 |
| Total Business-Type Activities | 1,882,025 | 2,186,920 | - | | 304,895 | 304,895 |
| Total Primary Government | \$ 138,876,432 | \$ 3,480,059 | \$ 23,953,846 | (111,747,422) | 304,895 | (111,442,527) |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Taxes Levied for General Purposes, Net | | | | 107,628,137 | | 107,628,137 |
| Taxes Levied for Debt Service | | | | 1,965,995 | | 1,965,995 |
| Federal and State Aid Not Restricted | | | | 6,421,465 | | 6,421,465 |
| Federal and State Aid Restricted | | | | 829,043 | | 829,043 |
| Investment Earnings | | | | 1,248,112 | 33,256 | 1,281,368 |
| Miscellaneous Income | | | | 423,094 | 23,894 | 446,988 |
| Total General Revenues | | | | 118,515,846 | 57,150 | 118,572,996 |
| Change in Net Position | | | | 6,768,424 | 362,045 | 7,130,469 |
| Net Position—Beginning | | | | 39,610,722 | 957,893 | 40,568,615 |
| Net Position—Ending | | | | \$ 46,379,146 | \$ 1,319,938 | \$ 47,699,084 |

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, 2023**

Exhibit B-1
Page 1 of 2

| <u>ASSETS</u> | <u>MAJOR FUNDS</u> | | | <u>TOTAL GOVERNMENTAL FUNDS</u> |
|---|-------------------------|-------------------------------------|--------------------------------------|---|
| | <u>GENERAL FUND</u> | <u>SPECIAL REVENUE FUND</u> | <u>CAPITAL PROJECTS FUND</u> | |
| Cash and Cash Equivalents | \$ 18,042,931 | \$ 809,547 | \$ 541,171 | \$ 19,393,649 |
| Other Receivables | 524,325 | 90 | | 524,415 |
| Interfund Receivable | | | 1,325 | 1,325 |
| Receivables from Other Governments | 2,562,189 | 285,423 | | 2,847,612 |
| Restricted Cash and Cash Equivalents | 22,311 | | | 22,311 |
| Total Assets | \$ 21,151,756 | \$ 1,095,060 | \$ 542,496 | \$ 22,789,312 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | |
| Liabilities: | | | | |
| Intergovernmental Payable | \$ | \$ 108,167 | \$ | \$ 108,167 |
| Interfund Payable | 1,325 | | | 1,325 |
| Payroll Deductions and Withholdings Payable | 610,085 | | | 610,085 |
| Unemployment Compensation Claims Payable | 332,222 | | | 332,222 |
| Unearned Revenue | 83,260 | 345,744 | | 429,004 |
| Total liabilities | 1,026,892 | 453,911 | | 1,480,803 |
| Fund Balances: | | | | |
| Restricted for: | | | | |
| Capital Reserve | 9,891,768 | | | 9,891,768 |
| Maintenance Reserve | 2,090,267 | | | 2,090,267 |
| Emergency Reserve | 1,000,000 | | | 1,000,000 |
| Excess Surplus - Current Year | 1,500,000 | | | 1,500,000 |
| Excess Surplus - Designated for Subsequent Year's Expenditures | 288,187 | | | 288,187 |
| Unemployment Compensation | 401,679 | | | 401,679 |
| Student Activities | | 641,149 | | 641,149 |
| Assigned for: | | | | |
| Other Purposes | 523,134 | | | 523,134 |
| Designated for Subsequent Year's Expenditures | 1,211,813 | | | 1,211,813 |
| Capital Projects Fund | | | 542,496 | 542,496 |
| Unassigned, Reported in: | | | | |
| General Fund | 3,218,016 | | | 3,218,016 |
| Total Fund Balances | 20,124,864 | 641,149 | 542,496 | 21,308,509 |
| Total Liabilities and Fund Balances | \$ 21,151,756 | \$ 1,095,060 | \$ 542,496 | \$ 22,789,312 |

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

**WESTFIELD SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

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

| | | |
|--|--|--------------------------|
| Total Governmental Fund Balances | \$ | 21,308,509 |
| 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 \$126,966,861, and the accumulated depreciation is \$62,569,569. | | 64,397,292 |
| Long-term liabilities, including bonds (net of premiums and/or discounts), 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. | | (18,385,029) |
| 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. | | (140,151) |
| 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 | (20,248,469) |
| | Accounts Payable - Pension Related | (1,646,396) |
| 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 | 4,339,019 |
| | Deferred Inflows of Resources Related to Pensions | (3,358,546) |
| 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 \$392,851. | | 74,687 |
| Internal service funds are used by the District to charge the costs of the District's self-insurance fund to the individual funds. The assets and liabilities of the internal service funds are included with governmental activities. | | 38,230 |
| Net Position of Governmental Activities | \$ | <u>46,379,146</u> |

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, 2023

Exhibit B-2
Page 1 of 2

| | MAJOR FUNDS | | | | TOTAL GOVERNMENTAL FUNDS |
|---|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| | GENERAL FUND | SPECIAL REVENUE FUND | CAPITAL PROJECTS FUND | DEBT SERVICE FUND | |
| <u>REVENUES</u> | | | | | |
| Local Tax Levy | \$ 107,628,137 | | | \$ 1,965,995 | \$ 109,594,132 |
| Tuition Charges | 49,211 | | | | 49,211 |
| Tuition Charges from Other LEA's | 88,213 | | | | 88,213 |
| Transportation | 28,160 | | | | 28,160 |
| Other Restricted Miscellaneous Revenues | 26,335 | | | | 26,335 |
| Miscellaneous | 1,644,871 | | | | 1,644,871 |
| Local Sources | | 1,332,547 | | | 1,332,547 |
| State Sources | 36,251,781 | 436,149 | 29,730 | 799,313 | 37,516,973 |
| Federal Sources | 526,633 | 2,771,599 | | | 3,298,232 |
| Total Revenues | 146,243,341 | 4,540,295 | 29,730 | 2,765,308 | 153,578,674 |
| <u>EXPENDITURES</u> | | | | | |
| Current: | | | | | |
| Regular Instruction | 36,380,208 | 2,132,372 | | | 38,512,580 |
| Special Education Instruction | 8,713,862 | | | | 8,713,862 |
| Other Special Instruction | 1,415,740 | | | | 1,415,740 |
| Other Instruction | 1,957,264 | | | | 1,957,264 |
| Support Services and Undistributed Costs: | | | | | |
| Tuition | 8,091,422 | | | | 8,091,422 |
| Student & Instruction Related Services | 14,940,107 | 2,274,026 | | | 17,214,133 |
| School Administrative Services | 3,748,509 | | | | 3,748,509 |
| Other Administrative Services | 4,974,412 | | | | 4,974,412 |
| Plant Operations and Maintenance | 6,925,080 | | | | 6,925,080 |
| Pupil Transportation | 5,395,685 | | | | 5,395,685 |
| Unallocated Benefits | 20,917,259 | | | | 20,917,259 |
| On-behalf TPAF Social Security and Pension Contributions | 27,219,079 | | | | 27,219,079 |
| Debt Service: | | | | | |
| Principal | | | | 2,350,000 | 2,350,000 |
| Interest and Other Charges | | | | 415,308 | 415,308 |
| Capital Outlay | 503,839 | 128,367 | 1,764,398 | | 2,396,604 |
| Total Expenditures | 141,182,466 | 4,534,765 | 1,764,398 | 2,765,308 | 150,246,937 |

WESTFIELD SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

Exhibit B-2
Page 2 of 2

| | MAJOR FUNDS | | | | TOTAL GOVERNMENTAL FUNDS |
|--|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| | GENERAL FUND | SPECIAL REVENUE FUND | CAPITAL PROJECTS FUND | DEBT SERVICE FUND | |
| Excess (Deficiency) of Revenues over Expenditures | \$ 5,060,875 | \$ 5,530 | \$ (1,734,668) | \$ - | \$ 3,331,737 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | | |
| Transfers in | | | 91,026 | | 91,026 |
| Transfers out | (91,026) | | | | (91,026) |
| Total Other Financing Sources and Uses | (91,026) | - | 91,026 | - | - |
| Net Change in Fund Balances | 4,969,849 | 5,530 | (1,643,642) | - | 3,331,737 |
| Fund Balance—Beginning | 15,155,015 | 635,619 | 2,186,138 | - | 17,976,772 |
| Fund Balance—Ending | \$ 20,124,864 | \$ 641,149 | \$ 542,496 | \$ - | \$ 21,308,509 |

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, 2023**

Total net change in fund balances - governmental funds (from B-2) \$ 3,331,737

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 depreciation exceeded capital outlays in the period.

| | | |
|----------------------|------------------|-------------|
| Depreciation Expense | \$ (4,031,705) | |
| Capital Outlays | <u>2,752,280</u> | (1,279,425) |

Repayment of bonds (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. 2,350,000

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 (+). 21,421

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 (+). (562,272)

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. 2,828,848

Governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.

| | | |
|--|-----------------|--------|
| Amortization of Premium on Bonds | 75,075 | |
| Amortization of Deferred Accounting Loss | <u>(35,190)</u> | 39,885 |

The Internal Service Fund is used by the District to charge the costs of self insurance to other funds. The activity of this fund is included in the Statement of Activities. 38,230

Change in net position of governmental activities (A-2) \$ 6,768,424

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

PROPRIETARY FUNDS

**WESTFIELD SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023**

| | MAJOR FUNDS | | | NON-MAJOR FUNDS |
|--|--|-------------------------|---------------------|--|
| | BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS | | | INTERNAL SERVICE FUND SELF INSURANCE FUND |
| | FOOD SERVICE | WRAP PROGRAM | TOTALS | |
| <u>ASSETS</u> | | | | |
| Current assets: | | | | |
| Cash and Cash Equivalents | \$ 878,158 | \$ 260,402 | \$ 1,138,560 | \$ 4,423,903 |
| Accounts Receivable | 23,894 | | 23,894 | 4,230 |
| Inventory | 26,929 | | 26,929 | |
| Total Current Assets | 928,981 | 260,402 | 1,189,383 | 4,428,133 |
| Noncurrent Assets: | | | | |
| Furniture, Machinery & Equipment | 955,118 | | 955,118 | |
| Less Accumulated Depreciation | (563,610) | | (563,610) | |
| Total Noncurrent Assets | 391,508 | - | 391,508 | - |
| Total Assets | \$ 1,320,489 | \$ 260,402 | \$ 1,580,891 | \$ 4,428,133 |
| <u>LIABILITIES</u> | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | \$ 108,197 | | \$ 108,197 | |
| Unearned Revenue | 103,916 | 48,840 | 152,756 | |
| Accrued Liability for Insurance Claims | | | | 4,389,903 |
| Total Current Liabilities | 212,113 | 48,840 | 260,953 | 4,389,903 |
| <u>NET POSITION</u> | | | | |
| Investment in Capital Assets | 391,508 | | 391,508 | |
| Unrestricted | 716,868 | 211,562 | 928,430 | 38,230 |
| Total Net Position | \$ 1,108,376 | \$ 211,562 | \$ 1,319,938 | \$ 38,230 |

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, 2023

| | MAJOR FUNDS | | | NON-MAJOR FUNDS |
|---|-----------------------------------|---------------------|---------------------|----------------------------|
| | BUSINESS TYPE ACTIVITIES - | | | INTERNAL |
| | ENTERPRISE FUNDS | | | SERVICE FUND |
| | FOOD SERVICE | WRAP PROGRAM | TOTALS | SELF INSURANCE FUND |
| <u>OPERATING REVENUES</u> | | | | |
| Local Sources: | | | | |
| Daily Sales - Non-Reimbursable Programs | \$ 1,691,580 | \$ | \$ 1,691,580 | \$ |
| Charges for Services | | | | 18,383,102 |
| Total Local Sources | 1,691,580 | | 1,691,580 | 18,383,102 |
| Program Fees | | 495,340 | 495,340 | |
| Total Operating Revenues | 1,691,580 | 495,340 | 2,186,920 | 18,383,102 |
| <u>OPERATING EXPENSES</u> | | | | |
| Cost of Sales: | | | | |
| Non-Program Sales | 657,817 | | 657,817 | |
| Total Cost of Sales | 657,817 | | 657,817 | |
| Direct Labor | 288,736 | 332,965 | 621,701 | |
| Employee Benefits | 72,404 | | 72,404 | 18,344,872 |
| Administrative Labor | 281,328 | | 281,328 | |
| Supplies | 62,187 | 1,434 | 63,621 | |
| Office and Administrative | 34,582 | | 34,582 | |
| Outside Services | 6,967 | | 6,967 | |
| Management Fees | 116,243 | | 116,243 | |
| Depreciation | 27,362 | | 27,362 | |
| Total Operating Expenses | 1,547,626 | 334,399 | 1,882,025 | 18,344,872 |
| Operating Income | 143,954 | 160,941 | 304,895 | 38,230 |
| Non-Operating Revenues: | | | | |
| Interest on Deposits | 33,256 | | 33,256 | |
| Food Service Company Profit Guarantee | 23,894 | | 23,894 | |
| Total Non-Operating Revenues | 57,150 | - | 57,150 | - |
| Change in Net Position | 201,104 | 160,941 | 362,045 | 38,230 |
| Total Net Position Beginning | 907,272 | 50,621 | 957,893 | - |
| Total Net Position Ending | \$ 1,108,376 | \$ 211,562 | \$ 1,319,938 | \$ 38,230 |

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, 2023**

| | MAJOR FUNDS | | | NON-MAJOR FUNDS |
|---|--|---------------------|---------------------|------------------------------|
| | BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS | | | INTERNAL SERVICE FUND |
| | FOOD SERVICE | WRAP PROGRAM | TOTALS | SELF INSURANCE FUND |
| Cash Flows from Operating Activities: | | | | |
| Receipts from Customers | \$ 1,731,036 | \$ 485,280 | \$ 2,216,316 | \$ |
| Payments for Employee Services | (642,468) | (332,965) | (975,433) | |
| Payments to Suppliers | (878,500) | (1,434) | (879,934) | |
| Receipts from Services Provided | | | | 18,378,872 |
| Payments for Insurance | | | | (17,306,375) |
| Net Cash Provided by Operating Activities | 210,068 | 150,881 | 360,949 | 1,072,497 |
| Cash Flows from Capital and Related Financing Activity: | | | | |
| Purchase of Capital Assets | (119,196) | | (119,196) | |
| Net Cash Used by Capital and Related Financing Activity | (119,196) | - | (119,196) | - |
| Cash Flows from Investing Activity: | | | | |
| Interest on Deposits | 33,256 | | 33,256 | |
| Net Cash Provided by Investing Activities | 33,256 | - | 33,256 | - |
| Net Increase in Cash and Cash Equivalents | 124,128 | 150,881 | 394,205 | 1,072,497 |
| Cash and Cash Equivalents, July 1 | 754,030 | 109,521 | 863,551 | 3,351,406 |
| Cash and Cash Equivalents, June 30 | \$ 878,158 | \$ 260,402 | \$ 1,138,560 | \$ 4,423,903 |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities: | | | | |
| Operating Income | \$ 143,954 | \$ 160,941 | \$ 304,895 | \$ 38,230 |
| Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities: | | | | |
| Depreciation | 27,362 | | 27,362 | |
| Decrease/(Increase) in Accounts Receivable | 2,635 | | 2,635 | (4,230) |
| (Increase) in Inventory | (134) | | (134) | |
| Increase/(Decrease) in Unearned Revenue | 36,821 | (10,060) | 26,761 | |
| (Decrease) in Accounts Payable | (570) | | (570) | |
| Increase in Accrued Liability for Insurance Claims | | | | 1,038,497 |
| Net Cash Provided by Operating Activities | \$ 210,068 | \$ 150,881 | \$ 360,949 | \$ 1,072,497 |

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, 2023

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, 2023 of 5,875 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.

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 capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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 School 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 non-major 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 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.

Except for student activity funds, 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 assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

NOTES TO FINANCIAL STATEMENTS

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

G. Encumbrances (Cont'd):

Open encumbrances in the special revenue fund for which the District has received advances, are reflected in the balance sheet as unearned revenues at fiscal year-end. At June 30, 2023, encumbered balances of grant funds advanced amounted to \$186,475.

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 2022-2023 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 expenses 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 acquisition 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 capital 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 Government-wide financial statements, 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 capital assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on the 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 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 \$3,140,409 at June 30, 2023 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 two items in this category; the deferred amount on refinancing and pension deferrals. 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 pension deferrals 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, 2022.

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 one pension related item in this category; pension deferrals.

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 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 \$18,385,029 difference are as follows:

| | |
|--|----------------------|
| Bonds payable | \$ 14,875,000 |
| Premium on bonds | 369,620 |
| Compensated absences | <u>3,140,409</u> |
| Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities | <u>\$ 18,385,029</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 | \$ 500,000 |
| NJGUDPA (N.J.S.A. 17:9-41) | 25,738,091 |
| Uninsured | <u>1,665,219</u> |
| Total | <u>\$ 27,903,310</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, 2023, the carrying amount of the District's deposits was \$24,978,423 and the bank balance was \$27,903,310. Of the bank balance, \$500,000 of the District's cash deposits on June 30, 2023 was covered by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$25,738,091. \$1,539,403 held in the District agency accounts was not covered by GUDPA.

As of June 30, 2023, based upon the insured balances as provided by FDIC and NJGUDPA coverage, none of the District's bank balance of \$27,903,310 was considered exposed to custodial risk. (See Note 1-H relating to statutory mitigations of custodial risk in the event of a bank failure.)

Money Market Mutual Funds – At June 30, 2023, the District had \$125,816 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.

NOTES TO FINANCIAL STATEMENTS

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 Government-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 Government-wide financial statements, which consisted of:

| | | |
|---|--------|------------------------------|
| Total Capital Assets | \$ | 126,966,861 |
| Less: Accumulated Depreciation | | <u>(62,569,569)</u> |
| Governmental Activities Capital Assets, Net | \$ | <u><u>64,397,292</u></u> |

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Transfers</u> | <u>Ending Balance</u> |
|---|------------------------------|------------------------------|---------------------------|-----------------------------|
| Governmental Activities: | | | | |
| Capital Assets That Are Not Being Depreciated: | | | | |
| Land | \$ 4,488,200 | | | \$ 4,488,200 |
| Construction in Progress | <u>15,165,965</u> | \$ 1,786,554 | \$ (6,061,314) | <u>10,891,205</u> |
| Total Capital Assets Not Being Depreciated | <u>19,654,165</u> | <u>1,786,554</u> | <u>(6,061,314)</u> | <u>15,379,405</u> |
| Capital Assets Being Depreciated: | | | | |
| Building and Building Improvements | 87,221,973 | 794,263 | 6,061,314 | 94,077,550 |
| Machinery, Equipment, Furniture & Vehicles | <u>17,338,443</u> | <u>171,463</u> | | <u>17,509,906</u> |
| Total Capital Assets Being Depreciated | <u>104,560,416</u> | <u>965,726</u> | <u>6,061,314</u> | <u>111,587,456</u> |
| Less Accumulated Depreciation For: | | | | |
| Building and Building Improvements | (44,352,501) | (3,274,209) | | (47,626,710) |
| Equipment, Furniture, and Vehicles | <u>(14,185,363)</u> | <u>(757,496)</u> | | <u>(14,942,859)</u> |
| Total Accumulated Depreciation | <u>(58,537,864)</u> | <u>(4,031,705)</u> | | <u>(62,569,569)</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 65,676,717</u> | <u>\$ (1,279,425)</u> | <u>\$</u> | <u>\$ 64,397,292</u> |
| Business-type Activities | | | | |
| Equipment | \$ 835,922 | \$ 119,196 | \$ | \$ 955,118 |
| Less Accumulated Depreciation for: | | | | |
| Equipment | <u>(536,248)</u> | <u>(27,362)</u> | | <u>(563,610)</u> |
| Business-type Activities Capital Assets, Net | <u>\$ 299,674</u> | <u>\$ 91,834</u> | <u>\$</u> | <u>\$ 391,508</u> |

* Depreciation expense was charged to governmental functions as follows:

| | | |
|---------------------------|----|---------------------------|
| Instruction - Regular | \$ | (3,225,364) |
| Unallocated | | <u>(806,341)</u> |
| Total Deprecation Expense | \$ | <u><u>(4,031,705)</u></u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM LIABILITIES

During the year ended June 30, 2023, 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> |
|---------------------------------|------------------------------|---------------------|---------------------|---------------------------|--|
| Governmental Activities: | | | | | |
| Bonds Payable: | | | | | |
| General Obligation Debt | \$ 17,225,000 | _____ | \$ 2,350,000 | \$ 14,875,000 | \$ 2,375,000 |
| Total Bonds Payable | <u>17,225,000</u> | <u>_____</u> | <u>2,350,000</u> | <u>14,875,000</u> | <u>2,375,000</u> |
| Other Liabilities: | | | | | |
| Compensated Absences Payable | 2,578,137 | \$ 1,183,388 | <u>621,116</u> | <u>3,140,409</u> | <u>417,327</u> |
| Total Other Liabilities | <u>2,578,137</u> | <u>1,183,388</u> | <u>621,116</u> | <u>3,140,409</u> | <u>417,327</u> |
| Net Pension Liability | 14,968,402 | 5,280,067 | | 20,248,469 | |
| Unamortized Bond Premium | <u>444,695</u> | <u>-</u> | <u>75,075</u> | <u>369,620</u> | <u>75,075</u> |
| Total Liabilities | \$ 35,216,234 | \$ 6,463,455 | \$ 3,046,191 | \$ 38,633,498 | \$ 2,867,402 |

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, 2023 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, 2023 was \$2,760,000, which is payable in annual installments of \$460,000 due August 1, 2023 through August 1, 2028 at interest rate of 3.000%.
- b. 2014 School Bonds, originally issued July 10, 2014 in the amount of \$3,200,000. The outstanding balance of this issue at June 30, 2023 was \$700,000, which is payable in annual installments of \$350,000 due August 1, 2023 through August 1, 2024 at interest rates ranging from 2.250% 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, 2023 was \$3,165,000, which is payable in annual installments ranging from \$615,000 to \$630,000 due October 1, 2023 through October 1, 2027 at interest rates ranging from 2.400% to 4.000%.
- d. 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, 2023 was \$8,250,000 which is payable in annual installments ranging from \$850,000 to \$950,000 due August 1, 2023 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:

| | | | | | | |
|-----------|-----------|-------------------|-----------|------------------|-----------|-------------------|
| 2024 | \$ | 2,375,000 | \$ | 352,120 | \$ | 2,727,120 |
| 2025 | | 2,400,000 | | 286,125 | | 2,686,125 |
| 2026 | | 2,050,000 | | 223,570 | | 2,273,570 |
| 2027 | | 2,050,000 | | 165,170 | | 2,215,170 |
| 2028 | | 1,990,000 | | 112,510 | | 2,102,510 |
| 2029-2032 | | 4,010,000 | | 162,275 | | 4,172,275 |
| | \$ | 14,875,000 | \$ | 1,301,770 | \$ | 16,176,770 |

Bonds Authorized but not Issued (ABNI) – At June 30, 2023, the District had no authorized but 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 1/55th 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 1/60th 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 1/55th 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 1/60th 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, 2023, the State of New Jersey contributed \$23,417,651 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 \$3,801,428 during the year ended June 30, 2023 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, 2023, 2022 and 2021 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, 2023, the District reported a liability of \$20,248,469 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2021, which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.1341724479 percent, which was an increase of 0.0078194892 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized full accrual pension expense of \$1,136,869 in the government-wide financial statements. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Changes of assumptions | \$ 62,736 | \$ 3,031,997 |
| Net difference between projected and actual earnings on pension plan investments | 838,066 | |
| Changes in proportion | 1,645,677 | 197,671 |
| Difference between expected and actual experience | 146,144 | 128,878 |
| District contributions subsequent to the measurement date | 1,646,396 | |
| | \$ 4,339,019 | \$ 3,358,546 |

\$1,646,396 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: | |
|----------------------------|----------------|
| 2024 | \$ (1,164,106) |
| 2025 | (508,869) |
| 2026 | (161,562) |
| 2027 | 1,160,547 |
| 2028 | 8,067 |
| | \$ (665,923) |

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D)

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

| | |
|---------------------------|---------------------------|
| Inflation rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary increases: | 2.75 - 6.55% |
| | based on years of service |
| Investment rate of return | 7.00% |

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. 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, 2022) 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, 2022 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% | 8.12% |
| Non-U.S. Developed Market Equity | 13.50% | 8.38% |
| Emerging Markets Equity | 5.50% | 10.33% |
| Private Equity | 13.00% | 11.80% |
| Real Assets | 3.00% | 7.60% |
| Real Estate | 8.00% | 11.19% |
| High Yield | 4.00% | 4.95% |
| Private Credit | 8.00% | 8.10% |
| Investment Grade Credit | 7.00% | 3.38% |
| Cash Equivalents | 4.00% | 1.75% |
| U.S. Treasuries | 4.00% | 1.75% |
| Risk Mitigation Strategies | 3.00% | 4.91% |
| | <u>100.00%</u> | |

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2022 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:

| | <u>At 1% Decrease (6.00%)</u> | <u>At Current Discount Rate (7.00%)</u> | <u>At 1% Increase (8.00%)</u> |
|---|-------------------------------|---|-------------------------------|
| District's proportionate share of the net pension liability | \$ 26,013,351 | \$ 20,248,469 | \$ 15,342,322 |

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, 2022 are as follows:

| | | |
|--------------------------------|----|----------------|
| Deferred outflows of resources | \$ | 1,660,772,008 |
| Deferred inflows of resources | | 3,236,303,935 |
| Net pension liability | | 15,219,184,920 |
| | | |
| District's proportion | | 0.1341724479% |

Collective pension (benefit) for the Local Group for the measurement period ended June 30, 2022 is \$(1,032,778,934).

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, 2022, 2021, 2020, 2019, 2018, and 2017 is 5.04, 5.13, 5.16, 5.21, 5.63, and 5.48 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 \$229,714,993. The District's proportionate share was \$0. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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, 2022, the State's proportionate share of the TPAF net pension liability associated with the District was 0.4452322789 percent, which was an increase of 0.0004493110 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$11,059,093 for contributions incurred by the State.

Actuarial assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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: | 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022) 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, 2022 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% | 8.12% |
| Non-U.S. Developed Market Equity | 13.50% | 8.38% |
| Emerging Market Equity | 5.50% | 10.33% |
| Private Equity | 13.00% | 11.80% |
| Real Assets | 3.00% | 7.60% |
| Real Estate | 8.00% | 11.19% |
| High Yield | 4.00% | 4.95% |
| Private Credit | 8.00% | 8.10% |
| Investment Grade Credit | 7.00% | 3.38% |
| Cash Equivalents | 4.00% | 1.75% |
| U.S. Treasuries | 4.00% | 1.75% |
| Risk Mitigation Strategies | 3.00% | 4.91% |
| | 100.00% | |

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2022 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:

| | At 1% Decrease (6.00%) | At Current Discount Rate (7.00%) | At 1% Increase (8.00%) |
|---|---------------------------------------|---|---------------------------------------|
| State's proportionate share of the net pension liability associated with the District | \$ 269,345,711 | \$ 229,714,993 | \$ 182,995,364 |

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, 2022 are as follows:

| | | |
|--------------------------------|----|----------------|
| Deferred outflows of resources | \$ | 4,996,491,160 |
| Deferred inflows of resources | | 19,532,696,776 |
| Net pension liability | | 51,594,415,806 |
| | | |
| District's proportion | | 0.4452322789% |

Collective pension expense of the Local Group for the plan for the measurement period ended June 30, 2022 is \$1,424,884,581. 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, 2022, 2021, 2020, 2019, 2018, 2017, and 2016 is 7.83, 7.93, 7.99, 8.04, 8.29, 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, 2023, the Board's total payroll for all employees was \$70,040,556. Total DCRP covered payroll was \$1,889,622. 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, 2023 was \$56,689 and \$104,095, respectively.

NOTE 6. POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan:

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability.

The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds the post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs.

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. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Total OPEB Liability

The Nonemployer OPEB liability from the State of New Jersey's plan is \$50,646,462,966.

NOTES TO FINANCIAL STATEMENTS

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

Changes in 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 | \$ 235,113,403 |
| Increased by: | |
| Service cost | 10,994,510 |
| Interest cost | 5,278,935 |
| Member contributions | 167,747 |
| Differences between expected and actual experience | 6,307,482 |
| | 257,862,077 |
| Decreased by: | |
| Changes of assumptions | 53,436,330 |
| Benefit payments | 5,228,941 |
| | 58,665,271 |
| Balance at June 30, 2022 | \$ 199,196,806 |

Employees covered by benefit terms

The following employees were covered by the benefit terms:

| Local Education | June 30, 2022 |
|---|---------------|
| Active Plan Members | 213,148 |
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 151,669 |
| Inactive Plan Members Entitled to but Not Yet Receiving Benefits | - |
| Total Plan Members | 364,817 |

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 total OPEB liability on the Statement of Net Position. The State's proportionate share of the total OPEB liability associated with the District as of June 30, 2022 was \$199,196,806. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

Actuarial assumptions and other inputs

The total non-employer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022 and included in the June 30, 2022 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:

| | | |
|-------------------|------------------------------|------------------------------|
| | TPAF/ABP | PERS |
| Salary Increases: | 2.75% to 4.25% | 2.75% to 6.55% |
| | based on years of service | based on years of service |

NOTES TO FINANCIAL STATEMENTS

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

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 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 July 1, 2021 valuation were based on the results of the TPAF and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. 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 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially (1.99%) in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially (3.54%) in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight 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, 2022 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 (2.54%) or 1-percentage-point higher (4.54%) than the current rate:

| | 1% Decrease (2.54%) | At Current Discount Rate (3.54%) | 1% Increase (4.54%) |
|--|------------------------|-------------------------------------|------------------------|
| Net OPEB Liability (Allocable to the District and the responsibility of the State) | \$ 234,134,892 | \$ 199,196,806 | \$ 171,195,677 |

NOTES TO FINANCIAL STATEMENTS

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

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2022 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) | \$ 164,648,336 | \$ 199,196,806 | \$ 244,578,320 |

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

For the year ended June 30, 2022, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$7,413,347 for OPEB expenses incurred by the State. Collective balances of the Local Education Group at June 30, 2022 are as follows:

| | |
|--------------------------------|-------------------|
| Deferred outflows of resources | \$ 20,104,625,333 |
| Deferred inflows of resources | \$ 34,996,842,046 |
| Collective OPEB expense | \$ 1,595,653,562 |
| District's Proportion | 0.47% |

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 government-wide Statement of Net Position, 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. COMPENSATED ABSENCES (CONT'D)

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
- 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 \$3,140,409 presented in the Government-wide financial statements as compensated absences payable reflects accruals utilizing the Vesting Method and includes amounts for each employee eligible for a termination payment currently and those who will become eligible within the next five years. Employees who separate from service prior to attaining eligibility are not entitled to termination payments. Accrued vacations are negligible and were not included in calculations of the total value of compensated absences payable.

NOTE 8. DEFERRED COMPENSATION

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RISK MANAGEMENT

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

Property and Liability Insurance - The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the school year ended June 30, 2023, 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.

Employee Health Benefit/Prescription - The District operates a self-insurance program for health and prescription coverages. For the year ended June 30, 2023, the Board has incurred costs totaling \$18,344,872 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 \$1,683,300 and an aggregate stop loss corridor of \$2,706,603 for the year ended June 30, 2023.

Changes in the incurred but not reported claims liability amount in the fiscal years 2023, 2022 and 2021 were:

| | | Current Year Claims and Changes in Estimates | Claim Payments | Balance at End of Year |
|---------|--|---|---------------------------|-----------------------------------|
| | Beginning of Year Liability | | | |
| 2022-23 | \$ 4,423,903 | \$ 18,310,872 | \$ 18,344,872 | \$ 4,389,903 |
| 2021-22 | 3,351,406 | 20,551,121 | 19,478,624 | 4,423,903 |
| 2020-21 | | 21,141,955 | 17,790,549 | 3,351,406 |

NOTE 10. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2023:

| <u>Fund</u> | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|-----------------------|--|-------------------------------------|
| General Fund | | \$ 1,325 |
| Capital Projects Fund | \$ 1,325 | |
| Total | \$ 1,325 | \$ 1,325 |

All interfunds are expected to be liquidated with one year.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. TRANSFERS

The following presents a reconciliation of transfers during the 2023 fiscal year:

| | <u>In</u> | <u>Out</u> |
|------------------|------------------|------------------|
| General Fund | | \$ 91,026 |
| Capital Projects | \$ 91,026 | |
| | <u>\$ 91,026</u> | <u>\$ 91,026</u> |

\$91,026 was Board of Education approved transfers from the general fund capital reserve to the capital projects fund to fund future capital projects.

NOTE 13. FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$20,124,864 General Fund balance at June 30, 2023, \$523,134 is assigned for other purposes; \$1,211,813 has been appropriated and included as anticipated revenue for the year ending June 30, 2024; \$1,500,000 has been restricted for excess surplus for the year ending June 30, 2023, \$2,090,267 has been restricted for the Maintenance Reserve Account; \$9,891,768 has been restricted for the Capital Reserve Account; \$1,000,000 for Emergency Reserve; \$401,679 for Unemployment Compensation and \$3,218,016 is unassigned.

Special Revenue Fund (Exhibit B-1) – The entire amount of \$641,149 of Special Revenue Fund fund balance at June 30, 2023 is restricted for student activities.

Capital Projects Fund (Exhibit B-1) - The entire amount of \$542,496 of Capital Projects Fund fund balance at June 30, 2023 is assigned for Capital Projects Expenditures for authorized projects.

NOTE 14. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance -- Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. Based upon the reduction in the maximum undesignated surplus permitted as a result of the enactment of S1701, the District had excess surplus restricted for subsequent year's expenditures generated from the June 30, 2023 fiscal year in the amount of \$1,500,000.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 15. CAPITAL RESERVE ACCOUNT (CONT'D)

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, 2022 to June 30, 2023 school year is as follows:

| | |
|--|---------------------|
| Beginning balance, July 1, 2022 | \$ 4,535,650 |
| Deposit: | |
| Approved by June 2023 board resolution | <u>5,577,114</u> |
| Total Deposits | <u>5,577,114</u> |
| Withdrawals | |
| Budgeted appropriation | 91,026 |
| Approved by board resolutions | <u>129,970</u> |
| Total Withdrawals | <u>220,996</u> |
| Ending Balance, June 30, 2023 | <u>\$ 9,891,768</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).

The activity of the maintenance reserve for July 1, 2022 to June 30, 2023 school year is as follows

| | |
|--|---------------------|
| Beginning balance, July 1, 2022 | \$ 1,573,393 |
| Deposit: | |
| Approved by June 2023 board resolution | <u>626,125</u> |
| Total Deposits | <u>626,125</u> |
| Withdrawals | |
| Approved by board resolutions | <u>109,251</u> |
| Total Withdrawals | <u>109,251</u> |
| Ending Balance, June 30, 2023 | <u>\$ 2,090,267</u> |

NOTES TO FINANCIAL STATEMENTS

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, 2022 to June 30, 2023 school year is as follows:

| | |
|---------------------------------|---------------------|
| Beginning balance, July 1, 2022 | <u>\$ 1,000,000</u> |
| Ending Balance, June 30, 2023 | <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, 2023, the Unemployment Compensation reserve balance is \$401,679.

NOTE 19. TAX ABATEMENTS

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

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

The Town of Westfield reported no tax abatements for calendar years 2022 or 2023 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, 2023 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

NOTES TO FINANCIAL STATEMENTS

NOTE 20. CONTINGENT LIABILITIES (CONT'D)

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

During fiscal year 2022 and 2023, 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 2023, 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, 2023 through December 4, 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. 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 reviewed the requirements of the Statement and the impact on the financial statements was deemed not material.

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.

**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 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**

| | 2023 | 2022 | 2021 | 2020 | Year Ended June 30, | | 2017 | 2016 | 2015 | 2014 |
|---|---------------|---------------|---------------|---------------|---------------------|---------------|---------------|---------------|---------------|---------------|
| | | | | | 2019 | 2018 | | | | |
| District's proportion of the net pension liability (asset) - Local Group | 0.1341724479% | 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) | \$ 20,248,469 | \$ 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 | \$ 9,337,258 | \$ 9,492,238 | \$ 9,220,819 | \$ 9,098,895 | \$ 8,668,982 | \$ 8,486,779 | \$ 8,296,182 | \$ 8,812,161 | \$ 8,635,918 | \$ 8,635,918 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 216.86% | 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 | 40.47% | 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, 2022.

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

| | 2023 | 2022 | 2021 | 2020 | Year Ended June 30, | | 2017 | 2016 | 2015 | 2014 |
|--|--------------|--------------|--------------|--------------|---------------------|--------------|--------------|--------------|--------------|--------------|
| | | | | | 2019 | 2018 | | | | |
| Contractually required contribution | \$ 1,691,979 | \$ 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 | (1,691,979) | (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 | \$ 8,878,028 | \$ 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 | 19.06% | 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*

| | Year Ended June 30, | | | | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| State's proportion of the net pension liability (asset) associated with the District - Local Group | 0.445232279% | 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 | \$ 229,714,993 | \$ 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>\$ 229,714,993</u> | <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 | 32.29% | 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 remained at 7.00% as of June 30, 2022.

**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, 2023 | 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% | 0.39% | 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 | \$ 199,196,806 | \$ 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>\$ 199,196,806</u> | <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 | \$ 235,113,403 | \$ 261,817,044 | \$ 160,191,054 | \$ 177,158,722 | \$ 202,388,345 | \$ 218,359,164 |
| Increased by: | | | | | | |
| Service cost | 10,994,510 | 12,543,142 | 6,885,785 | 6,698,508 | 7,420,085 | 8,971,309 |
| Interest cost | 5,278,935 | 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 | 167,747 | 155,924 | 138,153 | 145,765 | 163,724 | 172,614 |
| Differences between expected and actual experience | 6,307,482 | | 45,564,087 | | | |
| | <u>22,748,674</u> | <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 | 53,436,330 | | | | 20,329,850 | 26,842,028 |
| Changes of benefit terms | | 250,250 | | | | |
| Gross benefit payments | 5,228,941 | 4,804,374 | 4,558,019 | 4,917,388 | 4,737,161 | 4,687,744 |
| | <u>58,665,271</u> | <u>45,733,753</u> | <u>4,558,019</u> | <u>33,224,223</u> | <u>40,243,429</u> | <u>31,529,772</u> |
| Ending Balance | <u>\$ 199,196,806</u> | <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 employee payroll | \$ 62,072,720 | \$ 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. | 320.91% | 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 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022.

REQUIRED SUPPLEMENTARY INFORMATION
PART III

BUDGETARY COMPARISON SCHEDULES
SECTION – C

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|--------------------|--------------------|-----------------------------|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 107,628,137 | | \$ 107,628,137 | \$ 107,628,137 | |
| Tuition from Individuals | 80,000 | (80,000) | | 49,211 | 49,211 |
| Tuition from other LEAs | | 80,000 | 80,000 | 88,213 | 8,213 |
| Transportation Fees from Individuals | 30,000 | | 30,000 | 28,160 | (1,840) |
| Miscellaneous | 530,000 | 50,000 | 580,000 | 1,644,871 | 1,064,871 |
| Other Restricted Miscellaneous Revenue | 50,000 | (50,000) | | 26,335 | 26,335 |
| Total - Local Sources | 108,318,137 | | 108,318,137 | 109,464,927 | 1,146,790 |
| State Sources: | | | | | |
| Categorical Transportation Aid | 575,681 | | 575,681 | 575,681 | |
| Extraordinary Aid | 975,000 | | 975,000 | 2,454,237 | 1,479,237 |
| Categorical Special Education Aid | 5,570,103 | | 5,570,103 | 5,570,103 | |
| Categorical Security Aid | 437,833 | | 437,833 | 437,833 | |
| Non-Public Transportation Aid | | | | 107,952 | 107,952 |
| State of New Jersey On-Behalf Contributions: | | | | | |
| TPAF Pension Contrib. (non-budgeted) | | | | 18,540,830 | 18,540,830 |
| TPAF Post Retire Med. Contrib. (non-budgeted) | | | | 4,870,632 | 4,870,632 |
| TPAF LTDI Premiums (non-budgeted) | | | | 6,189 | 6,189 |
| TPAF Employer FICA Contrib. (non-budgeted) | | | | 3,801,428 | 3,801,428 |
| Total - State Sources | 7,558,617 | | 7,558,617 | 36,364,885 | 28,806,268 |
| Federal Sources: | | | | | |
| Medical Reimbursement | 37,409 | | 37,409 | 53,373 | 15,964 |
| FFCRA SEMI | | | | 3,627 | 3,627 |
| FEMA | | | | 469,633 | 469,633 |
| Total - Federal Sources | 37,409 | | 37,409 | 526,633 | 489,224 |
| Total Revenues | 115,914,163 | | 115,914,163 | 146,356,445 | 30,442,282 |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| EXPENDITURES: | | | | | |
| Current Expense: | | | | | |
| Regular Programs - Instruction: | | | | | |
| Salaries of Teachers: | | | | | |
| Preschool | \$ 239,097 | \$ 25,578 | \$ 264,675 | \$ 263,118 | \$ 1,557 |
| Kindergarten | 590,387 | 11,234 | 601,621 | 600,089 | 1,532 |
| Grades 1- 5 | 12,694,518 | 349,539 | 13,044,057 | 13,016,842 | 27,215 |
| Grades 6- 8 | 9,835,769 | (332,451) | 9,503,318 | 9,497,632 | 5,686 |
| Grades 9-12 | 11,623,177 | (108,500) | 11,514,677 | 11,427,020 | 87,657 |
| Regular Programs - Home Instr.: | | | | | |
| Salaries of Teachers | 133,154 | (90,000) | 43,154 | 28,915 | 14,239 |
| Purchased Prof./Educational Services | 80,500 | 41,500 | 122,000 | 120,603 | 1,397 |
| Regular Programs - Undistrib. Instr.: | | | | | |
| Other Salaries for Instruction | 123,725 | (22,555) | 101,170 | 96,815 | 4,355 |
| Purchased Prof./Educational Services | 7,450 | (3,550) | 3,900 | 3,300 | 600 |
| Purchased Technical Services | 208,000 | (92,021) | 115,979 | 115,378 | 601 |
| Other Purchased Services (400-500 series) | 349,438 | (27,838) | 321,600 | 225,990 | 95,610 |
| General Supplies | 1,115,747 | (180,418) | 935,329 | 854,252 | 81,077 |
| Textbooks | 104,797 | 25,823 | 130,620 | 129,506 | 1,114 |
| Other Objects | 1,275 | | 1,275 | 748 | 527 |
| Total Regular Programs - Instruction | 37,107,034 | (403,659) | 36,703,375 | 36,380,208 | 323,167 |
| Learning/Language Disabilities: | | | | | |
| Salaries of Teachers | 443,214 | 71,165 | 514,379 | 480,604 | 33,775 |
| Other Salaries for Instruction | 107,003 | 3,093 | 110,096 | 104,304 | 5,792 |
| Purchased Prof./Educational Services | 6,899 | (6,004) | 895 | 851 | 44 |
| General Supplies | 14,520 | (9,500) | 5,020 | 4,136 | 884 |
| Textbooks | 327 | (327) | | | |
| Total Learning/Language Disabilities | 571,963 | 58,427 | 630,390 | 589,895 | 40,495 |
| Emotional Regulation Impairment: | | | | | |
| Salaries of Teachers | 180,285 | 2,280 | 182,565 | 176,298 | 6,267 |
| Other Salaries for Instruction | 37,760 | (16,000) | 21,760 | 20,492 | 1,268 |
| General Supplies | 9,718 | (3,638) | 6,080 | 5,405 | 675 |
| Total Emotional Regulation Impairment | 227,763 | (17,358) | 210,405 | 202,195 | 8,210 |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|------------------|------------------|-----------------------------|
| EXPENDITURES (CONT'D.): | | | | | |
| Multiple Disabilities: | | | | | |
| Salaries of Teachers | \$ 79,934 | \$ 15,777 | \$ 95,711 | \$ 91,314 | \$ 4,397 |
| Other Salaries for Instruction | 66,183 | (26,960) | 39,223 | 35,681 | 3,542 |
| General Supplies | 1,850 | (210) | 1,640 | 1,535 | 105 |
| Total Multiple Disabilities | 147,967 | (11,393) | 136,574 | 128,530 | 8,044 |
| Resource Room/Resource Center: | | | | | |
| Salaries of Teachers | 6,862,114 | (91,059) | 6,771,055 | 6,765,221 | 5,834 |
| Other Salaries for Instruction | 240,373 | 34,562 | 274,935 | 265,998 | 8,937 |
| Purchased Prof. Educational Serv. | 328 | (328) | | | |
| General Supplies | 31,549 | (5,774) | 25,775 | 25,196 | 579 |
| Textbooks | 3,405 | 2,518 | 5,923 | 5,774 | 149 |
| Total Resource Room/Resource Center | 7,137,769 | (60,081) | 7,077,688 | 7,062,189 | 15,499 |
| Autism: | | | | | |
| Salaries of Teachers | 402,341 | (134,300) | 268,041 | 232,784 | 35,257 |
| Other Salaries for Instruction | 219,136 | (51,567) | 167,569 | 157,871 | 9,698 |
| General Supplies | 11,388 | (5,950) | 5,438 | 5,331 | 107 |
| Total Autism | 632,865 | (191,817) | 441,048 | 395,986 | 45,062 |
| Preschool Disabilities - Full-Time: | | | | | |
| Salaries of Teachers | 255,713 | 44,894 | 300,607 | 272,121 | 28,486 |
| Other Salaries for Instruction | 85,762 | (19,471) | 66,291 | 61,677 | 4,614 |
| General Supplies | 1,500 | (231) | 1,269 | 1,269 | |
| Total Preschool Disabilities - Full-Time | 342,975 | 25,192 | 368,167 | 335,067 | 33,100 |
| Total Special Education | 9,061,302 | (197,030) | 8,864,272 | 8,713,862 | 150,410 |
| Basic Skills/Remedial - Instruction: | | | | | |
| Salaries of Teachers | 1,215,516 | (18,810) | 1,196,706 | 1,178,639 | 18,067 |
| General Supplies | 5,250 | (429) | 4,821 | 2,269 | 2,552 |
| Textbooks | 200 | | 200 | 106 | 94 |
| Total Basic Skills/Remedial - Instruction | 1,220,966 | (19,239) | 1,201,727 | 1,181,014 | 20,713 |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-----------------|------------|-----------------------------|
| EXPENDITURES (CONT'D.): | | | | | |
| Bilingual Education - Instruction: | | | | | |
| Salaries of Teachers | \$ 239,181 | \$ (812) | \$ 238,369 | \$ 234,726 | \$ 3,643 |
| Total Bilingual Education - Instruction | 239,181 | (812) | 238,369 | 234,726 | 3,643 |
| School - Sponsored Cocurricular & Extra Curric - Instr. Activities: | | | | | |
| Salaries | 439,051 | (13,202.00) | 425,849 | 411,034 | 14,815 |
| Purchased Services (300-500 series) | 5,500 | 12,600 | 18,100 | 17,816 | 284 |
| Supplies and Materials | 20,350 | (7,311) | 13,039 | 5,792 | 7,247 |
| Other Objects | 9,025 | 2,493 | 11,518 | 11,263 | 255 |
| Total School - Sponsored Cocurricular Activities & Extra Curric. - Instr. | 473,926 | (5,420) | 468,506 | 445,905 | 22,601 |
| School - Sponsored Athletics: | | | | | |
| Salaries | 1,191,469 | (1,131) | 1,190,338 | 1,165,353 | 24,985 |
| Purchased Services (300-500 series) | 68,750 | (11,000) | 57,750 | 52,733 | 5,017 |
| Supplies and Materials | 105,200 | 10,352 | 115,552 | 115,208 | 344 |
| Misc. Expenditures | 143,900 | 33,816 | 177,716 | 177,715 | 1 |
| Total School - Sponsored Athletics | 1,509,319 | 32,037 | 1,541,356 | 1,511,009 | 30,347 |
| Summer School - Instruction | | | | | |
| Salaries | 7,417 | | 7,417 | | 7,417 |
| General Supplies | 500 | | 500 | | 500 |
| Purchased Services | | 1,680 | 1,680 | 350 | 1,330 |
| Total - Summer School - Instruction | 7,917 | 1,680 | 9,597 | 350 | 9,247 |
| Total Instruction | 49,619,645 | (592,443) | 49,027,202 | 48,467,074 | 560,128 |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| EXPENDITURES (CONT'D.): | | | | | |
| Undistributed Expenditures: | | | | | |
| Instruction: | | | | | |
| Tuition to Other LEAs Within the State - Special | \$ 1,494,292 | \$ 332,127 | \$ 1,826,419 | \$ 1,783,019 | \$ 43,400 |
| Tuition to County Vocational School Dist. - Regular | 608,000 | 14,000 | 622,000 | 597,800 | 24,200 |
| Tuition to County Vocational School Dist. - Special | 48,000 | (38,000) | 10,000 | 9,000 | 1,000 |
| Tuition to Priv. Schools for the Disabled-W/I State | 5,132,150 | 182,449 | 5,314,599 | 5,177,271 | 137,328 |
| Tuition to Priv. Schools for the Disabled and Other LEAs- Special, Outside the State | 483,694 | (25,485) | 458,209 | 454,601 | 3,608 |
| Tuition - Other | 65,265 | 13,723 | 78,988 | 69,731 | 9,257 |
| Total Undistrib. Expend. - Instruc. | 7,831,401 | 478,814 | 8,310,215 | 8,091,422 | 218,793 |
| Attendance and Social Work Services: | | | | | |
| Salaries | | 5,549 | 5,549 | 5,549 | |
| Total Attendance and Social Work Serv. | | 5,549 | 5,549 | 5,549 | |
| Health Services: | | | | | |
| Salaries | 1,295,261 | (20,772) | 1,274,489 | 1,256,506 | 17,983 |
| Purchased Professional and Technical Services | 180,921 | 140,281 | 321,202 | 293,204 | 27,998 |
| Supplies and Materials | 21,114 | (1,885) | 19,229 | 17,392 | 1,837 |
| Other Objects | 850 | | 850 | 850 | |
| Total Health Services | 1,498,146 | 117,624 | 1,615,770 | 1,567,952 | 47,818 |
| Speech, OT, PT & Related Services | | | | | |
| Salaries | 2,004,770 | 230,079 | 2,234,849 | 2,229,960 | 4,889 |
| Purchased Professional/Educational Services | 737,142 | 136,824 | 873,966 | 805,481 | 68,485 |
| Supplies and Materials | 23,871 | 2,254 | 26,125 | 26,125 | |
| Total Speech, OT, PT & Related Services | 2,765,783 | 369,157 | 3,134,940 | 3,061,566 | 73,374 |
| Other Support Services-Student Extra | | | | | |
| Salaries | 1,935,374 | (95,468) | 1,839,906 | 1,832,650 | 7,256 |
| Purchased Professional/Educational Services | 739,200 | 108,283 | 847,483 | 786,137 | 61,346 |
| Other Objects | 2,270 | (2,270) | | | |
| Total Other Support Services-Student Extra | 2,676,844 | 10,545 | 2,687,389 | 2,618,787 | 68,602 |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|------------------|------------------|-----------------------------|
| EXPENDITURES (CONT'D.): | | | | | |
| Other Support Services - Guidance | | | | | |
| Salaries of Other Professional Staff | \$ 2,317,378 | \$ 6,573 | \$ 2,323,951 | \$ 2,300,679 | \$ 23,272 |
| Salaries of Secret. & Clerical Assts. | 240,330 | (28,140) | 212,190 | 180,610 | 31,580 |
| Other Salaries | 3,200 | 5,843 | 9,043 | 8,130 | 913 |
| Purchased Professional/Educational Services | 28,055 | (15,199) | 12,856 | 12,856 | |
| Other Purchased Services (400-500 series) | 7,631 | (3,393) | 4,238 | 3,444 | 794 |
| Supplies and Materials | 10,423 | 5,361 | 15,784 | 15,298 | 486 |
| Other Objects | 2,275 | (970) | 1,305 | 1,305 | |
| | <u>2,609,292</u> | <u>(29,925)</u> | <u>2,579,367</u> | <u>2,522,322</u> | <u>57,045</u> |
| Total Other Support Services - Students - Regular | | | | | |
| Other Support Services - Child Study Teams | | | | | |
| Salaries of Other Professional Staff | 1,963,678 | (122,800) | 1,840,878 | 1,819,789 | 21,089 |
| Salaries of Secr. & Clerical Assts. | 249,760 | 67,679 | 317,439 | 308,460 | 8,979 |
| Purchased Professional/Educational Services | 237,105 | 179,969 | 417,074 | 388,023 | 29,051 |
| Other Purchased Services (400-500 series) | 13,839 | (2,339) | 11,500 | 10,919 | 581 |
| Residential Costs | 72,349 | (856) | 71,493 | 71,493 | |
| Supplies and Materials | 24,184 | (8,369) | 15,815 | 15,394 | 421 |
| | <u>2,560,915</u> | <u>113,284</u> | <u>2,674,199</u> | <u>2,614,078</u> | <u>60,121</u> |
| Total Other Support Services - Students - Child Study Teams | | | | | |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| EXPENDITURES (CONT'D.): | | | | | |
| Improv. of Instruction Services/Other Support Services - Instruct. Staff: | | | | | |
| Salaries of Supervisors of Instruction | \$ 1,042,573 | \$ 128,302 | \$ 1,170,875 | \$ 1,169,541 | \$ 1,334 |
| Salaries of Secr. and Clerical Assts. | 137,663 | (12,500) | 125,163 | 122,683 | 2,480 |
| Other Salaries | 14,908 | (12,028) | 2,880 | 2,880 | |
| Purchased Professional/Educational Services | 75,708 | 1,211 | 76,919 | 74,734 | 2,185 |
| Other Purchased Prof./Tech. Services | 45,222 | 298 | 45,520 | 11,088 | 34,432 |
| Supplies and Materials | 42,744 | (3,945) | 38,799 | 37,161 | 1,638 |
| Miscellaneous Expenditures | 14,348 | (454) | 13,894 | 10,566 | 3,328 |
| Total Improv. of Instruction Services/ Other Support Serv. - Instruct. Staff | 1,373,166 | 100,884 | 1,474,050 | 1,428,653 | 45,397 |
| Educational Media Serv./School Library: | | | | | |
| Salaries | 854,805 | (3,620) | 851,185 | 850,193 | 992 |
| Salaries of Technology Coordinators | 98,990 | 4,585 | 103,575 | 103,575 | |
| Purch. Prof. and Tech. Serv. | 61,900 | 6,431 | 68,331 | 68,040 | 291 |
| Other Purchased Services (400-500 series) | 756 | 48 | 804 | 756 | 48 |
| Supplies and Materials | 29,785 | 11,976 | 41,761 | 41,660 | 101 |
| Total Educa. Media Serv./School Library | 1,046,236 | 19,420 | 1,065,656 | 1,064,224 | 1,432 |
| Instructional Staff Training Services: | | | | | |
| Salaries of Supervisors of Instruction | 10,270 | | 10,270 | 5,400 | 4,870 |
| Purchased Professional/Educational Services | 39,205 | 6,951 | 46,156 | 25,951 | 20,205 |
| Other Purchased Services (400-500 series) | 36,269 | (6,621) | 29,648 | 19,066 | 10,582 |
| Supplies and Materials | 18,293 | (5,551) | 12,742 | 6,559 | 6,183 |
| Total Instr. Staff Training Serv. | 104,037 | (5,221) | 98,816 | 56,976 | 41,840 |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| EXPENDITURES (CONT'D.): | | | | | |
| Support Serv. General Administration: | | | | | |
| Salaries | \$ 838,391 | \$ (37,509) | \$ 800,882 | \$ 800,146 | \$ 736 |
| Legal Services | 307,500 | 32,144 | 339,644 | 279,219 | 60,425 |
| Audit Fees | 41,402 | 2,142 | 43,544 | 43,544 | |
| Other Purch. Professional Services | 6,250 | 164,565 | 170,815 | 128,990 | 41,825 |
| Purchased Technical Services | 25,000 | 6,558 | 31,558 | 28,700 | 2,858 |
| Communications/Telephone | 232,011 | (70,760) | 161,251 | 105,687 | 55,564 |
| BOE Other Purchased Services | 2,500 | 92 | 2,592 | 2,253 | 339 |
| Misc. Purch. Serv. (400-500, exc. 530 & 585) | 592,164 | (4,732) | 587,432 | 560,512 | 26,920 |
| General Supplies | 19,920 | 18,754 | 38,674 | 31,085 | 7,589 |
| Judgements Against School District | 88,500 | (75,000) | 13,500 | | 13,500 |
| Misc. Expenditures | 60,415 | (8,330) | 52,085 | 16,970 | 35,115 |
| BOE Membership Dues and Fees | 27,000 | (92) | 26,908 | 26,663 | 245 |
| Total Support Serv. General Administration | 2,241,053 | 27,832 | 2,268,885 | 2,023,769 | 245,116 |
| Support Serv. School Administration: | | | | | |
| Salaries of Principals/Asst. Principals | 2,454,135 | 4,352 | 2,458,487 | 2,450,451 | 8,036 |
| Salaries of Sec. and Clerical Assts. | 1,089,308 | 33,023 | 1,122,331 | 1,118,368 | 3,963 |
| Purch. Professional & Technical Serv. | 12,850 | 2,633 | 15,483 | 14,227 | 1,256 |
| Other Purchased Services (400-500 series) | 64,668 | (839) | 63,829 | 29,752 | 34,077 |
| Supplies and Materials | 102,172 | 43,838 | 146,010 | 112,953 | 33,057 |
| Other Objects | 18,987 | 3,930 | 22,917 | 22,758 | 159 |
| Total Support Serv. School Admin. | 3,742,120 | 86,937 | 3,829,057 | 3,748,509 | 80,548 |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| EXPENDITURES (CONT'D.): | | | | | |
| Central Services: | | | | | |
| Salaries | \$ 1,268,377 | \$ (43,307) | \$ 1,225,070 | \$ 1,165,775 | \$ 59,295 |
| Purch. Professional Services | 11,000 | 625 | 11,625 | 11,625 | |
| Purch. Technical Services | 98,060 | (22,710) | 75,350 | 69,688 | 5,662 |
| Misc. Purchased Services (400-500 O/T 594) | 74,810 | 16,750 | 91,560 | 49,063 | 42,497 |
| Supplies and Materials | 44,288 | (8,062) | 36,226 | 26,960 | 9,266 |
| Miscellaneous Expenditures | 18,846 | 19,488 | 38,334 | 37,070 | 1,264 |
| Total Central Services | 1,515,381 | (37,216) | 1,478,165 | 1,360,181 | 117,984 |
| Admin. Info Technology | | | | | |
| Salaries | 805,254 | 7,293 | 812,547 | 804,101 | 8,446 |
| Purch. Technical Serv. | 521,697 | 4,559 | 526,256 | 506,756 | 19,500 |
| Other Purchased Services (400-500 series) | 8,000 | | 8,000 | 6,889 | 1,111 |
| Supplies and Materials | 35,000 | 259,463 | 294,463 | 272,716 | 21,747 |
| Total Admin Info Technology | 1,369,951 | 271,315 | 1,641,266 | 1,590,462 | 50,804 |
| Required Maint for School Facilities: | | | | | |
| Salaries | 669,274 | (51,183) | 618,091 | 586,278 | 31,813 |
| Cleaning, Repair & Maint. Services | 316,019 | 190,372 | 506,391 | 462,649 | 43,742 |
| General Supplies | 145,649 | 42,478 | 188,127 | 173,257 | 14,870 |
| Other Objects | 17,974 | (1,037) | 16,937 | 10,215 | 6,722 |
| Total Required Maint for School Facilities | 1,148,916 | 180,630 | 1,329,546 | 1,232,399 | 97,147 |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|------------------|------------------|-----------------------------|
| EXPENDITURES (CONT'D.): | | | | | |
| Custodial Services: | | | | | |
| Salaries | \$ 3,055,258 | \$ 40,920 | \$ 3,096,178 | \$ 2,983,707 | \$ 112,471 |
| Salaries Non-Instructional Aides | 271,181 | 72,895 | 344,076 | 332,708 | 11,368 |
| Purch. Professional & Technical Serv. | 44,776 | 37,249 | 82,025 | 80,815 | 1,210 |
| Cleaning, Repair & Maint. Services | 168,003 | (47,441) | 120,562 | 112,072 | 8,490 |
| Rental of Land & Bldg. Other than Lease Pur Agrmt | 1,775 | 2,800 | 4,575 | 4,470 | 105 |
| Other Purchased Property Services | 158,493 | 3,360 | 161,853 | 161,853 | |
| Insurance | 189,094 | 28,933 | 218,027 | 218,027 | |
| General Supplies | 289,184 | 7,217 | 296,401 | 289,034 | 7,367 |
| Energy (Natural Gas) | 424,292 | 22,429 | 446,721 | 435,330 | 11,391 |
| Energy (Electricity) | 698,548 | (6,313) | 692,235 | 604,396 | 87,839 |
| Miscellaneous Expenditures | 1,780 | | 1,780 | 925 | 855 |
| Total Operation of Plant | 5,302,384 | 162,049 | 5,464,433 | 5,223,337 | 241,096 |
| Care & Upkeep Grounds | | | | | |
| Salaries | 172,842 | (14,319) | 158,523 | 158,458 | 65 |
| Cleaning, Repair, and Maintenance Services | 18,482 | (6,737) | 11,745 | 10,490 | 1,255 |
| General Supplies | 39,223 | (2,825) | 36,398 | 33,439 | 2,959 |
| Total Care & Upkeep Grounds | 230,547 | (23,881) | 206,666 | 202,387 | 4,279 |
| Security | | | | | |
| Salaries | 104,976 | (15,523) | 89,453 | 82,473 | 6,980 |
| Purchased Professional and Technical Services | 182,775 | (2,319) | 180,456 | 178,698 | 1,758 |
| General Supplies | 5,500 | 5,786 | 11,286 | 5,786 | 5,500 |
| Total Security | 293,251 | (12,056) | 281,195 | 266,957 | 14,238 |
| Total Operation & Maint. Of Plant Serv. | 6,975,098 | 306,742 | 7,281,840 | 6,925,080 | 356,760 |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|--------------------|--------------------|-----------------------------|
| EXPENDITURES (CONT'D.): | | | | | |
| Student Transportation Services: | | | | | |
| Contracted Services (Between Home & School) - Vendors | \$ 538,743 | \$ (71,366) | \$ 467,377 | \$ 465,342 | \$ 2,035 |
| Contracted Services (Other Than Between Home & School) - Vendors | 386,000 | 9,387 | 395,387 | 344,642 | 50,745 |
| Contracted Services (Special Ed. Students) - Vendors | 600,865 | (18,686) | 582,179 | 562,015 | 20,164 |
| Contracted Services (Regular Students) - ESCs & CTSA's | 28,586 | 1,113 | 29,699 | 26,497 | 3,202 |
| Contracted Services (Special Ed. Students) - ESCs & CTSA's | 3,303,861 | 488,722 | 3,792,583 | 3,632,421 | 160,162 |
| Contracted Services - Aid in Lieu of Payments - NonPublic Schools | 365,000 | | 365,000 | 364,268 | 732 |
| Other Objects | | 1,500 | 1,500 | 500 | 1,000 |
| Total Student Transportation Services | 5,223,055 | 410,670 | 5,633,725 | 5,395,685 | 238,040 |
| Unallocated Employee Benefits: | | | | | |
| Group Insurance | 225,300 | | 225,300 | 217,953 | 7,347 |
| Social Security Contributions | 1,128,431 | (5,216) | 1,123,215 | 1,026,767 | 96,448 |
| Other Retirement Contributions - PERS | 1,839,696 | 26,314 | 1,866,010 | 1,816,994 | 49,016 |
| Unemployment Compensation | 60,000 | (60,000) | | | |
| Workmen's Compensation | 398,949 | (3,472) | 395,477 | 395,477 | |
| Health Benefits | 19,482,781 | (1,386,813) | 18,095,968 | 17,281,533 | 814,435 |
| Tuition Reimbursements | 172,365 | 6,353 | 178,718 | 103,626 | 75,092 |
| Other Employee Benefits | 388,002 | (312,552) | 75,450 | 74,909 | 541 |
| Total Unallocated Employee Benefits | 23,695,524 | (1,735,386) | 21,960,138 | 20,917,259 | 1,042,879 |
| TPAF Pension Contrib. (non-budgeted) | | | | 18,540,830 | (18,540,830) |
| TPAF Post Retire Med. Contrib. (non-budgeted) | | | | 4,870,632 | (4,870,632) |
| TPAF LTDI Premiums (non-budgeted) | | | | 6,189 | (6,189) |
| TPAF Employer FICA Contrib. (non-budgeted) | | | | 3,801,428 | (3,801,428) |
| Total On-Behalf Benefits Contributions | | | | 27,219,079 | (27,219,079) |
| Total Undistributed Expenditures | 67,228,002 | 511,025 | 67,739,027 | 92,211,553 | (24,472,526) |
| Total Operating Expenditures | 116,847,647 | (81,418) | 116,766,229 | 140,678,627 | (23,912,398) |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|--------------------|--------------------|-----------------------------|
| EXPENDITURES (CONT'D.): | | | | | |
| CAPITAL OUTLAY: | | | | | |
| Regular Programs - Instruction: | | | | | |
| Grades 1-5 | \$ | 2,535 | \$ 2,535 | \$ 2,535 | |
| Grades 6-8 | | 7,044 | 7,044 | 7,044 | |
| Grades 9-12 | | 17,628 | 17,628 | 17,619 | \$ 9 |
| Undistributed Expenditures-Support Services: | | | | | |
| Related Services | | 817,117 | 817,117 | 428,625 | 388,492 |
| Total Equipment | \$ 18,500 | 825,824 | 844,324 | 455,823 | 388,501 |
| Facilities Acquis. & Constr. Services: | | | | | |
| Construction Services | | | | | |
| Assessment for Debt Service on SDA Funding | 48,016 | | 48,016 | 48,016 | |
| Total Facil. Acquis. & Constr. Services | 48,016 | | 48,016 | 48,016 | |
| Total Capital Outlay | 66,516 | 825,824 | 892,340 | 503,839 | 388,501 |
| Total Expenditures | 116,914,163 | 744,406 | 117,658,569 | 141,182,466 | (23,523,897) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,000,000) | (744,406) | (1,744,406) | 5,173,979 | 6,918,385 |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|-----------------------|---------------------|-----------------------|----------------------|-----------------------------|
| Other Financing Sources (Uses) | | | | | |
| Transfer Capital Reserve to Capital Projects Fund | \$ (6,995,580) | \$ 6,904,554 | \$ (91,026) | \$ (91,026) | |
| Total Other Financing Sources (Uses) | (6,995,580) | 6,904,554 | (91,026) | (91,026) | |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (7,995,580) | 6,160,148 | (1,835,432) | 5,082,953 | \$ 6,918,385 |
| Fund Balances, July 1 | 15,692,172 | | 15,692,172 | 15,692,172 | |
| Fund Balances, June 30 | \$ 7,696,592 | \$ 6,160,148 | \$ 13,856,740 | \$ 20,775,125 | \$ 6,918,385 |
| Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses) | | | | | |
| Budgeted fund balance | \$ (1,000,000) | | \$ (1,000,000) | \$ 5,918,385 | \$ 6,918,385 |
| Withdrawal from capital reserve to capital projects | (6,995,580) | 6,904,554 | (91,026) | (91,026) | |
| Appropriations from capital reserve | | (205,926) | (205,926) | (205,926) | |
| Appropriations from maintenance reserve | | (83,126) | (83,126) | (83,126) | |
| Cancellation of prior year encumbrances | | 91,022 | 91,022 | 91,022 | |
| Adjustment for prior year encumbrances | | (546,376) | (546,376) | (546,376) | |
| Total | \$ (7,995,580) | \$ 6,160,148 | \$ (1,835,432) | \$ 5,082,953 | \$ 6,918,385 |
| <u>Recapitulation:</u> | | | | | |
| Restricted Fund Balance: | | | | | |
| Reserved Excess Surplus - Designated for Subsequent Year's Expenditures | | | | \$ 288,187 | |
| Emergency Reserve | | | | 1,000,000 | |
| Maintenance Reserve | | | | 2,090,267 | |
| Capital Reserve | | | | 9,891,768 | |
| Unemployment Compensation | | | | 401,679 | |
| Excess Surplus - Current Year | | | | 1,500,000 | |
| Assigned Fund Balance: | | | | | |
| Year-end Encumbrances | | | | 523,134 | |
| Designated for Subsequent Year's Expenditures | | | | 1,211,813 | |
| Unassigned Fund Balance | | | | 3,868,277 | |
| | | | | 20,775,125 | |
| <u>Reconciliation to Governmental Funds Statements (GAAP):</u> | | | | | |
| Delayed State Aid Payments not recognized on GAAP basis | | | | (650,261) | |
| Fund Balance per Governmental Funds (GAAP) | | | | \$ 20,124,864 | |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND (Budgetary Basis)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------------|
| REVENUES: | | | | | |
| State Sources | \$ 315,524 | \$ 230,552 | \$ 546,076 | \$ 471,270 | \$ (74,806) |
| Federal Sources | 1,391,475 | 1,688,450 | 3,079,925 | 2,747,599 | (332,326) |
| Local Sources | | 572,978 | 572,978 | 1,443,671 | 870,693 |
| Total Revenues | <u>1,706,999</u> | <u>2,491,980</u> | <u>4,198,979</u> | <u>4,662,540</u> | <u>463,561</u> |
| EXPENDITURES: | | | | | |
| Instruction | | | | | |
| Teacher Salaries | 101,694 | 105,501 | 207,195 | 157,300 | 49,895 |
| Other Salaries for Instruction | | 48,544 | 48,544 | 43,877 | 4,667 |
| Tuition | 1,060,426 | 734,742 | 1,795,168 | 1,787,609 | 7,559 |
| Purchased Professional/Educational Services | | 6,580 | 6,580 | 6,000 | 580 |
| Other Purchased Services | | 12,994 | 12,994 | 2,994 | 10,000 |
| General Supplies | 9,795 | 113,127 | 122,922 | 75,736 | 47,186 |
| Textbooks | 25,867 | 7,727 | 33,594 | 25,674 | 7,920 |
| Instructional Equipment | | 73,793 | 73,793 | 42,458 | 31,335 |
| Other Objects | 290 | 2,676 | 2,966 | 2,100 | 866 |
| Total Instruction | <u>1,198,072</u> | <u>1,105,684</u> | <u>2,303,756</u> | <u>2,143,748</u> | <u>160,008</u> |
| Support Services | | | | | |
| Personal Services Salaries | 9,500 | 4,660 | 14,160 | 14,160 | |
| Salaries of Other Professional Staff | 184,069 | 25,318 | 209,387 | 199,655 | 9,732 |
| Salaries of Secr & Cler Assts | 13,600 | (4,600) | 9,000 | 9,000 | |
| Other Salaries | 60,662 | 17,356 | 78,018 | 78,018 | |
| Personal Services - Employee Benefits | 15,572 | 188,854 | 204,426 | 22,267 | 182,159 |
| Purchased Professional/Educational Services | 49,306 | 667,462 | 716,768 | 623,237 | 93,531 |
| Other Purchased Professional Services | 46,368 | 107,198 | 153,566 | 71,546 | 82,020 |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND (Budgetary Basis)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------------|
| EXPENDITURES: | | | | | |
| Support Services (Cont'd.) | | | | | |
| Contracted Services-Trans. (Other Than Between Home/School) | \$ 1,913 | \$ 1,428 | \$ 3,341 | \$ 2,500 | \$ 841 |
| Contracted Services-Trans. (Special Ed.) | 51,137 | (51,137) | | | |
| Travel | 1,127 | 19,472 | 20,599 | 1,837 | 18,762 |
| Supplies and Materials | 21,973 | 237,396 | 259,369 | 178,458 | 80,911 |
| Equipment | 53,700 | 16,660 | 70,360 | 33,489 | 36,871 |
| Student Activities | | | | 1,122,025 | (1,122,025) |
| | <u>508,927</u> | <u>1,230,067</u> | <u>1,738,994</u> | <u>2,357,033</u> | <u>(618,039)</u> |
| Total Support Services | | | | | |
| Facilities Acquisition and Construction Services: | | | | | |
| Construction Services | | 156,229 | 156,229 | 156,229 | - |
| | | <u>156,229</u> | <u>156,229</u> | <u>156,229</u> | <u>-</u> |
| Total Facilities Acquisition and Construction Services | | | | | |
| | <u>-</u> | <u>156,229</u> | <u>156,229</u> | <u>156,229</u> | <u>-</u> |
| Total Expenditures | <u>1,706,999</u> | <u>2,491,980</u> | <u>4,198,979</u> | <u>4,657,010</u> | <u>(458,031)</u> |
| Excess (Deficiency) of Revenues Over (Under) | | | | | |
| Expenditures and Other Financing Sources (Uses) | \$ - | \$ - | \$ - | 5,530 | \$ 5,530 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>5,530</u> | <u>\$ 5,530</u> |
| Fund Balance, July 1 | | | | 635,619 | |
| | | | | <u>635,619</u> | |
| Fund Balance, June 30 | | | | \$ 641,149 | |
| | | | | <u>\$ 641,149</u> | |
| Recapitulation: | | | | | |
| Restricted: | | | | | |
| Student Activities | | | | \$ 641,149 | |
| Total Fund Balance | | | | <u>\$ 641,149</u> | |

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
PART III

**WESTFIELD SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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) | \$ 146,356,445 | (C-2) | \$ 4,662,540 |
| 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 | | | | 64,230 |
| Current year | | | | (186,475) |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements (Net) | | (113,104) | | |
| Total revenues as reported on the statement of revenues, expenditures and change in fund balances - governmental funds | (B-2) | \$ 146,243,341 | (B-2) | \$ 4,540,295 |
| Uses/outflows of resources | | | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule | (C-1) | \$ 141,182,466 | (C-2) | \$ 4,657,010 |
| 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 | | | | 64,230 |
| Current year | | | | (186,475) |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds | (B-2) | \$ 141,182,466 | (B-2) | \$ 4,534,765 |

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, 2023**

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 | PRESCHOOL | ARP PART B BASIC | ARP PRESCHOOL | ESSER II | ESSER III | ACSERS | |
| REVENUES | | | | | | | | | | | | | | |
| State Sources | \$ 471,270 | \$ - | \$ - | \$ 86,784 | \$ 17,095 | \$ 17,090 | \$ 1,531,856 | \$ 62,154 | \$ 7,749 | \$ 5,296 | \$ 24,570 | \$ 628,491 | \$ 366,267 | \$ 471,270 |
| Federal Sources | | | 247 | | | | | | | | | | | 2,747,599 |
| Local Sources | | 1,443,671 | | | | | | | | | | | | 1,443,671 |
| Total Revenues | 471,270 | 1,443,671 | 247 | 86,784 | 17,095 | 17,090 | 1,531,856 | 62,154 | 7,749 | 5,296 | 24,570 | 628,491 | 366,267 | 4,662,540 |
| EXPENDITURES | | | | | | | | | | | | | | |
| Instruction: | | | | | | | | | | | | | | |
| Salaries of Teachers | 108,766 | | | | 4,337 | | | | | | 6,800 | 37,397 | | 157,300 |
| Other Salaries for Instruc. | | 3,000 | | | | 2,500 | | 38,377 | | | | | | 43,877 |
| Tuition | | | | | | | 1,341,001 | | 7,749 | | | 72,592 | 366,267 | 1,787,609 |
| Purchased Prof. - Educational Services | | 6,000 | | | | | | | | | | | | 6,000 |
| Other Purch. Prof. Services | | 2,994 | | | | | | | | | | | | 2,994 |
| General Supplies | 5,346 | 53,845 | 247 | 3,043 | 2,646 | 2,954 | | | | | 7,655 | | | 75,736 |
| Textbooks | 25,674 | | | | | | | | | | | | | 25,674 |
| Instructional Equipment | | 42,458 | | | | | | | | | | | | 42,458 |
| Misc. Expenditures | | 2,100 | | | | | | | | | | | | 2,100 |
| Total Instruction | 139,786 | 110,397 | 247 | 3,043 | 6,983 | 5,454 | 1,341,001 | 38,377 | 7,749 | 5,296 | 14,455 | 109,989 | 366,267 | 2,143,748 |
| Support Services: | | | | | | | | | | | | | | |
| Support Services Salaries | 10,260 | | | | 3,900 | | | | | | | | | 14,160 |
| Salaries of Other Prof. Staff | 61,139 | | | | | | 137,676 | | | | 840 | | | 199,655 |
| Salaries of Sec & Cler Assts | | | | | | | 9,000 | | | | | | | 9,000 |
| Other Salaries | | | | 69,394 | | 4,524 | | | | | 4,100 | | | 78,018 |
| Personal Services - Empl. Benefits | | | | 4,684 | | 314 | | | | | 675 | 5,374 | | 22,267 |
| Purch. Prof. - Educ. Services | 18,579 | 37,840 | | 4,185 | | | 15,932 | 23,777 | | 5,296 | 4,500 | 513,128 | | 623,237 |
| Other Purch. Prof. Services | 44,053 | | | | 3,712 | 6,754 | 17,027 | | | | | | | 71,546 |
| Contract Serv. - Trans. (Other Than Between Home & School) | | | | | 2,500 | | | | | | | | | 2,500 |
| Travel | 114 | 710 | | 969 | | 44 | | | | | | | | 1,837 |
| Supplies and Materials | 20,801 | 153,148 | | 4,509 | | | | | | | | | | 178,458 |
| Equipment | 33,489 | | | | | | | | | | | | | 33,489 |
| Student Activities | | 1,122,025 | | | | | | | | | | | | 1,122,025 |
| Total Support Services | 188,435 | 1,314,564 | | 83,741 | 10,112 | 11,636 | 190,855 | 23,777 | 5,296 | 10,115 | 518,502 | | | 2,357,033 |
| Facilities Acquis. & Const. Serv.: | | | | | | | | | | | | | | |
| Construction Services | 143,049 | 13,180 | | | | | | | | | | | | 156,229 |
| Total Facil. Acquis. & Const. Serv. | 143,049 | 13,180 | | | | | | | | | | | | 156,229 |
| Total Expenditures | 471,270 | 1,438,141 | 247 | 86,784 | 17,095 | 17,090 | 1,531,856 | 62,154 | 7,749 | 5,296 | 24,570 | 628,491 | 366,267 | 4,657,010 |
| Excess (Deficiency) of Revenues Over Expenditures | - | 5,530 | - | - | - | - | - | - | - | - | - | - | - | 5,530 |
| Fund Balance, July 1 | | 635,619 | | | | | | | | | | | | 635,619 |
| Fund Balance, June 30 | \$ - | \$ 641,149 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 641,149 |

**WESTFIELD SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Exhibit - E-1a
Page 1 of 1

| REVENUES | SDA EMERGENT NEEDS | CLIMATE CHANGE EDUCATION | NONPUBLIC TEXTBOOKS | NONPUBLIC NURSING | NONPUBLIC TECHNOLOGY | NONPUBLIC SECURITY | N.J. NONPUBLIC AUXILIARY SERV. CH. 192 COMP. EDUCATION | N.J. NONPUBLIC HANDICAPPED SERV., CH. 193 SUPPL. INST. | EXAM. AND CLASS. | CORR. SPEECH | TOTAL CARRIED FORWARD |
|--|--------------------------|--------------------------------|------------------------|----------------------|-------------------------|-----------------------|--|---|---------------------|-----------------|-----------------------------|
| State Sources | \$ 143,049 | \$ 6,660 | \$ 25,674 | \$ 42,853 | \$ 18,579 | \$ 54,290 | \$ 83,314 | \$ 25,452 | \$ 44,927 | \$ 26,472 | \$ 471,270 |
| Total Revenues | 143,049 | 6,660 | 25,674 | 42,853 | 18,579 | 54,290 | 83,314 | 25,452 | 44,927 | 26,472 | 471,270 |
| EXPENDITURES | | | | | | | | | | | |
| Instruction: | | | | | | | | | | | |
| Salaries of Teachers | | | | | | | 83,314 | 25,452 | | | 108,766 |
| General Supplies | | 5,346 | | | | | | | | | 5,346 |
| Textbooks | | | 25,674 | | | | | | | | 25,674 |
| Total Instruction | - | 5,346 | 25,674 | - | - | - | 83,314 | 25,452 | - | - | 139,786 |
| Support Services: | | | | | | | | | | | |
| Support Services Salaries | | | | | | | | | 10,260 | | 10,260 |
| Salaries of Other Prof. Staff | | | | | | | | | 34,667 | 26,472 | 61,139 |
| Purch. Prof./Educational Serv. | | | | | 18,579 | | | | | | 18,579 |
| Other Purch. Prof. Services | | 1,200 | | 42,853 | | | | | | | 44,053 |
| Travel | | 114 | | | | | | | | | 114 |
| Supplies and Materials | | | | | | 20,801 | | | | | 20,801 |
| Equipment | | | | | | 33,489 | | | | | 33,489 |
| Total Support Services | - | 1,314 | - | 42,853 | 18,579 | 54,290 | - | - | 44,927 | 26,472 | 188,435 |
| Facilities Acquis. & Const. Serv.: | | | | | | | | | | | |
| Construction Services | 143,049 | | | | | | | | | | 143,049 |
| Total Facil. Acquis. & Const. Serv. | 143,049 | - | - | - | - | - | - | - | - | - | 143,049 |
| Total Expenditures | 143,049 | 6,660 | 25,674 | 42,853 | 18,579 | 54,290 | 83,314 | 25,452 | 44,927 | 26,472 | 471,270 |
| 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, 2023**

| | LOCAL PROGRAMS | STUDENT ACTIVITY FUND | CARRIED FORWARD |
|---|-------------------|-----------------------------|--------------------|
| <u>REVENUES</u> | | | |
| State Sources | \$ | \$ | - |
| Federal Sources | | | - |
| Local Sources | 316,116 | 1,127,555 | 1,443,671 |
| Total Revenues | 316,116 | 1,127,555 | 1,443,671 |
| <u>EXPENDITURES</u> | | | |
| Instruction: | | | |
| Other Salaries for Instruction | 3,000 | | 3,000 |
| Purchased Prof. - Educational Services | 6,000 | | 6,000 |
| Other Purchased Professional Services | 2,994 | | 2,994 |
| General Supplies | 53,845 | | 53,845 |
| Instructional Equipment | 42,458 | | 42,458 |
| Misc. Expenditures | 2,100 | | 2,100 |
| Total Instruction | 110,397 | - | 110,397 |
| Support Services: | | | |
| Purch. Prof. Ed. Services | 37,840 | | 37,840 |
| Contract Serv. - Trans. (Other Than Home & School) | 841 | | 841 |
| Travel | 710 | | 710 |
| Supplies and Materials | 153,148 | | 153,148 |
| Student Activities | | 1,122,025 | 1,122,025 |
| Total Support Services | 192,539 | 1,122,025 | 1,314,564 |
| Facilities Acquis. & Const. Serv.: | | | |
| Construction Services | 13,180 | | 13,180 |
| Total Facil. Acquis. & Const. Serv. | 13,180 | - | 13,180 |
| Total Expenditures | 316,116 | 1,122,025 | 1,438,141 |
| Excess (Deficiency) of Revenues Over Expenditures | | 5,530 | 5,530 |
| Fund Balance, July 1 | | 635,619 | 635,619 |
| Fund Balance, June 30 | \$ | \$ 641,149 | \$ 641,149 |

CAPITAL PROJECTS FUND

SECTION – F

**WESTFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2023**

| <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 | \$ 23,910,763 | \$ 21,633,599 | \$ 1,734,668 | \$ 542,496 |
| SDA Grant Alyssa's Law Security Funding | <u>353,018</u> | <u>323,288</u> | <u>29,730</u> | <u>-</u> |
| Total | <u>\$ 24,263,781</u> | <u>\$ 21,956,887</u> | <u>\$ 1,764,398</u> | <u>\$ 542,496</u> |

**WESTFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

| | | |
|---|-----------|----------------|
| Revenues and Other Financing Sources | | |
| Transfer from Capital Reserve | \$ | 91,026 |
| Total revenues | | 91,026 |
| Expenditures and Other Financing Uses | | |
| Construction Services | | 1,764,398 |
| Total expenditures | | 1,764,398 |
| Deficiency of revenues under expenditures | | (1,673,372) |
| Fund balance - beginning | | 2,215,868 |
| Fund balance - ending | \$ | 542,496 |

**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, 2023**

| | <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>23,743,116</u> | <u>91,026</u> | <u>23,834,142</u> | <u>23,834,142</u> |
| Total revenues | <u>23,819,737</u> | <u>91,026</u> | <u>23,910,763</u> | <u>23,910,763</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased professional and technical services | 1,548,033 | | 1,548,033 | 670,834 |
| Construction services | <u>20,085,566</u> | <u>1,734,668</u> | <u>21,820,234</u> | <u>23,239,929</u> |
| Total expenditures | <u>21,633,599</u> | <u>1,734,668</u> | <u>23,368,267</u> | <u>23,910,763</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 2,186,138</u> | <u>\$ (1,643,642)</u> | <u>\$ 542,496</u> | <u>\$ -</u> |

Additional project information:

| | | |
|----------------------------|--------------|--|
| Project Number | N/A | |
| Grant Date | N/A | |
| Bond Authorization Date | N/A | |
| Bonds Authorized | N/A | |
| Bonds Issued | N/A | |
| Original Authorized Cost | \$3,770,972 | |
| Additional Authorized Cost | \$20,139,791 | |
| Revised Authorized Cost | \$23,910,763 | |

Percentage Increase over Original

| | | |
|---------------------------------|---------|--|
| Authorized Cost | 534.07% | |
| Percentage completion | 98% | |
| Original target completion date | 2018 | |
| Revised target completions date | 2023 | |

**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, 2023**

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

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

| | |
|---------------------------------|-----------|
| Percentage completion | 100% |
| Original target completion date | 2023 |
| Revised target completions date | Completed |

LONG-TERM DEBT
SECTION – I

WESTFIELD SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2023

| ISSUE | DATE OF ISSUE | AMOUNT OF ISSUE | ANNUAL MATURITIES | | INTEREST RATE | BALANCE JUNE 30, 2022 | RETIRED | BALANCE JUNE 30, 2023 |
|---------------------------------------|---------------|-----------------|-------------------|------------|---------------|-----------------------|------------|-----------------------|
| | | | DATE | AMOUNT | | | | |
| School Bonds | 8/1/2013 | \$ 6,916,000 | 8/1/2023 | \$ 460,000 | 3.000% | \$ 3,220,000 | \$ 460,000 | \$ 2,760,000 |
| | | | 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 | 8/1/2023 | 350,000 | 2.250% | 1,050,000 | 350,000 | 700,000 |
| | | | 8/1/2024 | 350,000 | 2.375% | | | |
| Refunding School Bonds, Series 2015 A | 3/24/2015 | 5,700,000 | 10/1/2023 | 615,000 | 4.000% | 3,755,000 | 590,000 | 3,165,000 |
| | | | 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, 2023

| <u>ISSUE</u> | <u>DATE OF ISSUE</u> | <u>AMOUNT OF ISSUE</u> | <u>ANNUAL MATURITIES</u> | | <u>INTEREST RATE</u> | <u>BALANCE JUNE 30, 2022</u> | <u>RETIRED</u> | <u>BALANCE JUNE 30, 2023</u> |
|-----------------------------|----------------------|------------------------|--------------------------|---------------|----------------------|------------------------------|---------------------|------------------------------|
| | | | <u>DATE</u> | <u>AMOUNT</u> | | | | |
| School Bonds, Series 2016 B | 7/13/2016 | \$ 12,600,000 | 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% | | | |
| | | | | | | \$ 9,200,000 | \$ 950,000 | \$ 8,250,000 |
| Total | | | | | | \$ 17,225,000 | \$ 2,350,000 | \$ 14,875,000 |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Positive (Negative) Final to Actual |
|------------------------------|--------------------|---------------------|--------------------|--------------------|--|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 1,965,995 | \$ - | \$ 1,965,995 | \$ 1,965,995 | \$ - |
| Total Local Sources | <u>1,965,995</u> | <u>-</u> | <u>1,965,995</u> | <u>1,965,995</u> | <u>-</u> |
| State Aid - Debt Service | <u>799,313</u> | <u>-</u> | <u>799,313</u> | <u>799,313</u> | <u>-</u> |
| Total Revenues | <u>2,765,308</u> | <u>-</u> | <u>2,765,308</u> | <u>2,765,308</u> | <u>-</u> |
| EXPENDITURES: | | | | | |
| Regular Debt Service: | | | | | |
| Redemption of Bond Principal | 2,350,000 | | 2,350,000 | 2,350,000 | - |
| Bond Interest | <u>415,308</u> | | <u>415,308</u> | <u>415,308</u> | <u>-</u> |
| Total Regular Debt Service | <u>2,765,308</u> | <u>-</u> | <u>2,765,308</u> | <u>2,765,308</u> | <u>-</u> |
| Total expenditures | <u>2,765,308</u> | <u>-</u> | <u>2,765,308</u> | <u>2,765,308</u> | <u>-</u> |
| Net Change in Fund Balance | - | - | - | - | - |
| Fund Balance, July 1 | - | - | - | - | - |
| Fund Balance, June 30 | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

STATISTICAL SECTION
SECTION – J

FINANCIAL TRENDS

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

Exhibit J-1

June 30,

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | GASB #84 Restated 2020 | Restated 2021 | 2022 | 2023 |
|--|-----------------------|-----------------------|---------------------|---------------------|----------------------|----------------------|------------------------------|----------------------|----------------------|----------------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 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 | \$ 49,227,359 |
| Restricted | 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 | 16,355,546 |
| Unrestricted/(deficit) | (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) | (19,203,759) |
| Total governmental activities net position | \$ (5,259,778) | \$ (3,325,164) | \$ 1,332,031 | \$ 5,760,272 | \$ 14,373,224 | \$ 21,726,208 | \$ 31,857,279 | \$ 33,038,284 | \$ 39,610,722 | \$ 46,379,146 |
| Business-type activities | | | | | | | | | | |
| Invested in capital assets | \$ 30,955 | \$ 24,616 | \$ 18,277 | \$ 322,433 | \$ 459,157 | \$ 316,024 | \$ 351,873 | \$ 325,553 | \$ 299,674 | \$ 391,508 |
| Unrestricted | 181,308 | 414,803 | 593,263 | 591,850 | 867,954 | 1,241,620 | 1,395,315 | 1,017,556 | 658,219 | 928,430 |
| Total business-type activities net position | \$ 212,263 | \$ 439,419 | \$ 611,540 | \$ 914,283 | \$ 1,327,111 | \$ 1,557,645 | \$ 1,747,188 | \$ 1,343,109 | \$ 957,893 | \$ 1,319,938 |
| Government-wide | | | | | | | | | | |
| Net investment in capital assets | \$ 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 | \$ 49,618,867 |
| Restricted | 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 | 16,355,546 |
| Unrestricted/(deficit) | (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) | (18,275,329) |
| Total district position | \$ (5,047,515) | \$ (2,885,745) | \$ 1,943,571 | \$ 6,674,555 | \$ 15,700,335 | \$ 23,283,852 | \$ 33,604,467 | \$ 34,381,393 | \$ 40,568,615 | \$ 47,699,084 |

Source: ACFR Schedule A-1.

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

Exhibit J-2

| | <u>Fiscal Year Ending June 30,</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> | <u>2023</u> |
| EXPENSES | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | \$ 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 | \$ 41,737,944 |
| Special Education | 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 | 8,713,862 |
| Other Special Instruction | 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 | 1,415,740 |
| Other Instruction | 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 | 1,957,264 |
| Support Services | | | | | | | | | | |
| Tuition | 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 | 8,091,422 |
| Student & Instruction Related Services | 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 | 17,214,133 |
| School Administrative Services | 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 | 3,748,509 |
| General & Business Administrative Services | 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 | 4,974,412 |
| Plant Operations and Maintenance | 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 | 6,569,404 |
| Pupil Transportation | 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 | 5,395,685 |
| Unallocated Benefits | 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 | 36,015,689 |
| Interest on Long-Term Debt | 889,586 | 808,442 | 952,171 | 758,829 | 733,389 | 744,088 | 629,941 | 520,872 | 454,861 | 393,887 |
| Unallocated Depreciation & Amortization | 1,201,462 | 1,255,944 | 1,771,245 | 705,067 | 390,741 | 632,123 | 575,603 | 665,701 | 739,749 | 766,456 |
| Total Governmental Activities | <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> | <u>136,994,407</u> |
| Business-Type Activities: | | | | | | | | | | |
| Food Service | 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 | 1,547,626 |
| Child Care | 89,922 | 197,980 | 485,571 | 480,757 | 523,935 | 512,422 | 404,657 | 396,738 | 322,967 | 334,399 |
| Total Business-Type Activities | <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> | <u>1,882,025</u> |
| Total Primary Government Expenses | <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> | <u>\$ 138,876,432</u> |
| Program Revenues | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Instruction (Tuition) | \$ 138,397 | \$ 210,478 | \$ 162,071 | \$ 77,540 | \$ 67,437 | \$ 101,757 | \$ 37,005 | \$ 44,542 | \$ 69,571 | \$ 137,424 |
| Pupil Transportation | | | | | | | | | 23,100 | 28,160 |
| Business and Other Support Services | | | | | | | | | 887,482 | 1,127,555 |
| Operating Grants and Contributions | \$ 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 | \$ 23,953,846 |
| Interest on Long-Term Debt | 363,541 | 306,218 | 245,926 | 774,814 | | | | | | |
| Total Governmental Activities Program Revenues | <u>8,917,657</u> | <u>9,727,570</u> | <u>11,617,757</u> | <u>35,008,434</u> | <u>40,428,122</u> | <u>32,727,614</u> | <u>24,433,377</u> | <u>40,984,052</u> | <u>31,465,422</u> | <u>25,246,985</u> |
| Business-Type Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Food Service | 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 | 1,691,580 |
| Child Care | 138,600 | 278,053 | 430,003 | 494,800 | 640,605 | 526,400 | 459,900 | 161,709 | 335,500 | 495,340 |
| Operating Grants and Contributions | 89,977 | 80,768 | 99,531 | 104,733 | 107,996 | 89,447 | 5,435 | | | |
| Total Business Type Activities Program Revenues | <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> | <u>2,186,920</u> |
| Total District Program Revenues | <u>\$ 10,310,718</u> | <u>\$ 11,312,540</u> | <u>\$ 13,461,874</u> | <u>\$ 37,018,157</u> | <u>\$ 42,659,060</u> | <u>\$ 34,911,879</u> | <u>\$ 25,957,716</u> | <u>\$ 41,156,513</u> | <u>\$ 33,141,749</u> | <u>\$ 27,433,905</u> |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | \$ (94,137,910) | \$ (97,004,069) | \$ (96,871,530) | \$ (100,230,101) | \$ (97,947,632) | \$ (102,596,218) | \$ (102,374,140) | \$ (107,005,967) | \$ (108,629,319) | \$ (111,747,422) |
| Business-Type Activities | 60,283 | 225,471 | 169,422 | 297,635 | 399,344 | 323,244 | 165,764 | (410,748) | 109,012 | 304,895 |
| Total District-Wide Net Expense | <u>\$ (94,077,627)</u> | <u>\$ (96,778,598)</u> | <u>\$ (96,702,107)</u> | <u>\$ (99,932,466)</u> | <u>\$ (97,548,289)</u> | <u>\$ (102,272,974)</u> | <u>\$ (102,208,376)</u> | <u>\$ (107,416,715)</u> | <u>\$ (108,520,307)</u> | <u>\$ (111,442,527)</u> |

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

Exhibit J-2
(continued)

| | <u>Fiscal Year Ending June 30,</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> | <u>2023</u> |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Property Taxes, Levied for General Purposes, Net | \$ 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 | \$ 107,628,137 |
| Taxes Levied for Debt Service | 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 | 1,965,995 |
| Unrestricted Grants and Contributions | 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 | 6,421,465 |
| Restricted Grants and Contributions | 1,906,840 | 2,212,314 | 2,163,177 | 2,174,893 | 988,965 | 322,393 | 410,349 | 833,695 | 1,161,522 | 829,043 |
| Investment earnings | 29,129 | 41,146 | 58,023 | 167,841 | 21,542 | 911,216 | 571,427 | 192,273 | 154,855 | 1,248,112 |
| Miscellaneous Income | 411,212 | 688,620 | 619,234 | 550,383 | 2,165,431 | 1,580,941 | 1,344,144 | 961,714 | 319,722 | 423,094 |
| Transfers | 9,135 | | | | (22,716) | (40,175) | (30,866) | (1,988,606) | 500,000 | |
| Total Governmental Activities | <u>95,384,226</u> | <u>98,938,682</u> | <u>102,188,187</u> | <u>104,658,342</u> | <u>106,560,584</u> | <u>109,949,202</u> | <u>111,522,855</u> | <u>110,109,861</u> | <u>115,201,757</u> | <u>118,515,846</u> |
| Business-Type Activities | | | | | | | | | | |
| Miscellaneous Income | 616 | 1,684 | 2,700 | 5,108 | | 27,652 | 23,780 | 6,668 | 5,772 | 57,150 |
| Transfers | | | | | 13,485 | (120,362) | | | (500,000) | |
| Total Business-Type Activities | <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> | <u>57,150</u> |
| Total Primary Government | <u>\$ 95,384,842</u> | <u>\$ 98,940,366</u> | <u>\$ 102,190,887</u> | <u>\$ 104,663,450</u> | <u>\$ 106,574,069</u> | <u>\$ 109,856,491</u> | <u>\$ 111,546,635</u> | <u>\$ 110,116,529</u> | <u>\$ 114,707,529</u> | <u>\$ 118,572,996</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | \$ 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 | \$ 6,768,424 |
| Business-Type Activities | 60,898 | 227,155 | 172,122 | 302,742 | 412,828 | 230,533 | 189,544 | (404,080) | (385,216) | 362,045 |
| Total District | <u>\$ 1,307,215</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> | <u>\$ 7,130,469</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, | | | | | | | | | |
|------------------------------------|---------------------|---------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| General Fund | | | | | | | | | | |
| Restricted: | | | | | | | | | | |
| Committed: | \$ 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 | \$ 15,171,901 |
| Assigned: | 880,573 | 722,022 | 510,251 | 430,764 | 1,021,507 | 393,297 | 1,394,601 | 1,259,798 | 546,376 | 523,134 |
| Unassigned: | 308,774 | 3,041 | | 163,799 | 105,935 | 357,639 | 1,009,492 | 246,682 | 1,000,000 | 1,211,813 |
| Total General Fund | <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> | <u>\$ 20,124,864</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Restricted: | | | | | | | | | | |
| Student Activities | | | | | | | | \$ 575,747 | \$ 635,619 | \$ 641,149 |
| Assigned, Reported In: | | | | | | | | | | |
| Capital Projects Fund | \$ 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 | 542,496 |
| Debt Service Fund | <u>2</u> | <u>2</u> | <u>24,297</u> | <u>54,295</u> | <u>54,296</u> | <u>123,735</u> | <u>123,735</u> | <u>75,864</u> | | |
| Total All Other Governmental Funds | <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> | <u>\$ 1,183,645</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**

Exhibit J-4

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|---------------------|---------------------|----------------------|--------------------|--------------------|--------------------|---------------------|-----------------------|---------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Revenues | | | | | | | | | | |
| Tax levy | \$ 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 | \$ 109,594,132 |
| Tuition charges | 138,397 | 210,478 | 162,071 | 77,540 | 67,437 | 101,757 | 37,005 | 44,542 | 69,571 | 137,424 |
| Miscellaneous | 580,277 | 729,765 | 864,554 | 983,213 | 2,380,787 | 2,492,157 | 1,977,914 | 1,340,942 | 1,582,819 | 3,031,913 |
| State sources | 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 | 37,516,973 |
| Federal sources | 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 | 3,298,232 |
| Total revenue | <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> | <u>153,578,674</u> |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 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 | 38,512,580 |
| Special education instruction | 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 | 8,713,862 |
| Other special instruction | 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 | 1,415,740 |
| Other instruction | 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 | 1,957,264 |
| Support Services: | | | | | | | | | | |
| Tuition | 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 | 8,091,422 |
| Student & inst. related services | 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 | 17,214,133 |
| General administration | 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 | 3,748,509 |
| School administrative services | 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 | 4,974,412 |
| Central services | | | | | | | | | | |
| Admin. information technology | | | | | | | | | | |
| Plant operations and maintenance | 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 | 6,925,080 |
| Pupil transportation | 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 | 5,395,685 |
| Employee benefits | 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 | 48,136,338 |
| Capital outlay | 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 | 2,396,604 |
| Debt service: | | | | | | | | | | |
| Principal | 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 | 2,350,000 |
| Interest and other charges | 765,465 | 918,631 | 838,467 | 650,359 | 874,121 | 680,475 | 608,513 | 543,073 | 480,245 | 415,308 |
| Total expenditures | <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> | <u>150,246,937</u> |
| Excess (Deficiency) of revenues over (under) expenditures | (5,491,327) | (3,726,093) | 2,540,753 | 1,514,417 | 277,444 | 688,249 | 256,622 | 1,186,034 | (7,401,946) | 3,331,737 |
| Other Financing sources (uses) | | | | | | | | | | |
| 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 | 9,135 | 522,017 | 341,140 | 280,859 | 3,694,351 | 7,354,924 | 685,825 | 9,249,214 | 3,458,401 | 91,026 |
| Transfers out | | (522,017) | (341,140) | (280,859) | (3,694,351) | (7,354,924) | (685,825) | (11,237,820) | (2,958,401) | (91,026) |
| Total other financing sources (uses) | <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> | <u>-</u> |
| Net change in fund balances | <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> | <u>\$ 3,331,737</u> |
| Debt service as a percentage of noncapital expenditures | 2.82% | 2.93% | 3.17% | 3.08% | 3.66% | 3.33% | 3.32% | 2.73% | 2.44% | 1.87% |

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)

| | <u>Gate Receipts</u> | <u>Student Activities</u> | <u>Rentals</u> | <u>Interest on Deposits</u> | <u>Miscellaneous</u> | <u>Annual Totals</u> |
|--------------------------------|--------------------------|-------------------------------|----------------|---------------------------------|----------------------|----------------------|
| Fiscal Year Ending June 30, | | | | | | |
| 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 |
| 2023 | 32,308 | 215,085 | 76,954 | 1,248,112 | 72,412 | 1,644,871 |

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 ^a | Net Valuation Taxable | Total Direct School Tax Rate ^b | Estimated Actual (County Equalized Value) ^c |
|----------------------------|---------------|------------------|-----------|----------|----------------|--------------|---------------|----------------------|---------------------------|-------------------------------|-----------------------|---|--|
| 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 | 8,507,232,113 |
| 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 | 9,166,366,819 |
| 2023 | 23,016,300 | 7,546,289,200 | - | 5,900 | 746,657,300 | 5,274,300 | 139,137,400 | 8,460,380,400 | 1,143,660 | 6,785,495 | 8,466,022,235 | 1.356 | 9,908,736,496 |

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

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

- a** Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- b** Tax rates are per \$100
- c** Union County Abstract of Ratables, when available. Or other local sources

N/A - Not Available.

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

Exhibit J-7

(rate per \$100 of assessed value)

| <u>Year Ended Dec. 31</u> | <u>Total Direct School Tax Rate</u> | <u>Town of Westfield</u> | <u>Union County</u> | <u>Total Tax Rate**</u> |
|-------------------------------|---|------------------------------|---------------------|-------------------------|
| 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 |
| 2023 | 1.356 | 0.506 | 0.447 | 2.309 |

**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

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, 2023 | | | YEAR ENDED DEC. 31, 2014 | | |
|-------------------------------|--------------------------|-----------------|--|--------------------------|-----------------|--|
| | 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 | 19,500,000 | 3 | 0.23% | | | |
| EAST COAST DUNCAN HILL, LLC | 23,504,700 | 4 | 0.28% | | | |
| LT WESTFIELD LLC | 24,862,300 | 5 | 0.30% | | | |
| WEILL, MAURICE | 19,781,600 | 6 | 0.24% | N/A | | |
| 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% | | | |
| TOTAL | \$ 217,885,600 | | 2.59% | \$ | | \$ |

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

| 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 | |
| 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 |
| 2022 | 109,594,132 | 109,594,132 | 100.00% | N/A |

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

N/A - Not Available.

DEBT CAPACITY

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

Exhibit J-10

| Fiscal Year Ended June 30, | <u>Governmental Activities</u> | | Total District | Percentage of Personal Income ^a | Per Capita ^a |
|----------------------------------|--|---------------|----------------|---|-------------------------|
| | General Obligation Bonds ^b | | | | |
| 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 |
| 2023 | 14,875,000 | 14,875,000 | | 0.67% | 484 |

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.

**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 ^a of Property | Per Capita ^b |
|-------------------------------------|---------------------------------|-------------|---|--|-------------------------|
| | General Obligation Bonds | Deductions | Net General Bonded Debt Outstanding | | |
| 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 |
| 2023 | 14,875,000 | | 14,875,000 | 0.18% | 484 |

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 ^a</u> | <u>Estimated Share of Overlapping Debt</u> |
|---|---------------------------------|---|--|
| Debt Repaid with Property Taxes | | | |
| Town of Westfield | N/A | 100.000% \$ | N/A |
| Other Debt | | | |
| County of Union - Town's Share | N/A | 10.532% | N/A |
| Rahway Valley Sewarge Authority - Town's Share | N/A | 15.820% | N/A |
| Subtotal Overlapping Debt | | | - |
| Net Direct Debt of School District as at June 30, 2023 | | | <u>14,875,000</u> |
| Total Direct and Overlapping Debt | | | \$ <u><u>14,875,000</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.

N/A Not available.

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

Exhibit J-13

Legal Debt Margin Calculation for Calendar Year 2023

| | Equalized | Equalized Valuation Basis |
|--|-----------|---------------------------------|
| | 2021 | 8,116,615,626 |
| | 2022 | 8,514,383,789 |
| | 2023 | 8,416,137,623 |
| | [A] | <u>\$ 25,047,137,038</u> |
| Avg Equalized Valuation of Taxable Property | [A/3] | \$ 8,349,045,679 |
| School Borrowing Margin (4%) | [B] | 333,961,827 |
| Net Bonded School Debt (6/30/23) | [C] | <u>14,875,000</u> |
| Legal Debt Margin | [B-C] | <u>\$ 319,086,827</u> |

| | Fiscal Year | | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Debt Limit | \$ 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 | \$ 333,961,827 |
| Total Net Debt Applicable to Limit | <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> | <u>14,875,000</u> |
| Legal Debt Margin | <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> | <u>\$ 319,086,827</u> |
| Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit | 8.76% | 9.12% | 13.58% | 11.26% | 9.97% | 9.01% | 7.42% | 6.32% | 5.23% | 4.45% |

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 ^a</u> | <u>Personal Income ^b</u> | <u>Per Capita Personal Income ^c</u> | <u>Unemployment Rate ^d</u> |
|-------------|--------------------------------|-------------------------------------|--|---|
| 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% |
| 2023 | 30,539 | 2,531,716,773 | 77,007 | 3.70% |

Source(s):

^a State of New Jersey, Department of labor and Workforce Development (Release Date 2023).

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

^c Per Capita Data represents County of Union estimates, updated 11/16/22

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development (as of 9/27/23).

WESTFIELD SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 CURRENT AND TEN YEARS AGO
 Unaudited

Exhibit J-15

| Employer | 2023 | | | 2014 | | |
|----------|-------------|-----------------|--------------------------------|-------------|-----------------|--------------------------------|
| | 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

| <u>Function/Program</u> | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction | | | | | | | | | | |
| Teachers | 478 | 475 | 480 | 484 | 482 | 483 | 485 | 484 | 484 | 471 |
| Classroom Aides | 38 | 31 | 26 | 30 | 45 | 43 | 39 | 42 | 43 | 43 |
| Support Services: | | | | | | | | | | |
| Student & Instruction Related Services | 191 | 189 | 194 | 190 | 186 | 196 | 207 | 190 | 192 | 191 |
| General Administrative Services | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 7 |
| School Administrative Services | 41 | 41 | 39 | 39 | 39 | 39 | 39 | 39 | 39 | 32 |
| Business Administrative Services | 15 | 15 | 14 | 14 | 14 | 14 | 15 | 15 | 15 | 15 |
| Admin Info Technology Services | 9 | 8 | 8 | 8 | 8 | 9 | 9 | 9 | 9 | 9 |
| Plant Operations and Maintenance | 61 | 61 | 61 | 61 | 61 | 61 | 61 | 61 | 61 | 61 |
| Total | 839 | 826 | 828 | 832 | 841 | 851 | 861 | 846 | 849 | 829 |

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

WESTFIELD SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS
 Unaudited

Exhibit J-17

| Fiscal Year | Enrollment | Operating Expenditures ^a | Cost Per Pupil | Percentage Change | Teaching Staff ^b | Average Daily Enrollment (ADE) ^c | Average Daily Attendance (ADA) ^c | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|-------------------------------------|----------------|-------------------|-----------------------------|---|---|--------------------------------------|-------------------------------|
| 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% |
| 2022-23 | 5,909 | 145,085,025 | 24,553 | 10.72% | 471 | 5,855 | 5,599 | -1.2% | 95.6% |

Source(s): District Records.

Note: Enrollment based on annual October district count.

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

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

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

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

Exhibit J-18

Unaudited

| | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> | <u>2020-21</u> | <u>2021-22</u> | <u>2022-23</u> |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| BUILDING | | | | | | | | | | |
| ELEMENTARY | | | | | | | | | | |
| FRANKLIN [1929] [1956] [2000] | | | | | | | | | | |
| SQUARE FEET | 65,814 | 65,814 | 65,814 | 65,814 | 65,814 | 65,814 | 65,814 | 65,814 | 65,814 | 65,814 |
| CAPACITY - STATE MODEL - STUDENTS | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 |
| ENROLLMENT | 570 | 575 | 569 | 584 | 594 | 580 | 604 | 541 | 529 | 532 |
| 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 | 502 | 496 | 489 | 481 | 474 | 442 | 466 | 466 | 457 | 466 |
| MCKINLEY [1906] [1931] [2000] | | | | | | | | | | |
| SQUARE FEET | 61,140 | 61,140 | 61,140 | 61,140 | 61,140 | 61,140 | 61,140 | 61,140 | 61,140 | 61,140 |
| CAPACITY - STATE MODEL - STUDENTS | 337 | 337 | 337 | 337 | 337 | 337 | 337 | 337 | 337 | 337 |
| ENROLLMENT | 344 | 350 | 353 | 361 | 348 | 340 | 353 | 329 | 332 | 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 | 439 | 439 | 438 | 429 | 408 | 401 | 431 | 424 | 411 | 415 |
| WASHINGTON [1954] [1992] | | | | | | | | | | |
| SQUARE FEET | 36,700 | 36,700 | 36,700 | 36,700 | 36,700 | 36,700 | 36,700 | 36,700 | 36,700 | 36,700 |
| CAPACITY - STATE MODEL - STUDENTS | 332 | 332 | 332 | 332 | 332 | 332 | 332 | 332 | 332 | 332 |
| ENROLLMENT | 330 | 326 | 320 | 330 | 311 | 309 | 270 | 283 | 260 | 263 |
| 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 | 385 | 387 | 394 | 388 | 371 | 354 | 347 | 314 | 319 | 345 |
| 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 | 234 | 313 | 315 | 300 | 311 | 300 | 283 | 247 | 215 | 267 |
| INTERMEDIATE | | | | | | | | | | |
| EDISON [1958] [1964] | | | | | | | | | | |
| SQUARE FEET | 124,998 | 124,998 | 124,998 | 124,998 | 124,998 | 124,998 | 124,998 | 124,998 | 124,998 | 124,998 |
| CAPACITY - STATE MODEL - STUDENTS | 768 | 768 | 768 | 768 | 768 | 768 | 768 | 768 | 768 | 768 |
| ENROLLMENT | 808 | 811 | 831 | 825 | 843 | 841 | 818 | 794 | 772 | 780 |
| ROOSEVELT [1926] [1964] | | | | | | | | | | |
| SQUARE FEET | 112,890 | 112,890 | 112,890 | 112,890 | 112,890 | 112,890 | 112,890 | 112,890 | 112,890 | 112,890 |
| CAPACITY - STATE MODEL - STUDENTS | 683 | 683 | 683 | 683 | 683 | 683 | 683 | 683 | 683 | 683 |
| ENROLLMENT | 731 | 729 | 734 | 752 | 782 | 777 | 736 | 679 | 681 | 658 |
| HIGH SCHOOL | | | | | | | | | | |
| WESTFIELD HIGH SCHOOL [1950] [1906] [2002] | | | | | | | | | | |
| SQUARE FEET | 303,320 | 303,320 | 303,320 | 303,320 | 303,320 | 303,320 | 303,320 | 303,320 | 303,320 | 303,320 |
| CAPACITY - STATE MODEL - STUDENTS | 1,713 | 1,713 | 1,713 | 1,713 | 1,713 | 1,713 | 1,713 | 1,713 | 1,713 | 1,713 |
| ENROLLMENT | 1,853 | 1,852 | 1,863 | 1,863 | 1,915 | 1,865 | 1,894 | 1,850 | 1,853 | 1,817 |
| OTHER | | | | | | | | | | |
| ADMINISTRATION [1914] | | | | | | | | | | |
| SQUARE FEET | 29,410 | 29,410 | 29,410 | 29,410 | 29,410 | 29,410 | 29,410 | 29,410 | 29,410 | 29,410 |

SOURCE: DISTRICT RECORDS

NOTE: YEAR OF ORIGINAL CONSTRUCTION IS SHOWN IN PARENTHESES FOLLOWING THE NAME OF THE BUILDING. DATES, IF ANY FOR A SUBSEQUENT ADDITION ALSO 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) | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|-------------------------------|---------------|---------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| FRANKLIN ELEMENTARY SCHOOL | N/A | \$ 76,974 | \$ 85,316 | \$ 71,791 | \$ 84,209 | \$ 75,771 | \$ 74,903 | \$ 71,561 | \$ 64,378 | \$ 78,663 | \$ 80,717 |
| JEFFERSON ELEMENTARY SCHOOL | N/A | 61,561 | 53,323 | 50,375 | 54,128 | 56,965 | 51,959 | 82,148 | 72,977 | 57,191 | 58,685 |
| LINCOLN ELEMENTARY SCHOOL | N/A | 46,118 | 31,994 | 37,072 | 34,802 | 33,689 | 41,116 | 44,675 | 30,190 | 32,248 | 33,089 |
| MCKINLEY ELEMENTARY SCHOOL | N/A | 80,413 | 74,652 | 79,896 | 93,323 | 69,224 | 70,831 | 64,098 | 66,222 | 73,077 | 74,986 |
| TAMAQUES ELEMENTARY SCHOOL | N/A | 52,039 | 63,987 | 46,449 | 50,364 | 50,022 | 54,558 | 44,557 | 47,277 | 57,790 | 59,299 |
| WASHINGTON ELEMENTARY SCHOOL | N/A | 70,226 | 42,658 | 44,968 | 53,168 | 80,267 | 60,822 | 44,099 | 38,639 | 43,864 | 45,010 |
| WILSON ELEMENTARY SCHOOL | N/A | 51,210 | 53,323 | 45,743 | 62,170 | 47,389 | 44,637 | 57,136 | 88,365 | 95,475 | 55,921 |
| EDISON INTERMEDIATE SCHOOL | N/A | 197,300 | 149,304 | 120,102 | 134,347 | 130,929 | 151,442 | 124,974 | 129,150 | 144,118 | 153,305 |
| ROOSEVELT INTERMEDIATE SCHOOL | N/A | 148,406 | 138,639 | 121,955 | 123,993 | 124,343 | 139,627 | 138,299 | 124,232 | 134,930 | 138,453 |
| WESTFIELD HIGH SCHOOL | N/A | 363,723 | 373,258 | 324,970 | 317,569 | 313,681 | 355,399 | 316,957 | 324,952 | 359,594 | 400,056 |
| ADMINISTRATION BUILDING | N/A | 84,429 | | 55,651 | 51,801 | 46,228 | 33,066 | 35,291 | 45,420 | | |
| GRAND TOTAL | | \$ 1,232,399 | \$ 1,066,454 | \$ 998,972 | \$ 1,059,874 | \$ 1,028,508 | \$ 1,078,360 | \$ 1,023,795 | \$ 1,031,802 | \$ 1,076,950 | \$ 1,099,521 |

SOURCE: DISTRICT RECORDS.

WESTFIELD SCHOOL DISTRICT
INSURANCE SCHEDULE
As of 6/30/2023
UNAUDITED

| Commercial Package Policy - New Jersey Schools Insurance Group (NJSIG) | COVERAGE | DEDUCTIBLE |
|---|---|-------------------|
| 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 | |
| Flood/Earthquake: | | |
| 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 | |
| Electronic Data Processing: | | |
| Blanket Hardware/Software, Extra Expense, Business Income, Transit, Debris | \$1,000,000 | \$1,000 |
| Removal | | |
| Flood (Deductible for Zone A & Z) | | \$500,000 |
| (Deductible All Other Flood Zones) | | \$10,000 |
| Equipment Breakdown | | |
| 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 |
| Crime Coverage: | | |
| 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 |
| Public Officials Bond | | |
| Board Secretary - D Sullivan (Selective Ins Co) | \$438,000 | \$0 |
| General Liability: | | |
| 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 | |
| Automotive Coverage: | | |
| 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 | |
| School Leaders Errors & Omissions | | |
| 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 | |
| Workers' Compensation | | |
| Part One | Statutory | |
| Part Two | | |
| Bodily Injury by Accident | \$2,000,000 | |
| Bodily Injury by Disease | \$2,000,000 | |
| Environmental Impairment (Mold) | | |
| Philidelphia Ins Co | \$1,000,000 | \$10,000 |
| Travel Accident Insurance | | |
| ACE USA | \$1,000,000 | |
| Student Accident | | |
| US Fire/Chubb | \$7,500,000 | |
| Cyber Liability | | |
| 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 the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Westfield School District, in the County of Union, New Jersey (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 4, 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 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.

PKF O'CONNOR DAVIES, LLP

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**Honorable President and Members
of the Board of Education
Westfield School District**

Page 2

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

Cranford, New Jersey
December 4, 2023

Scott A. Clelland

Scott A. Clelland, CPA
Licensed Public School Accountant No. 1049

**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, 2023. 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, 2023.

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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**Honorable President and Members
of the Board of Education
Westfield School District**

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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.

**Honorable President and Members
of the Board of Education
Westfield School District**

Page 3

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

Cranford, New Jersey
December 4, 2023

Scott A Clelland

Scott A. Clelland, CPA
Licensed Public School Accountant No. 1049

WESTFIELD SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| 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, 2022 | | | | | June 30, 2023 |
| | | | | | | | Unearned Revenue/ (Accounts Receivable) | | | | | Unearned Revenue/ (Accounts Receivable) |
| General Fund: | | | | | | | | | | | | |
| U.S. Department of Education | | | | | | | | | | | | |
| Passed through State Department of Education: | | | | | | | | | | | | |
| Medical Assistance Program (SEMI) | 93.778 | 2305NJ5MAP | 100-054-7540-211 | 7/1/22 | 6/30/23 | \$ 53,373 | \$ | \$ 53,373 | \$ (53,373) | \$ | \$ | \$ |
| Medical Assistance Program (FFCRA/SEMI) | 93.778 | 2305NJ5MAP | 100-054-7540-211 | 7/1/22 | 6/30/23 | 3,627 | | 3,627 | (3,627) | | | |
| | | | | | | | | 57,000 | (57,000) | | | |
| U.S. Department of Homeland Security | | | | | | | | | | | | |
| Passed through New Jersey State Police: | | | | | | | | | | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | N/A | N/A | 7/1/20 | 6/30/23 | 469,633 | | 469,633 | (469,633) | | | |
| Total General Fund | | | | | | | | | | | | |
| | | | | | | | | 526,633 | (526,633) | | | |
| Special Revenue Fund: | | | | | | | | | | | | |
| U.S. Department of Education | | | | | | | | | | | | |
| Passed through State Department of Education: | | | | | | | | | | | | |
| Special Education Cluster: | | | | | | | | | | | | |
| IDEA Special Education Grants to States | 84.027 | H027A200100 | 034-5065-100-016 | 7/1/22 | 9/30/23 | 1,539,333 | | 1,454,201 | (1,509,019) | | | (54,818) |
| IDEA Special Education Grants to States | 84.027 | H027A200100 | 034-5065-100-016 | 7/1/21 | 9/30/22 | 1,474,479 | (200,782) | 223,619 | (22,837) | | | |
| IDEA Preschool Grants for Children with Disabilities | 84.173 | H173A200114 | 034-5065-100-020 | 7/1/22 | 9/30/23 | 66,732 | | 57,135 | (62,154) | | | (5,019) |
| IDEA Preschool Grants for Children with Disabilities | 84.173 | H173A200114 | 034-5065-100-020 | 7/1/21 | 9/30/22 | 60,163 | (1,951) | 1,951 | | | | |
| COVID-19 American Rescue Plan IDEA Special Education | 84.027X | H027A200100 | 034-5065-100-016 | 7/1/21 | 9/30/22 | 280,068 | (24,310) | 32,059 | (7,749) | | | |
| COVID-19 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 | (2,885) | 8,181 | (5,296) | | | |
| Subtotal of Special Education Cluster: | | | | | | | (229,928) | 1,777,146 | (1,607,055) | | | (59,837) |
| No Child Left Behind (NCLB): | | | | | | | | | | | | |
| Title I, Part A, Grants to Local Educational Agencies | 84.010A | S010A210030 | 034-5064-100-194 | 7/1/22 | 9/30/23 | 247 | | 247 | (247) | | | |
| Title I, Part A, Grants to Local Educational Agencies | 84.010A | S010A220030 | 034-5064-100-194 | 7/1/21 | 9/30/22 | 146,219 | (65,272) | 65,272 | | | | |
| Title I Part A Subtotal: | | | | | | | (65,272) | 65,519 | (247) | | | |
| Title II A, Improving Teacher Quality State Grants | 84.367A | S367A210029 | 034-5063-100-290 | 7/1/22 | 9/30/23 | 88,330 | | 47,304 | (86,784) | | | (39,480) |
| Title II A, Improving Teacher Quality State Grants | 84.367A | S367A220029 | 034-5063-100-290 | 7/1/21 | 9/30/22 | 85,893 | (37,178) | 37,178 | | | | |
| Title II A Subtotal: | | | | | | | (37,178) | 84,482 | (86,784) | | | (39,480) |
| Title III English Language Acquisition Grants | 84.365A | S365A210030 | NCLB-21 | 7/1/22 | 9/30/23 | 14,845 | | 11,889 | (13,824) | | | (1,935) |
| Title III English Language Acquisition Grants | 84.365A | S365A220030 | NCLB-22 | 7/1/21 | 9/30/22 | 21,743 | (5,914) | 9,185 | (3,271) | | | |
| Title III, Supplemental Immigrant Student Aid | 84.365A | S365A210030 | NCLB-22 | 7/1/21 | 9/30/22 | 2,341 | (241) | 241 | | | | |
| Title III Subtotal: | | | | | | | (6,155) | 21,315 | (17,095) | | | (1,935) |
| Title IV | 84.424 | S424A200031 | 034-5063-100-348 | 7/1/22 | 9/30/23 | 17,090 | | 10,613 | (16,365) | 467 | | (5,285) |
| Title IV | 84.424 | S424A210031 | 034-5063-100-348 | 7/1/21 | 9/30/22 | 10,625 | (6,200) | 6,925 | (725) | | | |
| Title IV Subtotal: | | | | | | | (6,200) | 17,538 | (17,090) | 467 | | (5,285) |
| Elementary and Secondary School Emergency Relief (ESSER): | | | | | | | | | | | | |
| COVID-19 - CARES ESSER II | 84.425D | S425D210027 | 21-5120-513 | 3/13/2020 | 9/30/23 | 552,746 | (172,731) | 190,701 | (24,570) | | | (6,600) |
| COVID-19 - CARES ESSER III | 84.425U | S425U210027 | 21-5120-513 | 3/13/2020 | 9/30/24 | 1,673,543 | (372,327) | 995,463 | (628,491) | | | (5,355) |
| Subtotal of ESSER Cluster | | | | | | | (545,058) | 1,186,164 | (653,061) | | | (11,955) |
| U.S. Department of the Treasury | | | | | | | | | | | | |
| Passed through State Department of Education: | | | | | | | | | | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ACSERS) | 21.027 | N/A | N/A | 7/1/2022 | 6/30/23 | 366,267 | | 199,336 | (366,267) | | | (166,931) |
| 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 | | | | |
| Total U.S. Department of the Treasury | | | | | | | (72,607) | 271,943 | (366,267) | | | (166,931) |
| Total Special Revenue Fund | | | | | | | | | | | | |
| | | | | | | | (962,398) | 3,424,107 | (2,747,599) | 467 | | (285,423) |
| TOTAL FEDERAL AWARDS | | | | | | | \$ (962,398) | \$ 3,950,740 | \$ (3,274,232) | \$ 467 | \$ | \$ (285,423) |

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, 2023**

Schedule - B
Exhibit K - 4

| STATE GRANTOR/PROGRAM TITLE | GRANT OR STATE PROJECT NO. | AWARD AMOUNT | GRANT PERIOD | BALANCE AT JUNE 30, 2022 | | | | CASH RECEIVED | BUDGETARY EXPENDITURES | REPAYMENT OF PRIOR YEAR'S BALANCES | BALANCE AT JUNE 30, 2023 | | MEMO | | | |
|--|----------------------------|--------------|----------------|-----------------------------|------------------------------|----------------|------------|---------------|------------------------|------------------------------------|--------------------------|----------------|----------------------|-------------------------------|--------------|-----------------|
| | | | | GAAP DEF.REV./ (ACCTS.REC.) | MEMO BUDGETARY (ACCTS. REC.) | DUE TO GRANTOR | | | | | (ACCTS.REC.) | DUE TO GRANTOR | BUDGETARY RECEIVABLE | CUMULATIVE TOTAL EXPENDITURES | | |
| General Fund | | | | | | | | | | | | | | | | |
| State Department of Education: | | | | | | | | | | | | | | | | |
| Special Education Categorical Aid | 495-034-5120-089 | \$ 4,501,010 | 7/1/21-6/30/22 | \$ | \$ (438,433) | \$ | 438,433 | \$ | \$ | \$ | \$ | \$ | \$ (4,501,010) | | | |
| Special Education Categorical Aid | 495-034-5120-089 | 5,570,103 | 7/1/21-6/30/23 | | | | 5,019,946 | (5,570,103) | | | | (550,157) | (5,570,103) | | | |
| Categorical Transportation Aid | 495-034-5120-014 | 575,681 | 7/1/21-6/30/22 | | (56,076) | | 56,076 | | | | | | (575,681) | | | |
| Categorical Transportation Aid | 495-034-5120-014 | 575,681 | 7/1/22-6/30/23 | | | | 518,821 | (575,681) | | | | (56,860) | (575,681) | | | |
| Security Aid | 495-034-5120-084 | 437,833 | 7/1/21-6/30/22 | | (42,648) | | 42,512 | | | | | | (437,833) | | | |
| Security Aid | 495-034-5120-084 | 437,833 | 7/1/22-6/30/23 | | | | 394,588 | (437,833) | | | | (43,245) | (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 | 2,618,038 | 7/1/21-6/30/22 | | (2,618,038) | | 2,618,038 | | | | | | (2,026,585) | | | |
| Extraordinary Aid | 100-034-5120-473 | 2,454,237 | 7/1/22-6/30/23 | | | | | (2,454,237) | | | (2,454,237) | | (2,454,237) | | | |
| Non-Public Transportation | 495-034-5120-014 | 101,500 | 7/1/21-6/30/22 | | (101,500) | | 101,500 | | | | | | (91,060) | | | |
| Non-Public Transportation | 495-034-5120-014 | 107,952 | 7/1/22-6/30/23 | | | | | (107,952) | | | (107,952) | | (107,952) | | | |
| T.P.A.F. Social Security Aid | 495-034-5095-003 | 3,733,995 | 7/1/21-6/30/22 | | (183,281) | | 183,281 | | | | | | 3,733,995 | | | |
| T.P.A.F. Social Security Aid | 495-034-5095-003 | 3,801,428 | 7/1/22-6/30/23 | | | | 3,801,428 | (3,801,428) | | | | | (3,801,428) | | | |
| On-behalf T.P.A.F. Pension Contribution | 495-034-5095-002 | 18,540,830 | 7/1/22-6/30/23 | | | | | (18,540,830) | | | | | (18,540,830) | | | |
| On-behalf T.P.A.F. Post Retirement Medical | 495-034-5095-001 | 4,870,632 | 7/1/22-6/30/23 | | | | | (4,870,632) | | | | | (4,870,632) | | | |
| On-behalf T.P.A.F. LTDI Premiums | 495-034-5094-004 | 6,189 | 7/1/22-6/30/23 | | | | | (6,189) | | | | | (6,189) | | | |
| Total General Fund | | | | | (2,908,132) | | 13,179,936 | (36,364,885) | | | (2,562,189) | | (650,282) | (40,268,372) | | |
| Special Revenue Fund | | | | | | | | | | | | | | | | |
| State Department of Education: | | | | | | | | | | | | | | | | |
| SDA Emergent Needs | N/A | 143,049 | 7/1/22-6/30/23 | | | | 143,049 | (143,049) | | | | | (143,049) | | | |
| Climate Change Education Grants to Schools | N/A | 6,660 | 7/1/22-6/30/23 | | | | 6,660 | (6,660) | | | | | (6,660) | | | |
| N.J. Nonpublic Aid: | | | | | | | | | | | | | | | | |
| Textbook Aid | 100-034-5120-064 | 33,594 | 7/1/22-6/30/23 | | | | 33,594 | (25,674) | | | 7,920 | | (25,674) | | | |
| Textbook Aid | 100-034-5120-064 | 25,867 | 7/1/21-6/30/22 | | | 3,995 | | | (3,995) | | | | | | | |
| Auxiliary Services: | | | | | | | | | | | | | | | | |
| Compensatory Education | 100-034-5120-067 | 83,511 | 7/1/22-6/30/23 | | | | 83,511 | (83,314) | | | 197 | | (83,314) | | | |
| Compensatory Education | 100-034-5120-067 | 70,858 | 7/1/21-6/30/22 | | | 179 | | | (179) | | | | | | | |
| Home Instruction | 100-034-5120-067 | 1,037 | 7/1/21-6/30/22 | | (1,037) | | 1,037 | | | | | | | | | |
| English As A Second Language | 100-034-5120-067 | 1,002 | 7/1/22-6/30/23 | | | | 1,002 | | | | 1,002 | | | | | |
| English As A Second Language | 100-034-5120-068 | 639 | 7/1/21-6/30/22 | | | | | | | | | | | | | |
| Handicapped Services: | | | | | | | | | | | | | | | | |
| Supplementary Instruction | 100-034-5120-066 | 41,300 | 7/1/22-6/30/23 | | | | 41,300 | (25,452) | | | 15,848 | | (25,452) | | | |
| Supplementary Instruction | 100-034-5120-066 | 30,562 | 7/1/21-6/30/22 | | | | | | | | | | | | | |
| Examination & Classification | 100-034-5120-066 | 51,371 | 7/1/22-6/30/23 | | | | 51,371 | (44,927) | | | 6,444 | | (44,927) | | | |
| Examination & Classification | 100-034-5120-066 | 38,490 | 7/1/21-6/30/22 | | | 380 | | | (380) | | | | | | | |
| Corrective Speech | 100-034-5120-066 | 29,760 | 7/1/22-6/30/23 | | | | 29,760 | (26,472) | | | 3,288 | | (26,472) | | | |
| Corrective Speech | 100-034-5120-066 | 23,064 | 7/1/21-6/30/22 | | | 3,534 | | | (3,534) | | | | | | | |
| Nursing Services | 100-034-5120-070 | 57,008 | 7/1/22-6/30/23 | | | | 57,008 | (42,853) | | | 14,155 | | (42,853) | | | |
| Nursing Services | 100-034-5120-070 | 46,368 | 7/1/21-6/30/22 | | | 9,519 | | | (9,519) | | | | | | | |
| Technology Initiative | 100-034-5120-373 | 21,378 | 7/1/22-6/30/23 | | | | 21,378 | (18,579) | | | 2,799 | | (18,579) | | | |
| Technology Initiative | 100-034-5120-373 | 18,102 | 7/1/21-6/30/22 | | | 1,692 | | | (1,692) | | | | | | | |
| Nonpublic Security | 100-034-5120-509 | 104,345 | 7/1/22-6/30/23 | | | | 104,345 | (54,290) | | | 50,055 | | (54,290) | | | |
| Nonpublic Security | 100-034-5120-509 | 75,425 | 7/1/21-6/30/22 | | | 49,211 | | | (49,211) | | | | | | | |
| Total Special Revenue Fund | | | | | (1,037) | | 68,510 | (574,015) | | | (68,510) | | - | (471,270) | | |
| Debt Service Fund | | | | | | | | | | | | | | | | |
| State Department of Education: | | | | | | | | | | | | | | | | |
| Debt Service Aid | 495-034-5120-017 | 799,313 | 7/1/22-6/30/23 | \$ | | | 799,313 | (799,313) | | | | | (799,313) | | | |
| Total Debt Service Fund | | | | | | | 799,313 | (799,313) | | | | | (799,313) | | | |
| Capital Projects Fund | | | | | | | | | | | | | | | | |
| State Department of Education: | | | | | | | | | | | | | | | | |
| SDA Alyssa's Law School Security Grant | 20E00312 | 353,018 | 7/1/20-6/30/23 | | (64,668) | | 94,398 | (29,730) | | | | | (353,018) | | | |
| Total Capital Projects Fund | | | | | (64,668) | | 94,398 | (29,730) | | | | | (353,018) | | | |
| Total State Financial Assistance | | | | \$ | (2,973,837) | \$ | 68,510 | \$ 14,647,662 | \$ | (37,665,198) | \$ | (68,510) | \$ (2,562,189) | \$ 101,708 | \$ (650,282) | \$ (41,891,973) |

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 | | | | | | | \$ | 37,665,198 | | | | | | |
| Less: | | | | | | | | | | | | | | |
| On-behalf T.P.A.F. Pension Contribution | 495-034-5095-002 | 18,540,830 | 7/1/22-6/30/23 | | | | | (18,540,830) | | | | | | |
| On-behalf T.P.A.F. Post Retirement Medical | 495-034-5095-001 | 4,870,632 | 7/1/22-6/30/23 | | | | | (4,870,632) | | | | | | |
| On-behalf T.P.A.F. LTDI Premiums | 495-034-5094-004 | 6,189 | 7/1/22-6/30/23 | | | | | (6,189) | | | | | | |
| Amount Subject to State Single Audit | | | | | | | \$ | 14,247,547 | | | | | | |

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, 2023**

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 2022-2023 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, 2023**

NOTE 3. RELATIONSHIP TO BASIC 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.

The adjustment to reconcile from budgetary basis due to grantor to GAAP basis intergovernmental payable is \$6,459 for the special revenue fund. This is a result of recognizing encumbrances as expenditures on the budgetary basis but not on the GAAP basis.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(113,104) for the general fund and \$(122,245) 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:

| | Federal | State | Total |
|--------------------------------|---------------------|----------------------|----------------------|
| General Fund | \$ 526,633 | \$ 36,251,781 | \$36,778,414 |
| Special Revenue Fund | 2,771,599 | 436,149 | 3,207,748 |
| Capital Projects Fund | | 29,730 | 29,730 |
| Debt Service Fund | | 799,313 | 799,313 |
| Total financial award revenues | <u>\$ 3,298,232</u> | <u>\$ 37,516,973</u> | <u>\$ 40,815,205</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, 2023. 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, 2023.

The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2023 amounted to \$23,417,651. 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, 2023**

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, 2023**

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>Education Stabilization Fund ESSER:</u> |
| 84.425D | S425D210027 | COVID-19 - CARES ESSER II |
| 84.425U | S425U210027 | COVID-19 - CARES ESSER III |
| 21.027 | N/A | COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ACSERS) |

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, 2023**

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:

| <u> GMIS Number(s) </u> | <u> Name of State Program or Cluster </u> |
|---|---|
| 495-034-5120-017 | Debt Service Aid |
| 100-034-5120-473 | Extraordinary Aid |

**WESTFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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.