

***SCHOOL DISTRICT
OF
TOWN OF WESTFIELD***

TOWN OF WESTFIELD BOARD OF EDUCATION

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

***COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR
ENDED JUNE 30, 2015***

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2015**

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INTRODUCTORY SECTION



WESTFIELD PUBLIC SCHOOLS

A Tradition of Excellence

Margaret Dolan
Superintendent

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908-789-4414
www.westfieldnj12.org

Dana Sullivan
Business Administrator/
Board Secretary

November 30, 2015

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

Dear Board Members:

The comprehensive annual financial report (CAFR) of the Town of Westfield School District (District) for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the district management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

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

The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with

the provisions of the Single Audit Act of 1984, as amended, and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. **Reporting Entity and its Services:** The Town of Westfield School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Town of Westfield Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, bilingual as well as special education for educationally handicapped youngsters.

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

| <u>Fiscal Year</u> | <u>Student Enrollment</u> | <u>Percent Change</u> |
|--------------------|---------------------------|-----------------------|
| 2014-2015 | 6,303 | -1.0% |
| 2013-2014 | 6,371 | 0.5% |
| 2012-2013 | 6,334 | 0.6% |
| 2011-2012 | 6,296 | 0.1% |
| 2010-2011 | 6,293 | 0.4% |
| 2009-2010 | 6,270 | 0.6% |
| 2008-2009 | 6,232 | 1.1% |
| 2007-2008 | 6,166 | 1.3% |
| 2006-2007 | 6,086 | 0.9% |
| 2005-2006 | 6,031 | 2.2% |
| 2004-2005 | 5,900 | 1.4% |

2. **Economic Condition and Outlook:** The Town of Westfield is a stable community with a 2010 census population of 30,316. Its 6.7 square miles are basically residential in nature with 11 industrial acres; 336, commercial; 2,702, residential; and 79.96 acres for school buildings and fields. A sturdy Colonial heritage and strong commitment to education and voluntarism form the backbone of Westfield's citizens. According to the 2010 census, the median household income was \$128,418 and per capita income was \$61,322. The per capita income for the County of Union as reported in the 2010 census was \$33,670.

There is little space for new housing expansion - thus, the tax base is rather stable. Housing units increased 3% since 1980. Currently, the average home is assessed at \$180,000 with a market value of approximately \$715,000.

Property taxes provided 94% of the District's General Fund revenues for the 2014-2015 school year. This percentage is consistent with prior years. Fluctuations in the percent of the budget supported by property taxes is largely due to fluctuations in state aid provided to the district.

Forty-nine percent of the families in Westfield have children under age 18. A little over 8% of the school-age population attends private school.

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

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

3. Major Initiatives: Initiatives and achievements by Westfield students and staff included the following:

- 97% of Westfield High School graduates pursuing a higher education.
- *Newsweek* ranks Westfield High School #29 in the country.
- *Inside Jersey* - published by the *Star Ledger* - ranks Westfield High School #1 in Union County in open enrollment public schools.
- *Time Out New York* cites Westfield's "good public school system".
- *Voice of America* selected Westfield Public Schools to showcase achievement
- U.S. Department of Environmental Protection awarded Energy Star certificate to 7 school buildings for energy conservation.
- 77 perfect SAT or ACT scores earned by Westfield High School students.
- 156 Westfield High School students inducted into the National Honor Society.
- Westfield High School Robotics team took top honors in FIRST Tech Challenge competition.
- Westfield High School TV2 students won first place in "Prevention Link's Public Service Address" contest.
- Edison Intermediate 7th grader won the "Oratorical Contest" sponsored by the Optimist Club of Westfield.
- Girls Volleyball team raised \$40,000 for Breast Cancer research.
- Westfield High School Junior delivered speech at the United Nations International Day of the Girl.
- Marching Band took 6th place and achieved best score of the season in year-end competition among 66 bands.
- 2 National Merit finalists and 21 Commended Students in the 2015 National Merit Program.
- Two sophomores at Westfield High School presented at the Ed Tech Conference hosted by the NJ Educational Computing Cooperative.
- Westfield Public School District's Cost Per Pupil is lower than State Average while standardized test scores are higher.
- *Hi's Eye* - Westfield High School's student produced weekly newspaper - won Columbia and National Scholastic Press Associations awards.
- Model UN and Youth & Government Club delegations won Outstanding Delegation Awards and additional honors at regional conferences.
- Two Roosevelt Intermediate School 8th Graders awarded 1st place in Robocross at Science Olympiad regional competition.

- Boys Swim Team won the State Sectional Championship and the Union County title.
- 7 Edison and Roosevelt Intermediate School students selected to perform in regional orchestra, band, and chorus ensembles.
- 15 Westfield High School students chosen to perform in regional orchestra, band, and chorus ensembles.
- Westfield High School senior named 2015 Presidential Scholar - one of 121 in the entire nation.
- Roosevelt 8th grader placed 16th in the NJ State Geographic Bee out of 114 state qualifiers.
- Girls Gymnastics won the State Sectional Championship and the Union County title.
- Westfield High School Social Studies teacher was key speaker at the NJ State Bar Foundation's Annual Law Relation Education Conference.
- 6 Outstanding awards for Westfield High School drama productions from Paper Mill Playhouse, Montclair State University, and Bucks County Playhouse.
- Boys Cross Country team completed its 10th consecutive undefeated dual meet season, winning State Sectional and Watchung Division Conference Championship.
- Boys tennis captured Union County title and Sectional Championship.
- Edison Intermediate School and Tamaques and Jefferson Elementary Schools advanced to World Finals in Odyssey of the Mind competition.
- Westfield High School sophomore named one of 10 Hasbro Community Action Heroes for "making a difference" with her autism awareness video.
- 7 Westfield High School students collected over 1,900 pounds of food for the Community Food Bank of NJ, earning an award for their successful food drive.
- Principal of Westfield High School was the only school principal in the country to attend the 2014 National Forum on Education Policy in Washington, DC.
- 86 Westfield High School students earned awards in World Language exams.
- Westfield High School Senior earned Gold Medal in National Latin Exam for four consecutive years.
- Roosevelt Intermediate School students earned top awards at the NJ Drama and Forensics League TheatreFest.

4. **Management's Responsibility for Financial Reporting:** The management of the school district is responsible for the preparation of the financial statements included within the CAFR and for their integrity and objectivity. In order to enable the District to fulfill its obligation for accurate and fair financial reporting, management is also responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles

(GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015. General Fund encumbrances at June 30, 2015 were \$722,022, a decrease of approximately \$158,550 from the previous year.

6. **Accounting System and Reports:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.
7. **Financial Information at Fiscal Year-End:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, capital projects funds and debt service fund for the fiscal year ended June 30, 2015 and the amount and percentage of increases and decreases in relation to prior year revenues

| <u>Revenue</u> | <u>2014-2015</u> | <u>Percent of Total</u> | <u>2013-2014</u> | <u>Increase/ (Decrease)</u> |
|---------------------|-------------------------|-------------------------|-------------------------|-----------------------------|
| Local Tax Levy | \$ 91,815,746.00 | 84.06% | \$ 88,912,602.00 | \$ 2,903,144.00 |
| Other Local Sources | 940,242.97 | 0.86% | 718,673.47 | 221,569.50 |
| State Sources | 14,270,873.72 | 13.06% | 12,845,146.14 | 1,425,727.58 |
| Federal Sources | <u>2,196,856.84</u> | <u>2.02%</u> | <u>1,816,325.58</u> | <u>380,531.26</u> |
| Total | <u>\$109,223,719.53</u> | <u>100.00%</u> | <u>\$104,292,747.19</u> | <u>\$4,930,972.34</u> |

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

The following schedule presents a summary of general fund, special revenue fund and debt service expenditures for the fiscal year ended June 30, 2015 and the percentage of increases and decreases in relation to prior year amounts.

| <u>Expenditures</u> | <u>2014-2015</u> | <u>Percent of Total</u> | <u>2013-2014</u> | <u>Increase/ (Decrease)</u> |
|----------------------------|-------------------------|-------------------------|-------------------------|-----------------------------|
| Current Expenses: | | | | |
| Instruction | \$42,523,832.17 | 37.65% | \$41,734,095.09 | \$789,737.08 |
| Undistributed Expenditures | 59,650,450.73 | 52.81% | 56,780,255.54 | 2,870,195.19 |
| Capital Outlay | 1,080,260.44 | 0.95% | 1,312,860.34 | (232,599.90) |
| Special Revenues | 2,516,811.56 | 2.22% | 2,124,211.88 | (392,599.68) |
| Debt Service: | | | | |
| Principal | 2,236,000.00 | 1.97% | 2,150,000.00 | 86,000.00 |
| Interest | 918,631.00 | 0.81% | 765,465.38 | 153,165.62 |
| Capital Projects | 4,026,826.45 | 3.56% | 4,917,186.28 | (890,359.83) |
| Total | \$112,949,812.35 | 100.00% | \$109,784,074.51 | \$3,165,737.84 |

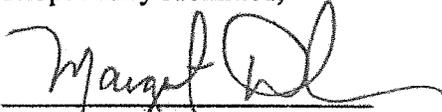
8. Debt Administration: The District reported outstanding bonds in the amount of \$26,507,000.00 as of June 30, 2015, as detailed on Exhibit I-1. Of this amount, the District issued \$3,200,000 School Bonds to continue funding the on going District renovation and replacement program authorized by the voters. The bonds fully mature in 2024 with principal maturity amounts \$250,000 - \$350,000, with interest rates varying between: 1.50% to 2.375%. In addition, the District issued \$261,000 School Bonds, Series 2015B to fully fund a prior year capital program authorized by the voters. The bonds fully mature in 2020 with principal maturity amounts \$50,000 - \$56,000, with stated interest rate of 3.00%. Finally, the District issued Refunding School Bonds, Series 2015A in the amount of \$5,700,000.00 to refund \$5,771,000.00 of School Bonds issued in the total amount of \$9,396,000, dated October 1, 2007. The Refunding School Bonds, Series 2015A mature in 2027 with principal maturity amounts \$500,000 - \$640,000, with interest rates varying between: 1.625% to 4.00%.
9. Cash Management: The investment policy of the District is guided in large part by state statute as detailed in the "Notes to Financial Statements", Note 2. The District deposits its funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
10. Risk Management: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. Umbrella and excess umbrella coverages were also in effect to minimize the District's loss exposure.
11. Other Information:
 - A. Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Hodulik & Morrison, P.A., CPA's, was selected by the Board. In addition to meeting the requirements set forth in

state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, as amended, and the related OMB Circular A-133 and New Jersey OMB Circular 04-04. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12. Acknowledgments:

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

Respectfully submitted,

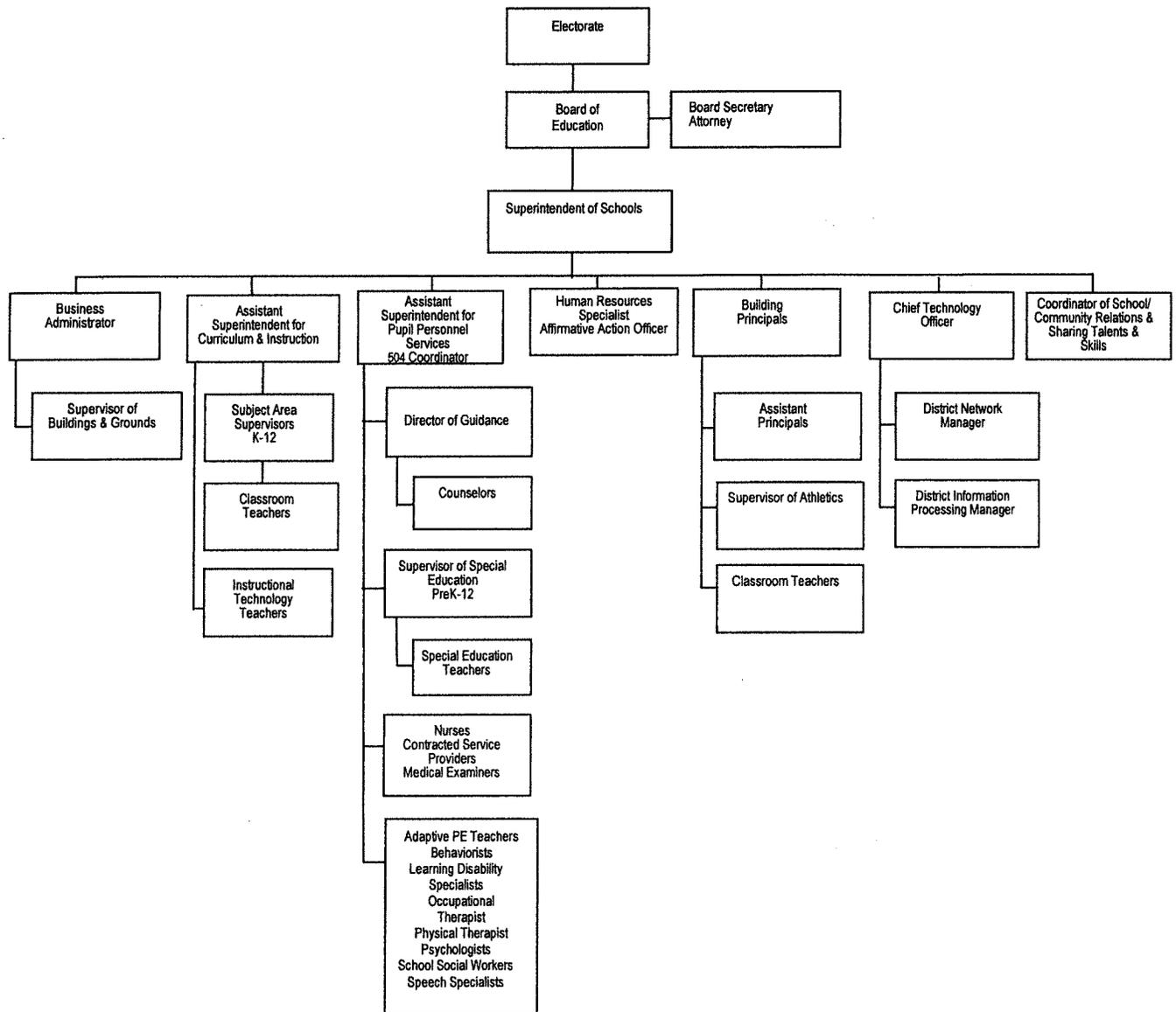


Margaret Dolan Ed.D
Superintendent



Dana Sullivan
School Business Administrator/Board Secretary

1110 ORGANIZATIONAL CHART



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

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

**ROSTER OF OFFICIALS
JUNE 30, 2015**

Members of the Board of Education

| | <u>Term Expires</u> |
|--------------------------------|---------------------|
| Richard Mattessich, President | 2015 |
| Gretchan Ohlig, Vice-President | 2015 |
| Lucy Biegler | 2015 |
| Mark Friedman | 2017 |
| J. Brendan Galligan | 2016 |
| Christopher B. Langhardt | 2017 |
| Virginia Leiz | 2016 |
| Margaret Oster | 2017 |
| Mitchell Slater | 2016 |

Other Officials

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

**WESTFIELD BOARD OF EDUCATION
Consultants and Advisors**

Architects

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

Audit Firm

Hodulik & Morrison. P.A.
1102 Raritan Avenue
P.O. Box 1450
Highland Park, NJ 08904

Board Attorney

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

Bond Counsel

McManimon & Scotland, L.L.C.
One Riverfront Plaza, Fourth Floor
Newark, NJ 07102

Financial Advisors

Pheonix Advisors, LLC
Bordentown, NJ

Official Depository

Valley National Bank
801 Central Avenue
Westfield, NJ 07090

FINANCIAL SECTION

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ROBERT S. MORRISON, CPA, RMA, PSA

JO ANN BOOS, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Westfield School District, in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the district's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Westfield School District, in the County of Union, State of New Jersey, as of June 30, 2015 and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, during the fiscal year ending June 30, 2015, the Westfield School District implemented the provisions of Statement Number 68 of the Governmental Accounting Standards Board (GASB 68). GASB 68 changed the measurement criteria and reporting provisions relating to the District's proportionate share (if any), of the net pension liability of the defined benefit pension plans in which its employees are enrolled. The accompanying statement of net position discloses the District's net pension liability and pension plan related deferred outflows and deferred inflows of financial resources. The accompanying statement of activities and Note 14 to the financial statements, disclose the adjustments to the District's beginning net position based upon GASB 68 implementation. Our Opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Westfield School District's basic financial statements as a whole. The accompanying other supplementary information, consisting of the combining and individual fund financial statements and long-term debt schedules, as listed in the table of contents, the schedules of expenditures of federal awards and state financial assistance required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and other information, including the introductory section and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2015 on our consideration of the Westfield School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering the Westfield School District's internal control over financial reporting and compliance.

Hodulik & Morrison, P.A.

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

Robert S. Morrison

Robert S. Morrison
Public School Accountant
PSA # 871

Highland Park, New Jersey
November 30, 2015

**REQUIRED SUPPLEMENTARY
INFORMATION**

PART I

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

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
(Unaudited)
June 30, 2015

This section of the district's annual financial report presents a discussion and analysis of the district's financial performance during the fiscal year ending June 30, 2015. It should be read in conjunction with the transmittal letter at the front of this report and the district's financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statement—and Management's Discussion and Analysis—for State and Local Governments issued June 1999 and amended by GASB Statement No. 37. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

The key financial highlights for the 2014-2015 fiscal year include the following:

Governmental funds reported a total fund balance of \$6,540,992.40, which is a 2.3 % decrease from last year's total governmental fund balance. This decrease was due to the expenditure of funds within the Capital Projects Fund. The general or operating fund balance was reported for GAAP purposes at \$6,187,358.06, which represents a decrease of \$129,540.64 over the prior year. Of this total, \$996,959.00 of excess surplus was appropriated toward the 2015-2016 budget, \$722,022.46 of general fund balance was committed to cover open purchase orders at year-end. Based upon the reduction imposed by S1701 in the calculation of maximum restricted fund balance that the District is allowed to retain, the amount of general fund balance required to be reserved for tax relief in the 2016-2017 budget is \$1,200,000.00. The unassigned general fund balance is reported at \$654,598.03. General fund balance is at the maximum permitted under the Department of Education regulations based upon 2% of general fund expenditures, with specified modifications. Total spending for all governmental funds was \$112,949,812.35. Total revenues were \$109,223,719.53 resulting in a deficiency of revenues over expenditures of \$3,715,92.82 for the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Figure A-1

Organization of the School District Annual Financial Report

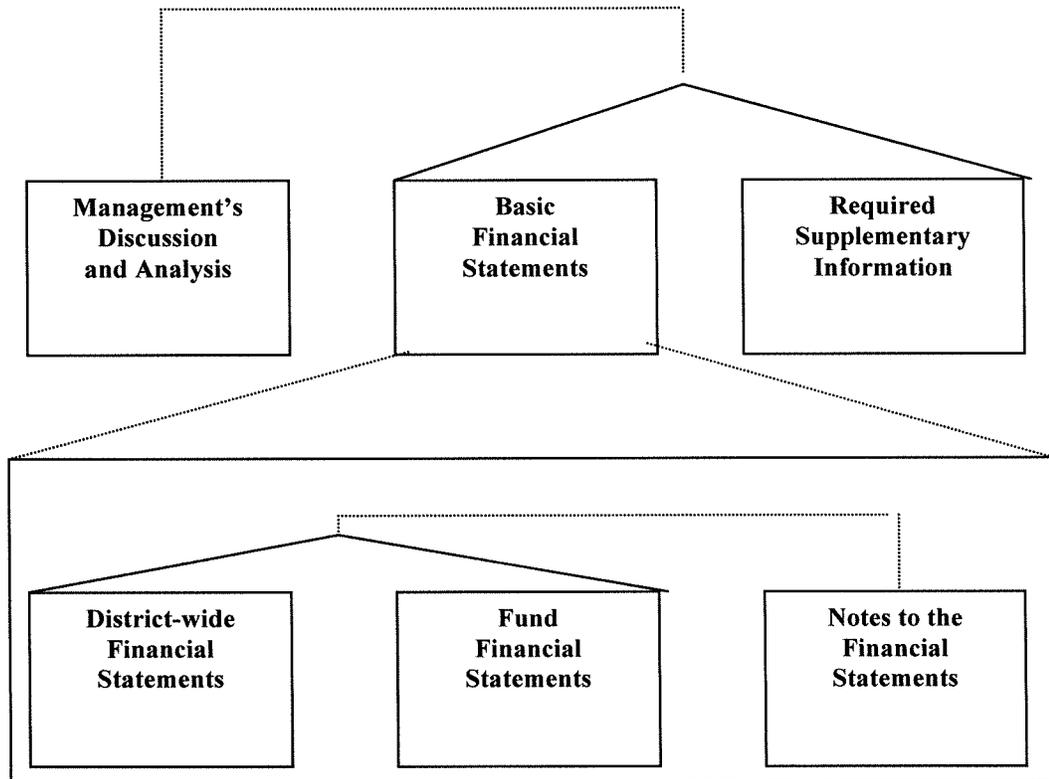


Figure A-2 summarizes the major features of the district’s financial statements, including the portion of the district’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

| Figure A-2 Major Features of the District-Wide and Fund Financial Statements | | | | |
|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| | District-Wide Statements | Fund Financial Statements | | |
| | | Governmental Funds | Proprietary Funds | Fiduciary Funds |
| Scope | Entire district (except fiduciary funds) | The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance | Activities the district operates similar to private businesses: food services and adult education | Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies |
| Required financial Statements | <ul style="list-style-type: none"> • Statement of net position • Statement of activities | <ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures, and changes in fund balances | <ul style="list-style-type: none"> • Statement of net position • Statement of cash flows | <ul style="list-style-type: none"> • Statement of fiduciary net assets • Statement of changes in fiduciary net position |
| Accounting Basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial focus | Accrual accounting and economic resources focus | Accrual accounting and economic resources focus |
| Type of asset / liability information | All assets and liabilities, both financial and capital, short-term and long-term | Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included | All assets and liabilities, both financial and capital, and short-term and long-term | All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can |
| Type of inflow/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 | All additions and deductions during the year, regardless of when cash is received or paid |

District-wide Statements

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

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

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

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

- **Governmental activities:** Most of the district's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.
- **Business-type activities:** The district charges fees to help it cover the costs of certain services it provides. The district's adult education programs and food services are included here.

Fund Financial Statements

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

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

The district has three kinds of funds:

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

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

Fiduciary funds: The district is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The district excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The school district's Governmental Activities net position was \$(3,325,164) at June 30, 2015. Of this amount, a deficit amount of \$23,325,495 was reported as unrestricted net position, primarily due to GASB #68 accounting and reporting requirements for the PERS and TPAF defined benefit pension systems. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the school district's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net position (Figure A-3) and change in net position (Figure A-4) of the school district's governmental activities.

Figure A - 3
Net Position

| | Governmental Activities 2015 | Restated Governmental Activities 2014 | % Increase (Decrease) |
|------------------------------------------------------|---------------------------------------------|----------------------------------------------------------|--------------------------------------|
| Assets | | | |
| Current and other assets | 6,971,882 | 9,609,084 | -27.44% |
| Capital assets | 40,730,361 | 37,011,528 | 10.05% |
| Total Assets | 47,702,244 | 46,620,612 | 2.32% |
| Deferred Outflows of Resources | 3,613,477 | 249,276 | 100.00% |
| Total Deferred Outflows of Resources | 3,613,477 | 249,276 | 100.00% |
| Liabilities | | | |
| Current and other liabilities | 4,434,238 | 5,538,458 | -19.94% |
| Long-term liabilities | 48,045,107 | 46,437,432 | 3.46% |
| Total Liabilities | 52,479,344 | 51,975,890 | 0.97% |
| Deferred Inflows of Resources | 2,161,540 | 153,777 | 100.00% |
| Total Deferred Inflows of Resources | 2,161,540 | 153,777 | 100.00% |
| Net Position | | | |
| Net assets invested in capital Assets net of debt | 14,113,937 | 11,658,528 | 21.06% |
| Restricted | 5,886,394 | 5,732,998 | 2.68% |
| Unrestricted | (23,325,495) | (22,651,303) | 2.98% |
| Total Net Position | (3,325,164) | (5,259,778) | -36.78% |

Footnotes:

GASB # 68 Implemented for SYE June 30, 2014, which requires reporting/accounting for pensions (Restated June 30, 2014).

The results of this year's operations for the school district Governmental Activities as a whole are reported in the Statement of activities. Figure A - 4, below, takes the information from the Statement, rounds off the numbers, and rearranges them so slightly so you can see our total revenues and expenses for the year.

Figure A - 4
Change in Net Position

| | <u>2015</u> | <u>2014</u> | <u>Increase (Decrease)</u> |
|-------------------------------------------------|---------------------------|---------------------------|--------------------------------|
| Revenues: | | | |
| Program revenue | | | |
| State grants & entitlements | \$9,517,093 | \$8,779,260 | \$737,833 |
| General revenue | | | |
| Local tax levy | 91,815,746 | 88,912,602 | 2,903,144 |
| Federal and state aid | 6,393,171 | 5,882,212 | 510,959 |
| Miscellaneous revenues | 940,243 | 718,673 | 221,570 |
| (Incl. special items & transfers) | | 9,135 | (9,135) |
| Total general revenues | <u>99,149,160</u> | <u>95,522,623</u> | <u>3,626,537</u> |
| Total revenues | <u>108,666,252</u> | <u>104,301,882</u> | <u>4,364,370</u> |
| Function/program expense: | | | |
| Instruction | | | |
| Regular programs | 32,170,882 | 33,171,669 | (1,000,787) |
| Special programs | 8,152,638 | 8,076,449 | 76,189 |
| Other Instructional programs | 3,831,000 | 2,591,949 | 1,239,052 |
| Support services | | | |
| Student services | 11,684,484 | 11,450,450 | 234,034 |
| Tuition | 6,686,758 | 5,839,281 | 847,478 |
| Instructional staff support | | | |
| General administration and business services | 3,689,079 | 3,495,703 | 193,376 |
| School administration | 3,575,510 | 3,708,227 | (132,716) |
| Plant services | 5,954,354 | 5,878,848 | 75,506 |
| Student transportation | 2,505,294 | 2,744,174 | (238,880) |
| Unallocated benefits | 26,417,254 | 24,007,770 | 2,409,483 |
| Unallocated depreciation and amortization | 1,255,944 | 1,201,462 | 54,482 |
| Interest on long-term debt | 808,442 | 889,586 | (81,144) |
| Total expenses | <u>106,731,639</u> | <u>103,055,566</u> | <u>3,676,073</u> |
| Increase (Decrease) net position | <u><u>\$1,934,613</u></u> | <u><u>\$1,246,316</u></u> | <u><u>\$688,297</u></u> |

In figure A-5 below, we have presented the cost of each of the school district's six largest functions for the current year and the 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
(Dollars in Thousands)

| | <u>FY 2015</u> | <u>FY2014</u> | <u>Increase (Decrease)</u> | |
|-----------------------|-------------------|-------------------|----------------------------|-------------|
| | | | <u>\$</u> | <u>%</u> |
| Regular instruction | \$ 32,170 | \$ 33,172 | \$ (1,002) | (0.3)% |
| Unallocated benefits | 26,417 | 24,008 | 2,409 | 10.0% |
| Student services | 11,684 | 11,450 | 234 | 2.0% |
| Plant services | 5,954 | 5,879 | 75 | 1.2% |
| Tuition | 6,686 | 5,839 | 847 | 12.6% |
| Spec. Ed. Instruction | 8,152 | 8,076 | 76 | 0.9% |
| All others | <u>15,668</u> | <u>14,632</u> | <u>1,036</u> | <u>7.0%</u> |
| Total | <u>\$ 106,731</u> | <u>\$ 103,056</u> | <u>\$3,675</u> | <u>3.5%</u> |

Financial Analysis of the District's Funds

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 \$6,540,992.40, which is a decrease of \$159,832.94 from last year. This amount includes the general fund (decrease of \$129,540.64), capital projects fund (decrease of \$30,292.30). The primary reasons for the decreases are:

1. Budget appropriation of general and debt service fund balance, including capital & maintenance reserve accounts.
2. Issuance of School Bonds to permanently finance capital project costs authorized by referendum.

General Fund Budgetary Highlights

Over the course of the year, the school district revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. Budget changes/transfers are approved by the Board of Education throughout the year. Although the district's projected budget for the general fund anticipated that revenues and expenditures would be roughly equal, the actual results for the year show a surplus. Actual revenues reflect a positive variance of \$10.5 million. This is due primarily to the State reimbursement/on behalf in the amount of \$93.7 million for TPAF pension and post retirement and social security contributions. This is always a non-budgeted item that the State requires be included in the final audit.

Actual expenditures reflect a negative variance of \$6.8 million even though all budget categories show a positive variance. This again is primarily due to the State requirement to include TPAF pension and post retirement and social security contributions in the audit.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, the school district reported \$78,655,079.37 invested in a broad range of capital assets, including land, buildings, building improvements, other improvements, vehicles, furniture and equipment. This amount represents a net increase (including additions, trade-ins and retirements) of \$4,963,443.37 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
(Dollars in Thousands)

| | <u>FY 2015</u> | <u>FY2014</u> | <u>Increase (Decrease)</u> <u>\$</u> |
|--------------------------------------|-----------------|-----------------|---------------------------------------------|
| Land | \$ 4,488 | \$4,488 | - |
| Construction In Progress | 11,387 | 7,383 | 4,004 |
| Buildings and Improvements | 50,419 | 50,244 | 175 |
| Furniture, Equipment and Vehicles | <u>12,360</u> | <u>11,576</u> | <u>784</u> |
| Total | <u>\$78,655</u> | <u>\$73,691</u> | <u>\$4,964</u> |

Long-Term Debt

At the end of this year, the school district had \$26,507,000 in bonds (Type II debt) outstanding versus \$23,353,000 last year – a decrease of 9.2%. The summary of year-end long-term debt and changes for the 2014-2015 school year is as follows:

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

| | <u>Governmental Activities</u> | |
|------------------------------|--------------------------------|------------------------|
| | <u>2015</u> | <u>2014</u> |
| School Serial Bonds Payable | \$26,507,000.00 | \$25,353,000.00 |
| Other Long-Term Debt: | | |
| Compensated Absences Payable | <u>767,858.00</u> | <u>791,975.50</u> |
| Totals | <u>\$27,274,858.00</u> | <u>\$26,144,975.50</u> |

Net increases/decreases in the accumulated value of compensated absences are recorded as expenses of Governmental Activities as earned by District employees.

The school district's general obligation bond rating is AA+. The state limits the amount of general obligation debt that cities can issue to 4% of the average state equalized assessed value of the taxable property within the school district's corporate limits. The school district's outstanding general obligation debt of \$26,507,000 is significantly below the \$290,275,026.83 statutorily imposed limit.

We present more detailed information about our long-term liabilities in the notes to the financial statements.

FACTORS AFFECTING THE DISTRICT'S FUTURE

- The largest expenditure in the school budget is for employee salaries and benefits. Contracts with the secretaries expired on July 1, 2015. The district is currently in mediation with the Association. Contracts with the custodians and paraprofessionals will expire on July 1, 2016. Contracts with the teachers and administrators will expire on July 1, 2017. 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.
- Over the last couple of years, the district has completed a major roof replacement program, which included full or partial replacements at every district owned building. In addition, the district was able to make substantial improvements to technology, both to the infrastructure and in equipment. The district also has completed other major capital projects including several boiler replacements.
- On January 26, 2016, the district will ask the voters in Westfield to approve two bond referendum questions. The first question will request funding in the amount of \$8.6 million and will provide for the completion of capital projects deemed to be priority 1, including additional boiler replacements, fire alarm and public address system replacements, floor replacements and technology upgrades. The second question will request funding in the amount of \$4.0 million and will provide for complete auditorium upgrades at both intermediate schools, including the installation of air conditioning.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

SECTION – A

**WESTFIELD SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015**

| | GOVERNMENTAL FUNDS | BUSINESS-TYPE ACTIVITIES | TOTAL |
|-------------------------------------------------|--------------------------|-----------------------------|--------------------------|
| <u>ASSETS</u> | | | |
| Cash and Cash Equivalents | \$ 2,051,202.13 | \$ 558,589.01 | \$ 2,609,791.14 |
| Cash Held by Fiscal Agent | 67,781.00 | | 67,781.00 |
| Other Receivables | 5,413.37 | 1,610.50 | 7,023.87 |
| Receivables from Other Funds | | 4,865.69 | 4,865.69 |
| Receivables from Other Governments | 2,236,748.11 | 5,421.72 | 2,242,169.83 |
| Inventory | | 12,405.64 | 12,405.64 |
| Restricted Assets: | | | |
| Capital Reserve Account - Cash | 1,996,414.50 | | 1,996,414.50 |
| Maintenance Reserve Account - Cash | 614,323.07 | | 614,323.07 |
| Capital Assets, (Note 1): | 40,730,361.37 | 24,616.00 | 40,754,977.37 |
| Total Assets | 47,702,243.55 | 607,508.56 | 48,309,752.11 |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | |
| Change of Pension Assumptions | 734,414.00 | | 734,414.00 |
| Change in Pension Proportion | 1,108,574.00 | | 1,108,574.00 |
| Pension Payment Subsequent to Measurement Date | 1,110,220.00 | | 1,110,220.00 |
| Deferred Bond Discount, Net | 72,202.97 | | 72,202.97 |
| Deferred Amount on Refinancing | 588,065.86 | | 588,065.86 |
| Total Deferred Outflows of Resources | 3,613,476.83 | | 660,268.83 |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | 1,258,678.18 | 90,710.52 | 1,349,388.70 |
| Accrued Interest Payable | 308,127.91 | | 308,127.91 |
| Interfund Payable | 4,865.69 | | 4,865.69 |
| Payable to Other Governments | 20,562.00 | | 20,562.00 |
| Deferred Revenue | 257,003.91 | 77,379.52 | 334,383.43 |
| Noncurrent Liabilities (Note 2): | | | |
| Due Within One Year | 2,585,000.00 | | 2,585,000.00 |
| Due Beyond One Year | 24,689,858.00 | | 24,689,858.00 |
| Net Pension Liability | 23,355,249.00 | | 23,355,249.00 |
| Total liabilities | 52,479,344.69 | 168,090.04 | 52,647,434.73 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Difference in Pension Earnings | 1,391,846.00 | | 1,391,846.00 |
| Unamortized Premium on Refinancing | 769,693.69 | | 769,693.69 |
| Total Deferred Inflows of Resources | 2,161,539.69 | | 769,693.69 |
| <u>NET POSITION</u> | | | |
| Invested in capital assets, net of related debt | 14,113,936.51 | 24,616.00 | 14,138,552.51 |
| Restricted for: | | | |
| Debt Service | 1.56 | | 1.56 |
| Capital Projects | 353,632.78 | | 353,632.78 |
| Other Purposes | 5,532,760.03 | | 5,532,760.03 |
| Unrestricted (Deficit) | (23,325,494.88) | 414,802.52 | (22,910,692.36) |
| Total Net Position | \$ (3,325,164.00) | \$ 439,418.52 | \$ (2,885,745.48) |

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, 2015**

| Functions/Programs | EXPENSES | PROGRAM REVENUES | | NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION | | TOTAL |
|---------------------------------------------------------------------------------|--------------------------|------------------------|------------------------------------|--------------------------------------------------|--------------------------|---------------------------|
| | | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | |
| Governmental Activities: | | | | | | |
| Instruction: | | | | | | |
| Regular | \$ 32,170,882.25 | \$ | \$ | (32,170,882.25) | \$ | (32,170,882.25) |
| Special Education | 8,152,637.70 | | | (8,152,637.70) | | (8,152,637.70) |
| Other Special Instruction | 2,155,957.35 | | | (2,155,957.35) | | (2,155,957.35) |
| Other Instruction | 1,675,042.91 | | | (1,675,042.91) | | (1,675,042.91) |
| Support Services: | | | | | | |
| Tuition | 6,686,758.17 | | | (6,686,758.17) | | (6,686,758.17) |
| Student & Instruction Related Services | 11,684,483.84 | | | (11,684,483.84) | | (11,684,483.84) |
| School Administrative Services | 3,575,510.19 | | | (3,575,510.19) | | (3,575,510.19) |
| General and Business Administrative Services | 3,689,078.66 | | | (3,689,078.66) | | (3,689,078.66) |
| Plant Operations and Maintenance | 5,954,353.65 | | | (5,954,353.65) | | (5,954,353.65) |
| Pupil Transportation | 2,505,294.16 | | | (2,505,294.16) | | (2,505,294.16) |
| Unallocated Benefits | 26,417,253.60 | | 9,210,874.52 | (17,206,379.08) | | (17,206,379.08) |
| Interest on Long-Term Debt | 808,442.41 | | 306,218.00 | (502,224.41) | | (502,224.41) |
| Unallocated Depreciation and Amortization | 1,255,943.94 | | | (1,255,943.94) | | (1,255,943.94) |
| Total Governmental Activities | 106,731,638.83 | | 9,517,092.52 | (97,214,546.31) | | (97,214,546.31) |
| Business-Type Activities: | | | | | | |
| Food Service | 1,161,517.97 | 1,226,149.21 | 80,767.83 | | 145,399.07 | 145,399.07 |
| WRAP School | 197,980.45 | 278,052.75 | | | 80,072.30 | 80,072.30 |
| Total Business-Type Activities | 1,359,498.42 | 1,504,201.96 | 80,767.83 | | 225,471.37 | 225,471.37 |
| Total Primary Government | \$ 108,091,137.25 | \$ 1,504,201.96 | \$ 9,597,860.35 | \$ (97,214,546.31) | \$ 225,471.37 | \$ (96,989,074.94) |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property Taxes, Levied for General Purposes, Net | | | | \$ 88,967,333.00 | \$ | \$ 88,967,333.00 |
| Taxes Levied for Debt Service | | | | 2,848,413.00 | | 2,848,413.00 |
| Federal and State Aid Not Restricted | | | | 4,180,857.38 | | 4,180,857.38 |
| Federal and State Aid Restricted | | | | 2,212,313.66 | | 2,212,313.66 |
| Local Sources Restricted | | | | 304,497.90 | | 304,497.90 |
| Tuition Received | | | | 210,477.52 | | 210,477.52 |
| Investment Earnings | | | | 41,145.54 | 1,683.78 | 42,829.32 |
| Miscellaneous Income | | | | 384,122.01 | | 384,122.01 |
| Total general revenues, special items, extraordinary items and transfers | | | | 99,149,160.01 | 1,683.78 | 99,150,843.79 |
| Change in Net Position | | | | 1,934,613.70 | 227,155.15 | 2,161,768.85 |
| Net Position—Beginning | | | | 17,268,678.30 | 212,263.37 | 17,480,941.67 |
| Prior Period Adjustment - GASB 68 Implementation | | | | (22,528,456.00) | | (22,528,456.00) |
| Net Position—Ending | | | | \$ (3,325,164.00) | \$ 439,418.52 | \$ (2,885,745.48) |

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, 2015

| | GENERAL FUND | SPECIAL REVENUE FUND | CAPITAL PROJECTS FUND | DEBT SERVICE FUND | TOTAL GOVERNMENTAL FUNDS |
|----------------------------------------------------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------|--------------------------------|
| <u>ASSETS</u> | | | | | |
| Cash and Cash Equivalents (Deficit) | \$ 2,531,187.15 | \$ (1,764,608.47) | \$ 1,284,621.89 | \$ 1.56 | \$ 2,051,202.13 |
| Cash Held by Fiscal Agent | 67,781.00 | | | | 67,781.00 |
| Other Receivables | 5,413.37 | | | | 5,413.37 |
| Due from Other Funds | 926,123.42 | | | | 926,123.42 |
| Receivables from Other Governments | 230,206.66 | 2,006,541.45 | | | 2,236,748.11 |
| Restricted Cash and Cash Equivalents (Deficit) | <u>2,610,737.57</u> | | | | <u>2,610,737.57</u> |
| Total assets | <u>6,371,449.17</u> | <u>241,932.98</u> | <u>1,284,621.89</u> | <u>1.56</u> | <u>7,898,005.60</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | 108,195.21 | 40,262.97 | | | 148,458.18 |
| Intergovernmental Payable | | 20,562.00 | | | 20,562.00 |
| Interfund Payable | | | 930,989.11 | | 930,989.11 |
| Deferred Revenue | <u>75,895.90</u> | <u>181,108.01</u> | | | <u>257,003.91</u> |
| Total liabilities | <u>184,091.11</u> | <u>241,932.98</u> | <u>930,989.11</u> | | <u>1,357,013.20</u> |
| Fund Balances: | | | | | |
| Restricted for: | | | | | |
| Capital Reserve Account | 1,996,414.50 | | | | 1,996,414.50 |
| Maintenance Reserve Account | 614,323.07 | | | | 614,323.07 |
| Reserve for Excess Surplus | 1,200,000.00 | | | | 1,200,000.00 |
| Reserved Excess Surplus - Designated for Subsequent Year's Expenditures | 996,959.00 | | | | 996,959.00 |
| Committed for: | | | | | |
| Year-end Encumbrances | 722,022.46 | | | | 722,022.46 |
| Assigned for: | | | | | |
| Designated for Subsequent Year's Expenditures | 3,041.00 | | | | 3,041.00 |
| Debt Service Fund | | | | 1.56 | 1.56 |
| Capital Projects Fund | | | 353,632.78 | | 353,632.78 |
| Unassigned, Reported in: | | | | | |
| General Fund | 654,598.03 | | | | 654,598.03 |
| Capital Projects Fund | | | | | |
| Total Fund Balances | <u>6,187,358.06</u> | | <u>353,632.78</u> | <u>1.56</u> | <u>6,540,992.40</u> |
| Total Liabilities and Fund Balances | \$ <u>6,371,449.17</u> \$ | \$ <u>241,932.98</u> \$ | \$ <u>1,284,621.89</u> \$ | \$ <u>1.56</u> \$ | \$ <u>7,898,005.60</u> |

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

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

| | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------------------------|
| Total Governmental Fund Balances | \$ | \$6,540,992.40 |
| 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 \$78,687,015.37, and the accumulated depreciation is \$37,956,654.00. | | 40,730,361.37 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. | | (27,274,858.00) |
| 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. | | (308,127.91) |
| <p>The Net Pension Liability, and associated Deferred Inflows and Outflows of the District relating to its participation in the PERS are not recognized in the funds using the current financial resources measurement focus, but are recognized in the Statement of Net Position using the economic resources measurement focus. The carrying amounts of the individual components are as follows:</p> | | |
| Deferred Outflows of Resources: | | |
| Change of Pension Assumptions | | 734,414.00 |
| Change in Pension Proportion | | 1,108,574.00 |
| Pension Payment subsequent to Measurement Date | | 1,110,220.00 |
| Accounts Payable for Pension Expense | | (1,110,220.00) |
| Net Pension Liability | | (23,355,249.00) |
| Deferred Inflows of Resources: | | |
| Difference in Pension Earnings | | (1,391,846.00) |
| Transactions related to a current refunding of a long-term debt, refinancing of lease agreement are not reported in the funds. | | |
| Issuance discount, net of amortization | | 72,202.97 |
| Issuance premium, net of amortization | | (769,693.69) |
| Deferred amount on refunding, net of amortization | | 588,065.86 |
| Net Position of Governmental Activities | \$ | <u>(\$3,325,164.00)</u> |

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

WESTFIELD SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

| | GENERAL FUND | SPECIAL REVENUE FUND | CAPITAL PROJECTS FUND | DEBT SERVICE FUND | TOTAL GOVERNMENTAL FUNDS |
|------------------------------------------------------|------------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| <u>REVENUES</u> | | | | | |
| Local Tax Levy | \$ 88,967,333.00 | \$ | \$ | \$ 2,848,413.00 | \$ 91,815,746.00 |
| Tuition Charges | 210,477.52 | | | | 210,477.52 |
| Miscellaneous | 424,893.07 | | 374.48 | | 425,267.55 |
| Local Sources | | 304,497.90 | | | 304,497.90 |
| State Sources | 13,758,883.52 | 205,772.20 | | 306,218.00 | 14,270,873.72 |
| Federal Sources | 190,315.38 | 2,006,541.46 | | | 2,196,856.84 |
| Total Revenues | 103,551,902.49 | 2,516,811.56 | 374.48 | 3,154,631.00 | 109,223,719.53 |
| <u>EXPENDITURES</u> | | | | | |
| Current: | | | | | |
| Regular Instruction | 32,170,882.25 | | | | 32,170,882.25 |
| Special Education Instruction | 7,627,389.64 | 525,248.06 | | | 8,152,637.70 |
| Other Special Instruction | 1,050,517.37 | 1,105,439.98 | | | 2,155,957.35 |
| Other Instruction | 1,675,042.91 | | | | 1,675,042.91 |
| Support Services and Undistributed Costs: | | | | | |
| Tuition | 5,855,383.17 | 831,375.00 | | | 6,686,758.17 |
| Student & Instruction Related Services | 11,684,483.84 | | | | 11,684,483.84 |
| School Administrative Services | 3,575,510.19 | | | | 3,575,510.19 |
| Other Administrative Services | 3,689,078.66 | | | | 3,689,078.66 |
| Plant Operations and Maintenance | 5,954,353.65 | | | | 5,954,353.65 |
| Pupil Transportation | 2,505,294.16 | | | | 2,505,294.16 |
| Unallocated Benefits | 26,389,347.06 | | | | 26,389,347.06 |
| Debt Service: | | | | | |
| Principal | | | | 2,236,000.00 | 2,236,000.00 |
| Interest and Other Charges | | | | 918,631.00 | 918,631.00 |
| Capital Outlay | 982,143.23 | 54,748.52 | 4,026,826.45 | 92,117.21 | 5,155,835.41 |
| Total Expenditures | 103,159,426.13 | 2,516,811.56 | 4,026,826.45 | 3,246,748.21 | 112,949,812.35 |
| Excess (Deficiency) of Revenues over Expenditures | 392,476.36 | | (4,026,451.97) | (92,117.21) | (3,726,092.82) |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | | |
| Proceeds from Sale of School Bonds | | | 3,474,142.67 | | 3,474,142.67 |
| Proceeds Refunding Bonds Issued | | | | 6,331,360.15 | 6,331,360.15 |
| Payment Refunding Bond Escrow Agent | | | | (6,239,242.94) | (6,239,242.94) |
| Transfers in | | | 522,017.00 | | 522,017.00 |
| Transfers out | (522,017.00) | | | | (522,017.00) |
| Total Other Financing Sources and Uses | (522,017.00) | | 3,996,159.67 | 92,117.21 | 3,566,259.88 |
| Net Change in Fund Balances | (129,540.64) | | (30,292.30) | | (159,832.94) |
| Fund Balance—Beginning | 6,316,898.70 | | 383,925.08 | 1.56 | 6,700,825.34 |
| Fund Balance—Ending | \$ 6,187,358.06 | \$ | \$ 353,632.78 | \$ 1.56 | \$ 6,540,992.40 |

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

**TOWN OF WESTFIELD SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------------|
| Total net change in fund balances - governmental funds (from B-2) | \$ | (159,832.94) |
| Amounts reported for governmental activities in the statement of activities (A-2) are different because: | | |
| Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period. | | |
| | Depreciation expense | (1,244,610.00) |
| | Capital Outlays | <u>4,963,443.37</u> |
| | | 3,718,833.37 |
| Repayment of bond and lease obligation (long-term debt) principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. | | (1,154,000.00) |
| In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+) | | 86,071.09 |
| 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 (+). | | 24,117.50 |
| 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. | | (350,083.89) |
| Transactions related to a current refunding of a long-term debt, refinancing of lease obligations (premium/discount on refinancing, deferred amount on refinancing) | | (217,707.88) |
| Amortization Expenses - Net | | <u>(12,783.55)</u> |
| Change in net position of governmental activities | \$ | <u>1,934,613.70</u> |

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, 2015**

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND | | TOTAL ENTERPRISE FUND |
|---------------------------------------------------|-------------------------------------------------------|-------------------------|--------------------------------------|
| | FOOD SERVICE | WRAP PROGRAM | |
| <u>ASSETS</u> | | | |
| Current assets: | | | |
| Cash and Cash Equivalents | \$ 378,919.22 | \$ 179,669.79 | \$ 558,589.01 |
| Accounts Receivable | 7,032.22 | | 7,032.22 |
| Interfund Receivable | 4,865.69 | | 4,865.69 |
| Inventories | 12,405.64 | | 12,405.64 |
| Total Current Assets | 403,222.77 | 179,669.79 | 582,892.56 |
| Noncurrent Assets: | | | |
| Furniture, Machinery & Equipment | 428,577.00 | | 428,577.00 |
| Less Accumulated Depreciation | -403,961.00 | | -403,961.00 |
| Total Noncurrent Assets | 24,616.00 | | 24,616.00 |
| Total Assets | 427,838.77 | 179,669.79 | 607,508.56 |
| <u>LIABILITIES</u> | | | |
| Current Liabilities: | | | |
| Accounts Payable | 90,295.94 | 414.58 | 90,710.52 |
| Deferred revenue | 26,874.52 | 50,505.00 | 77,379.52 |
| Total Current Liabilities | 117,170.46 | 50,919.58 | 168,090.04 |
| <u>NET POSITION</u> | | | |
| Invested in Capital Assets Net of Related Debt | 24,616.00 | | 24,616.00 |
| Unrestricted (Deficit) | 286,052.31 | 128,750.21 | 414,802.52 |
| Total Net Position | \$ 310,668.31 | \$ 128,750.21 | \$ 439,418.52 |

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

WESTFIELD SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

| | BUSINESS-TYPE ACTIVITIES - | | TOTAL |
|-----------------------------------------|-----------------------------------|--------------------------|--------------------------|
| | ENTERPRISE FUND | | |
| | FOOD | WRAP | ENTERPRISE |
| | SERVICE | PROGRAM | FUND |
| Operating Revenues: | | | |
| Charges for Services: | | | |
| Daily Sales - Reimbursable Programs | \$ 224,634.10 | \$ | 224,634.10 |
| Daily Sales - Non-reimbursable Programs | 1,001,515.11 | | 1,001,515.11 |
| Program Fees | | 278,052.75 | 278,052.75 |
| Total Operating Revenues | <u>1,226,149.21</u> | <u>278,052.75</u> | <u>1,504,201.96</u> |
| Operating Expenses: | | | |
| Cost of Sales | 471,308.44 | | 471,308.44 |
| Salaries | 499,117.39 | 192,459.96 | 691,577.35 |
| Other Costs | 184,753.14 | 5,520.49 | 190,273.63 |
| Depreciation | 6,339.00 | | 6,339.00 |
| Total Operating Expenses | <u>1,161,517.97</u> | <u>197,980.45</u> | <u>1,359,498.42</u> |
| Operating Income (Loss) | <u>64,631.24</u> | <u>80,072.30</u> | <u>144,703.54</u> |
| Nonoperating Revenues (Expenses): | | | |
| State Sources: | | | |
| State School Lunch Program | 3,751.06 | | 3,751.06 |
| Federal Sources: | | | |
| National School Lunch Program | 55,603.82 | | 55,603.82 |
| U.S.D.A. Commodities | 21,412.95 | | 21,412.95 |
| Interest on Deposits | 1,683.78 | | 1,683.78 |
| Total Nonoperating Revenues (Expenses) | <u>82,451.61</u> | | <u>82,451.61</u> |
| Change in Net Position | 147,082.85 | 80,072.30 | 227,155.15 |
| Total Net Position—Beginning | <u>163,585.46</u> | <u>48,677.91</u> | <u>163,585.46</u> |
| Total Net Position—Ending | \$ <u>310,668.31</u> \$ | <u>128,750.21</u> | <u>390,740.61</u> |

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

**WESTFIELD SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

| | <u>FOOD SERVICE</u> | <u>WRAP PROGRAM</u> | <u>TOTALS</u> |
|-------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | | |
| Receipts from Customers | \$ 1,234,648.62 | \$ 297,757.75 | \$ 1,532,406.37 |
| Payments to Suppliers | <u>-1,144,135.04</u> | <u>-198,346.87</u> | <u>-1,342,481.91</u> |
| Net Cash Provided by (Used for) Operating Activities | <u>90,513.58</u> | <u>99,410.88</u> | <u>189,924.46</u> |
| <u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u> | | | |
| Federal, State, and Local Sources | <u>59,354.88</u> | | <u>54,740.71</u> |
| Net Cash Provided by (Used for) Non-capital Financing Activities | <u>59,354.88</u> | | <u>54,740.71</u> |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | |
| Interest on Deposits | <u>1,683.78</u> | | <u>615.60</u> |
| Net Cash Provided by (used for) Investing Activities | <u>1,683.78</u> | | <u>615.60</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 151,552.24 | 99,410.88 | 245,280.77 |
| Balances—Beginning of Year | <u>227,366.98</u> | <u>80,258.91</u> | <u>170,126.31</u> |
| Balances—End of Year | <u>\$ 378,919.22</u> | <u>\$ 179,669.79</u> | <u>\$ 415,407.08</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | |
| Operating Income (Loss) | \$ 64,631.24 | \$ 80,072.30 | \$ 144,703.54 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities | | | |
| Depreciation and Net Amortization | 6,339.00 | | 6,339.00 |
| Federal Commodities | 21,412.95 | | 21,412.95 |
| (Increase) Decrease in Accounts Receivable | -1,508.40 | | -1,508.40 |
| (Increase) Decrease in Interfund Loans | 150.70 | | 150.70 |
| (Increase) Decrease in Inventories | -1,389.09 | | -1,389.09 |
| Increase (Decrease) in Deferred Revenue | 9,178.16 | 19,705.00 | 28,883.16 |
| Increase (Decrease) in Accounts Payable | <u>-8,300.98</u> | <u>-366.42</u> | <u>-8,667.40</u> |
| Total Adjustments | <u>25,882.34</u> | <u>19,338.58</u> | <u>45,220.92</u> |
| Net Cash Provided by (Used for) Operating Activities | <u>\$ 90,513.58</u> | <u>\$ 99,410.88</u> | <u>\$ 189,924.46</u> |

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

FIDUCIARY FUNDS

**WESTFIELD SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | <u>UNEMPLOYMENT COMPENSATION TRUST</u> | <u>AGENCY FUND</u> |
|---------------------------------------------------------------------|------------------------------------------------|-----------------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ <u>125,987.75</u> | \$ <u>992,490.50</u> |
| Total Assets | \$ <u>125,987.75</u> | \$ <u>992,490.50</u> |
| LIABILITIES | | |
| Payable to Student Groups | \$ | \$ 498,395.77 |
| Accounts Payable/Payroll Deductions and Withholdings | <u>16,326.81</u> | <u>494,094.73</u> |
| Total Liabilities | <u>16,326.81</u> | <u>992,490.50</u> |
| NET POSITION | | |
| Held in Trust for Unemployment Claims and Other Purposes | \$ <u>109,661.37</u> | |

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

**WESTFIELD SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | <u>Unemployment Compensation Trust</u> |
|--------------------------------------------------------------------|--------------------------------------------|
| ADDITIONS | |
| Contributions: | |
| Dedicated Payroll Withholdings | \$ 148,571.51 |
| Board Contributioun | <u>95,381.00</u> |
| Total Contributions | <u>243,952.51</u> |
| Investment Earnings: | |
| Interest on Deposits | <u>267.13</u> |
| Net Investment Earnings | <u>267.13</u> |
| Total Additions | <u>244,219.64</u> |
| DEDUCTIONS | |
| Due to Taxing and Other Agencies Quarterly Contribution Reports | <u>202,293.07</u> |
| Total Deductions | <u>202,293.07</u> |
| Change in Net Position | <u>41,926.57</u> |
| Net Position - Beginning of the Year | <u>67,734.80</u> |
| Net Position - End of the Year | \$ <u><u>109,661.37</u></u> |

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

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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, 2015 of 6,266 students.

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

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

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

C. Basis of Presentation – Government-Wide Financial Statements

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

NOTES TO FINANCIAL STATEMENTS

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

D. Basis of Presentation - Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

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

The District reports the following proprietary funds:

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

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

NOTES TO FINANCIAL STATEMENTS

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

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

The District also reports the following fiduciary fund types:

Agency Fund – The Agency Fund is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

Employee Benefit Trust (Unemployment Insurance) – Employee Benefit Trust should be used to report resources that are required to be held in trust for members and beneficiaries of employee benefit plans.

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

Further, interfund activity may occur during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. In the preparation of the government-wide financial statements, transfers between funds included as governmental activities are eliminated so that only net amounts of resources transferred from or to the governmental activities are reported. A similar treatment is afforded transfers of resources between enterprise funds for the preparation of business-type activity financial statements.

E. Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the fiscal period that the taxes are levied by the municipality(s) within which the District is domiciled. Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District recognizes the entire approved tax levy as revenue in the fiscal period for which they were levied. The District is entitled to receive moneys under an established payment schedule and any unpaid amount is considered to be an "accounts receivable". Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. State categorical aid revenues are recognized as District revenue during the fiscal period in which they are appropriated.

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

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

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

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

The District's proprietary funds, employee benefit trust fund and private purpose scholarship trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

F. Budgets/Budgetary Control

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

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

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. Pursuant to changes in the Local District School Budget Law, statutorily conforming base budgets of Districts with annual school elections held in November (The District has chosen this option) are no longer required to be presented to the voters for approval on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. New Jersey statutes place limits on the Board's ability to increase budgeted expenditures through the appropriation of previously undesignated fund balance and requires the District to obtain additional approvals when budgetary transfers, measured using the advertised budgetary account totals rather than line-item totals, exceed certain thresholds.

NOTES TO FINANCIAL STATEMENTS

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

F. Budgets/Budgetary Control (Cont'd)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

The following presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules – General and Special Revenue Funds to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.

Explanation of differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

| | <u>General Fund</u> | <u>Special Revenue Fund</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-----------------------------|
| Sources/inflows of resources | | |
| Actual amounts (budgetary) "revenues" from the budgetary comparison schedules | \$103,855,967.49 | \$2,516,811.56 |
| Difference- budget to GAAP: | | |
| 1. Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and revenues (Net) | 0.00 | 0.00 |
| 2. Certain State Aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33). | (1,551,703.00) | 0.00 |
| 3. State Aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | <u>1,247,638.00</u> | <u>0.00</u> |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balance – governmental funds. | <u>\$103,551,902.49</u> | <u>\$2,516,811.56</u> |

NOTES TO FINANCIAL STATEMENTS

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

F. Budgets/Budgetary Control (Cont'd)

| | <u>General Fund</u> | <u>Special Revenue Fund</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-----------------------------|
| Uses/Outflows of resources | | |
| Actual amounts (budgetary basis) "total outflows" | | |
| From the budgetary comparison schedule | \$103,159,426.13 | \$2,516,811.56 |
| Difference- budget to GAAP: | | |
| Encumbrances for supplies and equipment ordered but not yet are reported in the year the encumbrance is placed for budgetary purposes, but in the year the goods are received for financial reporting purposes (Net) | <u>0.00</u> | <u>0.00</u> |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds. | <u>\$103,159,426.13</u> | <u>\$2,516,811.56</u> |

G. Encumbrances:

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

Open encumbrances in the special revenue fund for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

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

H. Cash, Cash Equivalents and Investments:

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

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

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

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

H. Cash, Cash Equivalents and Investments (Cont'd):

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

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

I. Tuition Revenue

Tuition revenues for the fiscal year 2014-2015 were based on contractual per pupil rates established by and between the sending and receiving districts. These rates are not subject to change except through amendatory contracts.

J. Inventories and Prepaid Expenses:

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

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

Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

K. Short-Term Interfund Receivables/Payables:

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

L. Capital Assets:

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

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

NOTES TO FINANCIAL STATEMENTS

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

L. Capital Assets (Cont'd):

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

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

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

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

| | |
|--------------------|------------|
| Food Service Fund: | |
| Equipment | 5-20 Years |

M. Compensated Absences:

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

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

The District's compensated absences was recorded in the amount of \$767,858 as at June 30, 2015 to conform with the financial procedures regarding the calculation of compensated absences.

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

NOTES TO FINANCIAL STATEMENTS

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

N. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recorded as an outflow of resources (expenditure/expense) until that time. The District is reporting three items in this category; The Deferred Amount on Refunding, and Pension related items including the Change in Pension Assumptions and the amounts of pension payments made by the District subsequent to the pension measurement date. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding bonds. Deferred Outflows for Changes in Pension Assumptions future outflows of resources resulting from changes in actuarial assumptions used in the valuation of the pension liability. Deferred outflows for Subsequent pension payments reflects payments made by the District to the pension system subsequent to the date of the most recent actuarial valuation, which was June 30, 2014.

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

O. Pensions:

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

P. 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.

Q. Net Position Flow Assumption (District-Wide and Proprietary Fund Financial Statements)

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

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

R. 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.

S. Fund Balance Policies:

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

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

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

T. District-Wide Financial Statement Classifications

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

NOTES TO FINANCIAL STATEMENTS

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

U. Proprietary Fund Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and products in connection with the primary purpose or function for which the fund was established. The District's Food Service proprietary fund reports operating revenues from the sales of lunches and a la carte items, and operating expenses include the costs of sales (food, supplies and labor), administrative costs and depreciation on capital assets. Revenues earned through the District's participation in the National School Lunch Program are classified as nonoperating revenues, notwithstanding the limitations on the pricing of Type A student lunches that is required for program participation.

V. Reconciliation of District-Wide and Fund Financial Statements

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

| | |
|----------------------------------------------------------|------------------------------------|
| Total Governmental Fund Balance (B-1) | \$6,540,992.40 |
| <u>Adjustments to District-Wide Net Position:</u> | |
| Capital Assets (see Note 3) | 40,730,361.37 |
| Long-Term Liabilities (see Note 4) | (27,274,858.00) |
| Net Pension Liability | (23,355,249.00) |
| Other Items not recognized in Fund Financial Statements: | |
| Deferred Outflows of financial Resources | 2,953,208.00 |
| Deferred Inflows of Financial Resources | (1,391,846.00) |
| Accrued Payable for pension Expense | (1,110,220.00) |
| Accrued Interest on Long-term Debt | (308,127.91) |
| Unamortized Discounts Received on Bond Sales | 72,202.97 |
| Unamortized Premiums Received on Bond Sales | (769,693.69) |
| Unamortized Deferred Amounts from Refunding | <u>588,065.86</u> |
| Net Position of Governmental Activities | <u>\$(3,325,164.00)</u> |

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

| | |
|--------------------------------------------------------------|----------------------------------|
| Total Net Change Governmental Fund Balance (B-2) | \$(159,832.94) |
| <u>Adjustments to District-Wide Net Position:</u> | |
| Capital Outlays, net of depreciation | 3,718,833.37 |
| Repayment of Long-Term Liabilities (see Note 4) | (1,154,000.00) |
| Decrease in Value of Compensated Absences | 24,117.50 |
| Interest on Long-term Debt (Accrual Basis for District-Wide) | 86,071.09 |
| Net Increase in Pension Expense | (350,083.89) |
| Amortization Expenses & Increases - Net | <u>(230,491.43)</u> |
| Change In Net Position of Governmental Activities | <u>\$1,934,613.70</u> |

NOTES TO FINANCIAL STATEMENTS

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

W. Estimates

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

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Deposits

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

Cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000.00 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:941, et seq., which insures all New Jersey governmental units’ deposits in excess of the federal deposit insurance maximums.

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

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

| <u>Depository Account</u> | <u>Bank Balance</u> |
|-----------------------------------|------------------------|
| Insured--FDIC | \$ 831,914.49 |
| Insured—NJGUDPA (N.J.S.A. 17:941) | <u>7,906,683.36</u> |
| Total | \$ <u>8,738,597.85</u> |

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the board’s deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2015, based upon the insured balances as provided by FDIC and NJGUDPA coverage, none of the Board’s bank balance of \$8,738,597.85 was considered exposed to custodial risk. (See Note 1-H relating to statutory mitigations of custodial risk in the event of a bank failure.)

NOTES TO FINANCIAL STATEMENTS

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

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As indicated above, the District had \$80,707.26 on deposit with the New Jersey Cash Management Fund at June 30, 2015.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - DISCLOSURE OF INFORMATION ABOUT CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

| | <u>Restated Beginning Balance</u> | <u>Additions</u> | <u>Retirements</u> | <u>Ending Balance</u> |
|-----------------------------------------------------------------------------|-------------------------------------------|-------------------------------|---------------------------------------|--------------------------------|
| Governmental Activities: | | | | |
| Capital Assets That Are Not Being Depreciated: | | | | |
| Land | \$ 4,488,200.00 | \$ | \$ | \$ 4,488,200.00 |
| Construction in Progress | <u>7,383,198.00</u> | <u>4,004,384.37</u> | <u> </u> | <u>11,387,582.37</u> |
| Total Capital Assets Not Being Depreciated | <u>11,871,398.00</u> | <u>4,004,384.37</u> | <u> </u> | <u>15,875,782.37</u> |
| Building and Building Improvements | 50,244,324.00 | 174,908.00 | <u> </u> | 50,419,232.00 |
| Machinery, Equipment, Furniture & Vehicles | <u>11,575,914.00</u> | <u>784,151.00</u> | <u> </u> | <u>12,360,065.00</u> |
| Totals at Historical Cost | <u>61,820,238.00</u> | <u>959,059.00</u> | <u> </u> | <u>62,779,297.00</u> |
| Less Accumulated Depreciation For: | | | | |
| Building and Building Improvements | (25,821,677.00) | (1,064,064.00) | <u> </u> | (26,885,741.00) |
| Equipment, Furniture, and Vehicles | <u>(10,858,431.00)</u> | <u>(180,546.00)</u> | <u> </u> | <u>(11,038,977.00)</u> |
| Total Accumulated Depreciation | <u>(36,680,108.00)</u> | <u>(1,244,610.00)</u> | <u> </u> | <u>(37,924,718.00)</u> |
| Total Capital Assets Being Depreciated (Net of Accumulated Depreciation) | <u>25,140,130.00</u> | <u>(285,551.00)</u> | <u> </u> | <u>24,854,579.00</u> |
| Government Activities Capital Assets, Net | \$ <u>37,011,528.00</u> | \$ <u>3,718,833.37</u> | \$ <u> </u> | \$ <u>40,730,361.37</u> |
| Business-type Activities | | | | |
| Equipment | 428,577.00 | <u> </u> | <u> </u> | 428,577.00 |
| Less Accumulated Depreciation for: Equipment | <u>(397,622.00)</u> | <u>(6,339.00)</u> | <u> </u> | <u>(403,961.00)</u> |
| Business-type Activities Capital Assets, Net | \$ <u>30,955.00</u> | \$ <u>(6,339.00)</u> | \$ <u> </u> | \$ <u>24,616.00</u> |

* Depreciation expense was charged to governmental functions as follows:

| | |
|----------------------------|------------------------|
| Unallocated | \$ <u>1,244,610.00</u> |
| Total depreciation expense | \$ <u>1,244,610.00</u> |

NOTE 4 - DISCLOSURE OF INFORMATION ABOUT LONG TERM LIABILITIES

Long-term debt liability activity for the year ended June 30, 2015 was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Amounts Due Within One Year</u> |
|---------------------------------|--------------------------------|--------------------------------|-------------------------------|--------------------------------|--------------------------------------------|
| Governmental Activities: | | | | | |
| Bonds Payable: | | | | | |
| General Obligation Debt | \$ 25,353,000.00 | \$ 9,161,000.00 | \$ 8,007,000.00 | \$ 26,507,000.00 | \$ 2,585,000.00 |
| Total Bonds Payable | <u>25,353,000.00</u> | <u>9,161,000.00</u> | <u>8,007,000.00</u> | <u>26,507,000.00</u> | <u>2,585,000.00</u> |
| Other Liabilities: | | | | | |
| Compensated Absences Payable | <u>791,975.50</u> | | <u>24,117.50</u> | <u>767,858.00</u> | |
| Total Other Liabilities | <u>791,975.50</u> | <u>-</u> | <u>24,117.50</u> | <u>767,858.00</u> | |
| Net Pension Liability (PERS) | | <u>23,355,249.00</u> | | <u>23,355,249.00</u> | |
| Total Liabilities | \$ <u>26,144,975.50</u> | \$ <u>32,516,249.00</u> | \$ <u>8,031,117.50</u> | \$ <u>50,630,107.00</u> | \$ <u>2,585,000.00</u> |

A. Bonds Payable - Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

Principal and interest due on bonds outstanding is as follows:

| Year ending June 30, | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------|-----------------------------|----------------------------|-----------------------------|
| 2016 | \$ 2,585,000 | \$ 838,467 | \$ 3,423,467 |
| 2017 | 2,750,000 | 734,653 | 3,484,653 |
| 2018 | 2,816,000 | 644,070 | 3,460,070 |
| 2019 | 2,910,000 | 547,738 | 3,457,738 |
| 2020 | 3,005,000 | 445,738 | 3,450,738 |
| 2021 | 2,206,000 | 362,523 | 2,568,523 |
| 2022 | 2,210,000 | 294,570 | 2,504,570 |
| 2023 | 1,400,000 | 236,558 | 1,636,558 |
| 2024 | 1,425,000 | 192,370 | 1,617,370 |
| 2025 | 1,450,000 | 145,376 | 1,595,376 |
| 2026 | 1,100,000 | 101,820 | 1,201,820 |
| 2027 | 1,100,000 | 62,420 | 1,162,420 |
| 2028 | 1,090,000 | 28,260 | 1,118,260 |
| 2029 | <u>460,000</u> | <u>6,900</u> | <u>466,900</u> |
| Totals | \$ <u>26,507,000</u> | \$ <u>4,641,460</u> | \$ <u>31,148,460</u> |

School Bonds, Series 2014 Issued in the Amount of \$3,200,000

The District issued \$3,200,000 School Bonds, Series 2014 dated August 1, 2014 due August 1, 2015 through 2024 in principal amounts ranging between \$250,000 - \$350,000, and bearing interest rates 1.5% through 2.375%.

The Bonds were issued pursuant to an approved special election held in Decemebr 2012, which authorized the issuance of \$13,600,000 of School Bonds.

School Bonds, Series 2015B Issued in the Amount of \$261,000

The District issued \$261,000 School Bonds, Series 2015B dated April 15, 2015 due October 1, 2016 through 2020 in principal amounts ranging between \$50,000 - \$56,000, and bearing interest rate of 3.0%.

The Bonds were issued pursuant to an approved special election held in Decemebr 2000, which authorized the issuance of School Bonds.

NOTE 4 - DISCLOSURE OF INFORMATION ABOUT LONG TERM LIABILITIES (CONT'D)

A. Bonds Payable - Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bond.(Cont'd.)

Refunding School Bonds, Series 2015A Issued in the Amount of \$5,700,000

On April 15, 2015, the District issued \$5,700,000 Refunding School Bonds, Series 2015A (the "Bonds") to advance refund \$5,771,000 of 2007 School Bonds. Interest rate on the Refunding Bonds ranged from 1.625% to 4%, with maturities ranging between \$400,000 and \$600,000.

The advance refunding resulted in a difference between the reacquisition price and the net carrying value of the old debt of \$468,242.94. This difference is reported in the accompanying District-wide financial statements as a deferred outflow of resources and being charged as a governmental activities expense the the school year ended June 30, 2018.

B. Bonds Authorized But Not Issued

For the school year ended June 30, 2015, the District had authorized but not issued bonds in the amount of \$3,484,000, as a result of the total amount approved by the voters at a special election held December 2012 that have not been financed through the issuance of bonds.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLANS

Description of Plans – The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan's designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the public Employees Retirement System (PERS) and the Teachers Pension and Annuity Fund (TPAF), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions.

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

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM

The Public Employee Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2014:

| | |
|---------------------------------------------------------------------|----------------|
| Inactive plan members or beneficiaries currently receiving benefits | 160,716 |
| Inactive plan members entitled to but not yet receiving benefits | 730 |
| Active plan members | <u>266,526</u> |
| Total | <u>427,972</u> |

Contributing Employers – 1,707.

Significant Legislation – For State of New Jersey contributions to PERS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012. For State fiscal year 2014, the State was required to make a minimum contribution representing 3/7th of the actuarially determined contribution amount based on the July 1, 2012 actuarial valuation.

NOTE 5. PENSION PLANS (CONT'D)

Description of Plans (Cont'd)

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D)

Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

For the year ended June 30, 2015 the Board's total payroll for all employees was \$ 56,133,782.75. Total PERS covered payroll was \$ 8,812,161. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.78% in State fiscal year 2014. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. Employers contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The School Board's contributions to the Plan for the years ended June 30, 2014 and 2015 were \$981,965.46 and \$1,137,422.37, respectively. School Board Contributions are due and payable in the fiscal period subsequent to plan year for which the contributions requirements were calculated.

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

The following represents the membership tiers for PERS:

| <u>Tier</u> | <u>Definition</u> |
|-------------|--------------------------------------------------------------------------------------------|
| 1 | Members who were enrolled prior to July 1, 2007. |
| 2 | Members who were eligible to enroll on or after July 1, 2007 and prior to November 8, 2008 |
| 3 | Members who were eligible on or after November 2, 2008 and prior to May 22, 2010 |
| 4 | Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011 |
| 5 | Members who were eligible to enroll on or after June 28, 2011 |

NOTE 5. PENSION PLANS (CONT'D)

Description of Plans (Cont'd)

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D)

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

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, the School Board reported a liability of \$23,355,249.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Board’s proportion of the net pension liability was based on a projection of the Boards long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2014, the Boards proportion was 0.1247427210%, which was an increase of 0.0068666658% from its proportion measure as of June 30, 2013.

For the year ended June 30, 2015, the Board recognized pension expenses of \$350,083.89. At June 30, 2015 the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows Of Resources</u> | <u>Deferred Inflows Of Resources</u> |
|------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Changes in assumptions | \$734,414 | \$ |
| Net difference between projected and actual earnings on Plan investments | | 1,391,846 |
| Changes in proportion and differences between Board contributions and proportionate share of contributions | 1,108,574 | |
| Board contributions subsequent to the measurement date | <u>1,110,220</u> | |
| Total | \$2,953,208 | \$1,391,846 |

The \$ 1,110,220 of deferred outflows of resources resulting from the Boards contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

| Year ending June 30, | |
|-------------------------|----------------|
| 2016 | \$(7,809.06) |
| 2017 | \$(7,809.06) |
| 2018 | \$(7,809.06) |
| 2019 | \$(7,809.06) |
| 2020 | \$(7,809.06) |
| Thereafter | \$(412,096.70) |

NOTE 5. PENSION PLANS (CONT'D)

Description of Plans (Cont'd)

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D)

Actuarial Assumptions- The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|------------------------------|-------------------------|
| Inflation | 3.01% |
| Salary Increases (2012-2021) | 2.15-4.40% Based on age |
| Thereafter | 3.15-5.40% Based on age |
| Investment rate of return | 7.90% |

Mortality rates were based on the RP-2000 Combined Table for Males or Females, as appropriate with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

| <u>Asset Class</u> | |
|-----------------------------|--------|
| Cash | 0.08% |
| Core Bonds | 2.49% |
| Intermediate-Term Bonds | 2.26% |
| Mortgages | 2.17% |
| High Yield Bonds | 4.82% |
| Inflation-Indexed Bonds | 3.51% |
| Broad US Equities | 8.22% |
| Developed Foreign Equities | 8.12% |
| Emerging Market Equities | 9.91% |
| Private Equity | 13.02% |
| Hedge Funds/Absolute Return | 4.92% |
| Real Estate (Property) | 5.80% |
| Commodities | 5.35% |

Discount Rate – The discount rate used to measure the pension liabilities of PERS was 5.39%

Sensitivity of Net Pension Liability – the following presents the net pension liability of PERS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

| | <u>At 1% Decrease</u> | <u>At current discount rate</u> | <u>At 1% increase</u> |
|------|-----------------------|---------------------------------|-----------------------|
| PERS | \$47,326,289,075 | \$38,849,838,953 | \$31,735,758,503 |

Plan Fiduciary Net Position – The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2014 was \$28,999,581,773. Information regarding the portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group was not available.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D):

B. TEACHERS PENSION AND ANNUITY FUND

The Teachers Pension and Annuity Fund is a cost-sharing, multiple employer defined benefit pension plan with a special funding situation as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the TPAF Plan are as follows:

Plan Membership and Contributing Employers- Substantially all teachers or members of the professional staff of Local Education Agencies that are certified by the State Board of Examiners, and Employees of the Department of Education who have titles that are unclassified, professional and certified are enrolled in the TPAF. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2014:

| | |
|---------------------------------------------------------------------|----------------|
| Inactive plan members or beneficiaries currently receiving benefits | 94,822 |
| Inactive plan members entitled to but not yet receiving benefits | 276 |
| Active plan members | <u>152,812</u> |
| Total | <u>247,910</u> |

In addition to the State, who is the sole payer of regular employer contributions to the fund, TPAF's contributing employers include boards of education who elected to participate in the Early Retirement Incentive Program (ERIP) and are legally responsible to continue to pay towards their incurred liability. The current number of ERIP Contributing Employers is 26.

Significant Legislation – For State of New Jersey contributions to TPAF, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012. For State fiscal year 2014, the State was required to make a minimum contribution representing 3/7th of the actuarially determined contribution amount based on the July 1, 2012 actuarial valuation.

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

For the year ended June 30, 2015 the Board's total payroll for all employees was \$56,133,782.75. Total TPAF covered payroll was \$46,054,139. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.78% in State fiscal year 2014. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State of New Jersey contribution amount is based on an actuarially determined amount which includes the employer portion of normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory insurance is based on actual claims paid for fiscal years 2014 & 2013, the State's contribution was less than the actuarial determined amount.

NOTE 5. PENSION PLANS (CONT'D):

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

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

The following represents the membership tiers for TPAF:

| <u>Tier</u> | <u>Definition</u> |
|-------------|--------------------------------------------------------------------------------------------|
| 1 | Members who were enrolled prior to July 1, 2007. |
| 2 | Members who were eligible to enroll on or after July 1, 2007 and prior to November 8, 2008 |
| 3 | Members who were eligible on or after November 2, 2008 and prior to May 22, 2010 |
| 4 | Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011 |
| 5 | Members who were eligible to enroll on or after June 28, 2011 |

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

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The State of New Jersey is solely responsible for funding the normal pension obligations of the TPAF, including 100% of the obligations of LEAs within the State. Accordingly, the District does not report TPAF pension liabilities or deferred inflows and outflows of financial resources in its financial statements. Payments made by the State to the TPAF “on-behalf” of the LEAs are reported to the LEAs and reported as TPAF pension expenditures/expenses as made.

Three-Year Trend Information for TPAF (Paid on-behalf of the District, excluding post-retirement medical benefits which are reported in Note 6)

| <u>Year Funding</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Local Pension Obligation</u> |
|-------------------------|------------------------------------------|----------------------------------------------|---------------------------------------------|
| 6/30/15 | \$ 3,921,904 | Unknown % | \$ 0 |
| 6/30/14 | 3,123,731 | Unknown % | 0 |
| 6/30/13 | 3,133,794 | Unknown % | 0 |

At June 30, 2014, the TPAF reported a net pension liability of \$53,446,745,367 for its Non-State Employer Member Group. The proportionate share of the State of New Jersey's the net pension liability for the Non-State Employer Member Group that is attributable to the District was \$240,695,691, or 0.450%.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D):

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

Actuarial Assumptions- The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|------------------------------|----------------------------|
| Inflation | 2.50% |
| Salary Increases (2012-2021) | Varies based on experience |
| Thereafter | Varies based on experience |
| Investment rate of return | 7.90% |

Mortality rates were based on the RP-2000 Combined Table for Males or Females, as appropriate with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

| <u>Asset Class</u> | |
|-----------------------------|-------|
| Cash | 0.05% |
| Core Bonds | 1.38% |
| Intermediate-Term Bonds | 2.60% |
| Mortgages | 2.84% |
| High Yield Bonds | 4.15% |
| Inflation-Indexed Bonds | 1.30% |
| Broad US Equities | 5.88% |
| Developed Foreign Equities | 6.05% |
| Emerging Market Equities | 8.90% |
| Private Equity | 9.15% |
| Hedge Funds/Absolute Return | 3.85% |
| Real Estate (Property) | 4.43% |
| Commodities | 3.60% |

Discount Rate – The discount rate used to measure the pension liabilities of TPAF was 4.68%

Sensitivity of Net Pension Liability – the following presents the net pension liability of TPAF calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

| | <u>At 1% Decrease</u> | <u>At current discount rate</u> | <u>At 1% increase</u> |
|------|-----------------------|---------------------------------|-----------------------|
| TPAF | \$64,722,984,539 | \$53,813,067,539 | \$44,738,870,539 |

Plan Fiduciary Net Position – The plan fiduciary net position for TPAF at June 30, 2014 was \$27,282,252,461.

NOTE 5. PENSION PLANS (CONT'D):

C: DEFINED CONTRIBUTION RETIREMENT PLAN

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

Plan Membership and Contributing Employers- Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. At June 30, 2014, the membership in the DCRP, based on the information within the Division’s database, was 28,270.

Contribution Requirement and Benefit Provisions - State and local government employers contribute 3% of the employees base salary. Active members contribute 5.5% of base salary.

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

For the year ended June 30, 2015 the Board’s total payroll for all employees was \$56,133,782.75. Total DCRP covered payroll was \$1,267,482.75. 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, 2015 were \$37,443.76 and \$69,710.51, respectively.

NOTE 6. POST-EMPLOYMENT BENEFITS

The State of New Jersey sponsors and administers the post-employment health benefits program for school districts. Coverage is provided at no cost to members of the TPAF who retire after accumulating 25 years of credited service or on a disability retirement. The State is also responsible for the costs attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service or on a disability retirement if the member’s employer does not provide this coverage. Pursuant to P.L 2007, c.103, separate funds outside the pension plans were established for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees.

The Division of Pensions issues a publicly available financial report that includes the financial statements and required supplementary information for the Health Benefits Program Fund – Local Government. This report may be accessed via the Division of Pensions and Benefits website, at www.state.nj.us/treasury/pensions, or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

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

The Division of pensions issues a publicly available financial report that includes the financial statements and required supplementary information for the Health Benefits Program Fund – Local Government. This report may be accessed via the Division of Pensions and Benefits website, at www.state.nj.us/treasury/pensions, or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625.

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

| <u>Year</u> | <u>Annual Post Retirement Medical Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|-------------|--------------------------------------------------|--------------------------------------|-------------------------------|
| 6/30/15 | \$ 3,921,904 | 100 % | \$ -0- |
| 6/30/14 | 3,123,731 | 100 | -0- |
| 6/30/13 | 3,133,794 | 100 | -0- |

The amounts of State contributions to the Health Benefits Program Fund on-behalf of the District for PERS retiree health benefits has not been made available.

NOTE 7. OPERATING LEASES

The District reported the following lease purchase agreement payment for the acquisition of computer equipment and networking as at June 30, 2015, as follows:

| <u>June 30</u> | <u>Amount</u> |
|----------------|-----------------------|
| 2016 | \$563,176.51 |
| 2017 | 563,176.51 |
| 2018 | <u>193,666.67</u> |
| Total | <u>\$1,320,019.69</u> |

NOTE 8. COMPENSATED ABSENCES

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8. 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 \$767,858 presented in the District-wide financial statements as compensated absences payable reflects accruals utilizing the Vesting Method and includes amounts for each employee eligible for a termination payment currently and those who will become eligible within the next five years. Employees who separate from service prior to attaining eligibility are not entitled to termination payments. Accrued vacations are negligible and were not included in calculations of the total value of compensated absences payable.

NOTE 9. DEFERRED COMPENSATION

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RISK MANAGEMENT

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

Property and Liability Insurance - The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the school year ended June 30, 2015, the District continued to transfer all insurable risks through the purchase of commercial insurance policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage during each of the past three fiscal years. During the year ended June 30, 2015, there were no significant reductions in coverages from those provided in the previous year.

Employee Health Benefit/Prescription - During the school year ended June 30, 2015, the District continued to transfer all insurable risks through the purchase of commercial insurance policies with the exception of its employee prescription plan. During the year ended June 30, 2015, the District remitted all claims incurred and reported through June 30, 2015. In addition, the District reports cash held by the fiscal agent in the amount of \$67,781.00 as at June 30, 2015.

NOTE 11. NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE

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

Due to legal restrictions imposed by the State of New Jersey on the accumulated balance in the District's Unemployment Compensation Insurance Fund, the District has elected to treat this fund as an expendable trust fund for the purpose of financial reporting. Information relating to this fund for the years ended June 30, 2014 and the previous two years is as follows:

| <u>Fiscal Year</u> | <u>District Contributions</u> | <u>Employee Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|-------------------------------|-------------------------------|--------------------------|-----------------------|
| 2014-2015 | \$95,381.00 | \$148,571.51 | \$202,293.07 | \$109,661.37 |
| 2013-2014 | 20,000.00 | 108,062.66 | 176,795.51 | 67,734.80 |
| 2012-2013 | 40,000.00 | 141,197.88 | 160,916.64 | 98,220.73 |

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2015:

| <u>Fund</u> | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|-----------------------|-----------------------------|--------------------------|
| General Fund | \$ 926,123.42 | \$ |
| Food Service Fund | 4,865.69 | |
| Capital Projects Fund | | 930,989.11 |
| Total | \$ <u>930,989.11</u> | \$ <u>930,989.11</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 13. INVENTORY

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

| | |
|-----------------|--------------|
| Food & Supplies | \$ 12,405.64 |
|-----------------|--------------|

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

NOTE 14. FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$6,187,358.06 General Fund fund balance at June 30, 2015, \$722,022.46 is reserved for encumbrances; \$996,959.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; \$1,200,000.00 has been reserved as "Excess Surplus N.J.S.A. 18A:7F-7; \$614,323.07 has been reserved for the Maintenance Reserve Account; \$1,996,414.50 has been reserved for the Capital Reserve Account; \$3,041 is assigned included as anticipated revenue for the year ending June 30, 2016 Bud and the remaining \$654,598.03 is unassigned.

Capital Projects Fund (Exhibit B-1) - Of the \$353,632.78 Capital Projects Fund fund balance at June 30, 2015, the amount of \$353,632.78 is assigned for Capital Projects Expenditures.

Debt Service Fund (Exhibit B-1) - Of the \$1.56 Debt Service Fund fund balance at June 30, 2015, the amount of \$1.56 is assigned for Debt Service Expenditures.

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance -- Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. Based upon the reduction in the maximum undesignated surplus permitted as a result of the enactment of S1701, the District had excess surplus at June 30, 2015 in the amount of \$1,200,000.00. This amount will be utilized as tax relief in the 2016-2017 budget.

NOTE 16. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1 (d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted projects in its approved LRFP.

NOTES TO FINANCIAL STATEMENTS

NOTE 16. CAPITAL RESERVE ACCOUNT (CONT,D)

The activity of the capital reserve for July 1, 2014 to June 30, 2015 school year is as follows:

| | |
|---------------------------------|-----------------------|
| Beginning Balance, July 1, 2014 | \$1,318,451.50 |
| Transferred to Capital Projects | <u>(522,017.00)</u> |
| Deposits per Board Approval | <u>1,199,980.00</u> |
| Ending Balance June 30, 2015 | <u>\$1,996,414.50</u> |

NOTE 17. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established through a Board resolution by the School District of Westfield Board of Education in the amount of \$2,200,000.00 in the 2010-2011 school year for the accumulation of funds for the required maintenance of a facility in accordance with N.J.S.A. 18A:7G-9 as amended by P.L. 2004, c. 73 (S1701).

The activity of the maintenance reserve for July 1, 2014 to June 30, 2015 school year is as follows:

| | |
|---------------------------------|---------------------|
| Beginning Balance, July 1, 2014 | \$545,349.25 |
| Appropriated 2014-2015 | <u>(669,280.01)</u> |
| Deposits per Board Approval | <u>474,225.83</u> |
| Ending Balance June 30, 2015 | <u>\$614,323.07</u> |

NOTE 18. DEFICIT FUND BALANCES

The District did not have a deficit fund balances at June 30, 2015, , that would have been reported in the fund statements (modified accrual basis). P.L. 2003 c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, ie., if one government recognizes and asset, the other government recognizes a liability. Since the District is not recording the last state aid payment on the GAAP financial statements until the year the State records the payable, it is possible that a positive fund balance could be reported on a mandated budgetary basis while a deficit is reported on a GAAP basis based upon nonrecognition of revenue on the GAAP basis for the final state aid payment.

Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action.

NOTES TO FINANCIAL STATEMENTS

NOTE 19. RESTATEMENT OF GOVERNMENTAL ACTIVITIES NET POSITION

The District implemented the provisions of GASB Statement No. 68 effective July 1, 2014. The adoption of this standard required recognition in the Governmental Activities Net Position and Activities of the District's proportionate share of the net pension liability of the Public Employees Retirement System (PERS), and an associated deferred outflow of financial resources for payments made subsequent to the June 30, 2013 measurement date. Prior to the implementation of GASB Statement No. 68, no amounts were required to be reported in the District's financial statements for its share of the PERS net pension liability or for the specific deferred inflows and deferred outflows of financial resources attributable to the District resulting from Plan operations. PERS pension expenditures/expenses were reported in the year paid, which lags the period in which PERS employer contributions are recorded by one fiscal year. The new standard improves the information provided in government financial reports about pension-related costs, obligations and the resources available to satisfy those obligations. A prior period adjustment to effect a restatement of the June 30, 2014 Governmental Activities Net Position was required as follows:

| | |
|----------------------------------------------------------|-------------------------|
| Governmental Activities Net Position as Reported 6-30-14 | \$17,268,678.30 |
| June 30, 2013 Proportionate Share of PERS | |
| Net Pension Liability | (\$21,500,095.00) |
| Less: Deferred Outflow of Resources for | |
| Payment Subsequent to Measurement Date | <u>1,028,361.00</u> |
| Net Decrease in Governmental Activities Net Position | <u>(22,528,456.00)</u> |
| Governmental Activities Net Position 6-30-14 Restated | <u>\$(5,259,777.70)</u> |

NOTE 20. PENDING LITIGATION AND CONTINGENT LIABILITIES

PENDING LITIGATION - At June 30, 2015, there was no litigation pending for which an unfavorable outcome with a material adverse impact on the net position of the District was anticipated.

NOTE 21. SUBSEQUENT EVENTS

The District converted to and implemented a self-insurance program for employee health benefit coverage for the fiscal year July 1, 2015 through June 30, 2016.

**REQUIRED SUPPLEMENTARY
INFORMATION**

PART II

BUDGETARY COMPARISON SCHEDULES

SECTION – C

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|-------------------------------------------------------------|----------------------|---------------------|----------------------|-----------------------|-----------------------------|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 88,967,333.00 | | \$ 88,967,333.00 | \$ 88,967,333.00 | |
| Tuition | 54,697.00 | | 54,697.00 | 210,477.52 | 155,780.52 |
| Transportation - Other LEA's With State | 20,000.00 | | 20,000.00 | 36,187.17 | 16,187.17 |
| Miscellaneous | 261,000.00 | | 261,000.00 | 388,705.90 | 127,705.90 |
| Total - Local Sources | 89,303,030.00 | | 89,303,030.00 | 89,602,703.59 | 299,673.59 |
| State Sources: | | | | | |
| Extraordinary Aid | 1,000,000.00 | | 1,000,000.00 | 1,274,723.00 | 274,723.00 |
| Categorical Special Ed. Aid | 2,614,018.00 | | 2,614,018.00 | 2,614,018.00 | |
| Categorical Security Aid | 96,745.00 | | 96,745.00 | 96,745.00 | |
| Categorical Transportation Aid | 121,554.00 | | 121,554.00 | 121,554.00 | |
| Other State Aid - Per Pupil Growth Aid | 62,000.00 | | 62,000.00 | 62,000.00 | |
| Other State Aid -PARCC | 62,000.00 | | 62,000.00 | 62,000.00 | |
| Non-Public Transportation Aid | | | | 63,567.00 | 63,567.00 |
| On-behalf TPAF Pension Contrib. (non-budgeted) | | | | 2,470,489.00 | 2,470,489.00 |
| On-behalf TPAF Post Retirement Med. Contrib. (non-budgeted) | | | | 3,921,904.00 | 3,921,904.00 |
| On-behalf TPAF Employer FICA Contrib. (non-budgeted) | | | | 3,375,948.52 | 3,375,948.52 |
| Total - State Sources | 3,956,317.00 | | 3,956,317.00 | 14,062,948.52 | 10,106,631.52 |
| Federal Sources: | | | | | |
| Medicaid Reimbursement | 24,744.00 | | 24,744.00 | 36,162.11 | 11,418.11 |
| Medicaid Reimbursement-PY Settlement Funds | | | | 154,153.27 | 154,153.27 |
| Total - Federal Sources | 24,744.00 | | 24,744.00 | 190,315.38 | 165,571.38 |
| Total Revenues | 93,284,091.00 | | 93,284,091.00 | 103,855,967.49 | 10,571,876.49 |
| EXPENDITURES: | | | | | |
| Current Expense: | | | | | |
| Regular Programs - Instruction: | | | | | |
| Salaries of Teachers: | | | | | |
| Kindergarten | 328,024.00 | 50,072.00 | 378,096.00 | 377,729.55 | 366.45 |
| Grades 1- 5 | 12,081,665.00 | (48,360.00) | 12,033,305.00 | 11,921,995.96 | 111,309.04 |
| Grades 6- 8 | 7,792,117.00 | 70,246.00 | 7,862,363.00 | 7,810,831.66 | 51,531.34 |
| Grades 9-12 | 9,572,452.00 | 2,926.00 | 9,575,378.00 | 9,555,666.01 | 19,711.99 |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---------------------------------------------|----------------------|---------------------|----------------------|----------------------|-----------------------------|
| Regular Programs - Home Instr.: | | | | | |
| Salaries of Teachers | 105,578.00 | 35,000.00 | 140,578.00 | 105,479.60 | 35,098.40 |
| Purchased Prof./Educational Services | 30,000.00 | 30,000.00 | 60,000.00 | 56,592.24 | 3,407.76 |
| Regular Programs - Undistrib. Instr.: | | | | | |
| Purchased Prof./Educational Services | 1,500.00 | 54,089.50 | 55,589.50 | 51,003.50 | 4,586.00 |
| Purchased Technical Services | 97,000.00 | (40,483.65) | 56,516.35 | 51,324.14 | 5,192.21 |
| Other Purchased Services | 738,713.00 | (27,857.24) | 710,855.76 | 652,151.85 | 58,703.91 |
| General Supplies | 1,451,145.00 | 48,292.72 | 1,499,437.72 | 1,454,275.13 | 45,162.59 |
| Textbooks | 109,560.00 | 36,196.95 | 145,756.95 | 132,265.61 | 13,491.34 |
| Other Objects | 53,400.00 | (50,105.00) | 3,295.00 | 1,567.00 | 1,728.00 |
| Total Regular Programs | 32,361,154.00 | 160,017.28 | 32,521,171.28 | 32,170,882.25 | 350,289.03 |
| Learning/Language Disabilities: | | | | | |
| Salaries of Teachers | 516,820.00 | (24,112.00) | 492,708.00 | 492,706.86 | 1.14 |
| Other Salaries for Instruction | 181,539.00 | 105,692.00 | 287,231.00 | 287,146.98 | 84.02 |
| Purchased Prof./Educational Services | | | 17,353.75 | 17,237.72 | 116.03 |
| General Supplies | 16,872.00 | 16,346.25 | 33,218.25 | 32,465.80 | 752.45 |
| Textbooks | 5,823.00 | (3,400.00) | 2,423.00 | 1,578.43 | 844.57 |
| Total Learning/Language Disabilities | 721,054.00 | 94,526.25 | 832,934.00 | 831,135.79 | 1,798.21 |
| Resource Room/Resource Center: | | | | | |
| Salaries of Teachers | 5,422,288.00 | 216,575.00 | 5,638,863.00 | 5,638,859.92 | 3.08 |
| Other Salaries for Instruction | 141,573.00 | 132,827.00 | 274,400.00 | 274,066.10 | 333.90 |
| General Supplies | 30,139.00 | 9,294.08 | 39,433.08 | 38,259.57 | 1,173.51 |
| Textbooks | 2,071.00 | (1,500.00) | 571.00 | 484.19 | 86.81 |
| Misc Exp | | 300.00 | 300.00 | 300.00 | |
| Total Resource Room/Resource Center | 5,596,071.00 | 357,496.08 | 5,953,567.08 | 5,951,969.78 | 1,597.30 |
| Autism: | | | | | |
| Salaries of Teachers | 248,368.00 | (25,172.00) | 223,196.00 | 222,667.11 | 528.89 |
| Other Salaries for Instruction | 68,229.00 | 3,265.00 | 71,494.00 | 71,271.82 | 222.18 |
| General Supplies | 7,000.00 | (2,800.00) | 4,200.00 | 3,066.19 | 1,133.81 |
| Total Autism | 323,597.00 | (24,707.00) | 298,890.00 | 297,005.12 | 1,884.88 |

Preschool Disabilities - Part-Time:

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|-------------------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------------|
| Salaries of Teachers | 243,843.00 | (10,728.00) | 233,115.00 | 233,094.91 | 20.09 |
| Other Salaries for Instruction | 92,662.00 | 11,849.00 | 104,511.00 | 103,311.67 | 1,199.33 |
| General Supplies | 9,355.00 | (5,220.97) | 4,134.03 | 3,724.03 | 410.00 |
| Total Preschool Disabilities - Part-Time | 345,860.00 | (4,099.97) | 341,760.03 | 340,130.61 | 1,629.42 |
| Preschool Disabilities - Full-Time: | | | | | |
| Salaries of Teachers | 137,093.00 | 2,162.00 | 139,255.00 | 134,543.14 | 4,711.86 |
| Other Salaries for Instruction | 168,457.00 | (95,466.00) | 72,991.00 | 72,605.20 | 385.80 |
| Total Preschool Disabilities - Full-Time | 305,550.00 | (93,304.00) | 212,246.00 | 207,148.34 | 5,097.66 |
| Total Special Education | 7,292,132.00 | 329,911.36 | 7,639,397.11 | 7,627,389.64 | 12,007.47 |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------------|
| Basic Skills/Remedial - Instruction: | | | | | |
| Salaries of Teachers | 871,326.00 | 28,910.00 | 900,236.00 | 890,343.92 | 9,892.08 |
| General Supplies | 7,450.00 | 3,379.87 | 10,829.87 | 8,894.94 | 1,934.93 |
| Textbooks | 300.00 | | 300.00 | 300.00 | |
| Total Basic Skills/Remedial - Instruction | 879,076.00 | 32,289.87 | 911,365.87 | 899,538.86 | 11,827.01 |
| Bilingual Education - Instruction: | | | | | |
| Salaries of Teachers | 138,702.00 | 12,044.00 | 150,746.00 | 150,744.72 | 1.28 |
| General Supplies | 3,250.00 | (801.00) | 2,449.00 | 2,448.96 | 0.04 |
| Textbooks | 1,000.00 | (215.00) | 785.00 | 784.83 | 0.17 |
| Other Objects | 1,000.00 | (1,000.00) | | | |
| Total Bilingual Education - Instruction | 143,952.00 | 10,028.00 | 153,980.00 | 153,978.51 | 1.49 |
| School - Sponsored Cocurricular & Extra Curric - Instr. Activities: | | | | | |
| Salaries | 349,836.00 | 97,015.00 | 446,851.00 | 432,519.92 | 14,331.08 |
| Purchased Services | 15,950.00 | 7,367.00 | 23,317.00 | 23,056.84 | 260.16 |
| Supplies and Materials | 11,550.00 | (3,200.00) | 8,350.00 | 8,194.24 | 155.76 |
| Other Objects | 4,700.00 | (749.00) | 3,951.00 | 3,950.02 | 0.98 |
| Total School - Sponsored Cocurricular Activities & Extra Curric. - Instr. | 382,036.00 | 100,433.00 | 482,469.00 | 467,721.02 | 14,747.98 |
| School - Sponsored Athletics: | | | | | |
| Salaries | 879,478.00 | (1,201.00) | 878,277.00 | 878,274.81 | 2.19 |
| Purchased Services | 31,000.00 | 28,196.00 | 59,196.00 | 56,428.97 | 2,767.03 |
| Supplies and Materials | 89,650.00 | 4,927.00 | 94,577.00 | 93,502.93 | 1,074.07 |
| Other Objects | 137,800.00 | (7,021.00) | 130,779.00 | 127,255.52 | 3,523.48 |
| Total School - Sponsored Athletics | 1,137,928.00 | 24,901.00 | 1,162,829.00 | 1,155,462.23 | 7,366.77 |
| Other Instructional Programs - Focus School | | | | | |
| Salaries | 26,479.00 | | 26,479.00 | 24,979.00 | 1,500.00 |
| Purchased Services | 9,000.00 | | 9,000.00 | 4,119.00 | 4,881.00 |
| Supplies and Materials | 9,000.00 | | 9,000.00 | 3,442.20 | 5,557.80 |
| Total Other Instructional Programs - Focus School | 44,479.00 | | 44,479.00 | 32,540.20 | 11,938.80 |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---------------------------------------------------------------------------------------|----------------------------|-----------------------------|-------------------------|---------------|-------------------------------------|
| STEM Summer Program | | | | | |
| Supplies and Materials | | 10,000.00 | 10,000.00 | 10,000.00 | |
| Total - STEM Summer Program | | 10,000.00 | 10,000.00 | 10,000.00 | |
| Jump Start Summer School | | | | | |
| Salaries | 5,670.00 | 295.00 | 5,965.00 | 5,965.00 | |
| Supplies and Materials | 800.00 | (295.00) | 505.00 | 354.46 | 150.54 |
| Total - Jump Start Summer School | 6,470.00 | | 6,470.00 | 6,319.46 | 150.54 |
| Total Instruction | 42,247,227.00 | 667,580.51 | 42,932,161.26 | 42,523,832.17 | 408,329.09 |
| Undistributed Expenditures: | | | | | |
| Instruction: | | | | | |
| Tuition to Other LEAs Within the State - Special | 1,836,379.00 | (350,521.00) | 1,485,858.00 | 1,360,312.60 | 125,545.40 |
| Tuition to County Vocational School Dist. - Regular | 429,500.00 | 57,130.00 | 486,630.00 | 446,500.00 | 40,130.00 |
| Tuition to County Vocational School Dist. - Special | 40,000.00 | | 40,000.00 | 19,750.00 | 20,250.00 |
| Tuition to Private Schools for the Disabled - Within State | 3,973,587.00 | (278,962.00) | 3,694,625.00 | 3,534,281.29 | 160,343.71 |
| Tuition to Private Schools for the Disabled and Other LEAs-Special, Outside the State | 417,643.00 | (236,029.00) | 181,614.00 | 177,933.55 | 3,680.45 |
| Tuition - Other | 244,539.00 | 115,000.00 | 359,539.00 | 316,605.73 | 42,933.27 |
| Total Undistrib. Expend. - Instruc. | 6,941,648.00 | (693,382.00) | 6,248,266.00 | 5,855,383.17 | 392,882.83 |
| Attendance and Social Work Services: | | | | | |
| Salaries | 35,272.00 | (1,786.00) | 33,486.00 | 31,534.50 | 1,951.50 |
| Total Attendance and Social Work Serv. | 35,272.00 | (1,786.00) | 33,486.00 | 31,534.50 | 1,951.50 |
| Health Services: | | | | | |
| Salaries | 1,169,673.00 | (32,426.00) | 1,137,247.00 | 1,127,404.52 | 9,842.48 |
| Purchased Professional and Technical Services | 203,876.00 | (54,246.00) | 149,630.00 | 134,268.94 | 15,361.06 |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------------|
| Supplies and Materials | 20,950.00 | (322.32) | 20,627.68 | 20,508.90 | 118.78 |
| Other Objects | 850.00 | (130.00) | 720.00 | | 720.00 |
| Total Health Services | 1,395,349.00 | (87,124.32) | 1,308,224.68 | 1,282,182.36 | 26,042.32 |
| Speech, OT, PT & Related Services | | | | | |
| Salaries | 1,760,115.00 | (3,344.00) | 1,756,771.00 | 1,756,768.68 | 2.32 |
| Purchased Professional/Educational Services | 781,018.00 | 66,600.00 | 847,618.00 | 780,244.57 | 67,373.43 |
| Supplies and Materials | 24,026.00 | (6,394.00) | 17,632.00 | 17,631.11 | 0.89 |
| Total Other Support Services- Student Related | 2,565,159.00 | 56,862.00 | 2,622,021.00 | 2,554,644.36 | 67,376.64 |
| Other Support Services-Student Extra | | | | | |
| Salaries | 1,306,519.00 | 86,711.00 | 1,393,230.00 | 1,393,227.94 | 2.06 |
| Purchased Professional/Educational Services | 35,700.00 | 23,730.00 | 59,430.00 | 32,897.50 | 26,532.50 |
| Other Objects | 4,211.00 | (3,739.00) | 472.00 | 472.00 | |
| Total Other Support Services- Student Extra | 1,346,430.00 | 106,702.00 | 1,453,132.00 | 1,426,597.44 | 26,534.56 |
| Other Support Services - Guidance | | | | | |
| Salaries of Other Professional Staff | 1,774,949.00 | (18,505.00) | 1,756,444.00 | 1,756,443.33 | 0.67 |
| Salaries of Secret. & Clerical Assts. | 212,442.00 | 3,284.00 | 215,726.00 | 214,712.95 | 1,013.05 |
| Other Salaries | 2,520.00 | | 2,520.00 | 1,483.52 | 1,036.48 |
| Purchased Professional/Educational Services | 35,500.00 | (28,000.00) | 7,500.00 | 4,207.00 | 3,293.00 |
| Other Purchased Services | 10,600.00 | (2,465.00) | 8,135.00 | 4,310.80 | 3,824.20 |
| Supplies and Materials | 17,988.00 | 1,022.86 | 19,010.86 | 13,766.47 | 5,244.39 |
| Other Objects | 6,575.00 | 819.00 | 7,394.00 | 7,393.33 | 0.67 |
| Total Other Support Services - Students - Regular | 2,060,574.00 | (43,844.14) | 2,016,729.86 | 2,002,317.40 | 14,412.46 |
| Other Support Services - Child Study Teams | | | | | |
| Salaries of Other Professional Staff | 1,504,192.00 | 11,076.00 | 1,515,268.00 | 1,514,739.69 | 528.31 |
| Salaries of Secr. & Clerical Assts. | 273,777.00 | (9,015.00) | 264,762.00 | 260,766.51 | 3,995.49 |
| Purchased Professional/Educational Services | 62,424.00 | 13,610.00 | 76,034.00 | 35,284.50 | 40,749.50 |
| Residential Costs | 231,749.00 | (231,749.00) | | | |
| Other Purchased Services | 7,135.00 | (784.00) | 6,351.00 | 5,775.08 | 575.92 |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--------------------------------------------------------------------------------|--------------------|---------------------|-----------------|--------------|-----------------------------|
| Supplies and Materials | 16,065.00 | (224.00) | 15,841.00 | 14,861.14 | 979.86 |
| Total Other Support Services - Students - Special Services | 2,095,342.00 | (217,086.00) | 1,878,256.00 | 1,831,426.92 | 46,829.08 |
| Improv. of Instruction Services/Other Support Services - Instruc. Staff: | | | | | |
| Salaries of Supervisors of Instruc. | 1,036,227.00 | 14,608.00 | 1,050,835.00 | 1,017,806.89 | 33,028.11 |
| Salaries of Secr. and Clerical Assts. | 174,568.00 | (4,410.00) | 170,158.00 | 167,424.89 | 2,733.11 |
| Other Salaries | 12,705.00 | | 12,705.00 | 1,365.00 | 11,340.00 |
| Sal. of Facilitators, Math Camp; Literary Coaches | 27,000.00 | (14,544.00) | 12,456.00 | 12,456.00 | |
| Purchased Professional/Educational Services | 3,000.00 | 250.00 | 3,250.00 | 250.00 | 3,000.00 |
| Other Purchased Services | 34,153.00 | (194.00) | 33,959.00 | 13,194.07 | 20,764.93 |
| Supplies and Materials | 25,606.00 | 88,301.67 | 113,907.67 | 110,330.62 | 3,577.05 |
| Other Objects | 11,337.00 | (1,287.00) | 10,050.00 | 7,561.17 | 2,488.83 |
| Total Improv. of Instruction Services/ Other Support Serv. - Instruc. Staff | 1,324,596.00 | 82,724.67 | 1,407,320.67 | 1,330,388.64 | 76,932.03 |
| Educational Media Serv./School Library: | | | | | |
| Salaries | 916,475.00 | 3,752.00 | 920,227.00 | 917,837.38 | 2,389.62 |
| Salaries - Technology Coordinators | 151,445.00 | 5,220.00 | 156,665.00 | 156,665.00 | |
| Purch. Profess. and Tech. Serv. | 49,397.00 | 1,456.00 | 50,853.00 | 50,667.88 | 185.12 |
| Other Purchased Services | 3,952.00 | | 3,952.00 | 2,924.48 | 1,027.52 |
| Supplies and Materials | 35,908.00 | 859.53 | 36,767.53 | 33,010.65 | 3,756.88 |
| Total Educa. Media Serv./School Library | 1,157,177.00 | 11,287.53 | 1,168,464.53 | 1,161,105.39 | 7,359.14 |
| Instructional Staff Training Services: | | | | | |
| Other Salaries | 10,000.00 | (2,740.00) | 7,260.00 | 7,260.00 | |
| Purchased Professional/Educational Services | 95,070.00 | (29,651.00) | 65,419.00 | 45,713.05 | 19,705.95 |
| Other Purchased Services | 2,155.00 | 17,476.00 | 19,631.00 | 6,897.03 | 12,733.97 |
| Supplies and Materials | 9,850.00 | | 9,850.00 | 4,112.75 | 5,737.25 |
| Other Objects | 5,000.00 | | 5,000.00 | 304.00 | 4,696.00 |
| Total Instr. Staff Training Serv. | 122,075.00 | (14,915.00) | 107,160.00 | 64,286.83 | 42,873.17 |
| Support Serv. General Administration: | | | | | |
| Salaries | 711,704.00 | 9,184.00 | 720,888.00 | 704,768.17 | 16,119.83 |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---------------------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------------|
| Legal Services | 216,072.00 | 154,646.73 | 370,718.73 | 143,451.35 | 227,267.38 |
| Audit Fees | 38,250.00 | | 38,250.00 | 34,572.00 | 3,678.00 |
| Architectural/Engineering Services | 10,000.00 | 45,868.00 | 55,868.00 | 31,528.00 | 24,340.00 |
| Other Purch. Professional Services | 5,000.00 | (5,000.00) | | | |
| Purchased Prof Euc Services | 3,000.00 | | 3,000.00 | | 3,000.00 |
| Purchased Technical Services | | | | | |
| Communications/Telephone | 331,900.00 | (59,939.72) | 271,960.28 | 250,352.50 | 21,607.78 |
| BOE Other Purchased Services | 2,000.00 | | 2,000.00 | 1,764.99 | 235.01 |
| Misc. Purch Serv | 507,349.00 | (4,697.64) | 502,651.36 | 439,790.49 | 62,860.87 |
| General Supplies | 18,700.00 | 3,420.44 | 22,120.44 | 9,365.69 | 12,754.75 |
| Judgements Against School District | 120,000.00 | | 120,000.00 | 4,001.40 | 115,998.60 |
| Misc. Expenditures | 59,676.00 | (659.00) | 59,017.00 | 52,075.69 | 6,941.31 |
| BOE Membership Dues and Fees | 27,000.00 | | 27,000.00 | 26,662.70 | 337.30 |
| Total Support Serv. General Administration | 2,050,651.00 | 142,822.81 | 2,193,473.81 | 1,698,332.98 | 495,140.83 |
| Support Serv. School Administration: | | | | | |
| Salaries of Principals/Asst. Principals | 2,223,629.00 | 90,179.00 | 2,313,808.00 | 2,291,802.25 | 22,005.75 |
| Salaries of Secr. and Clerical Assts. | 1,153,070.00 | (26,979.00) | 1,126,091.00 | 1,126,089.38 | 1.62 |
| Purch. Professional & Technical Serv. | 3,900.00 | (300.00) | 3,600.00 | 3,356.00 | 244.00 |
| Other Purchased Services | 54,358.00 | 14,672.00 | 69,030.00 | 33,656.72 | 35,373.28 |
| Supplies and Materials | 97,561.00 | 3,344.57 | 100,905.57 | 96,307.37 | 4,598.20 |
| Other Objects | 28,286.00 | 2,437.00 | 30,723.00 | 24,298.47 | 6,424.53 |
| Total Support Serv. School Admin. | 3,560,804.00 | 83,353.57 | 3,644,157.57 | 3,575,510.19 | 68,647.38 |
| Central Services: | | | | | |
| Salaries | 1,053,443.00 | 16,593.00 | 1,070,036.00 | 1,056,238.15 | 13,797.85 |
| Purch. Professional Services | 10,500.00 | 3,232.00 | 13,732.00 | 13,331.12 | 400.88 |
| Purch. Technical Serv. | 52,535.00 | (132.00) | 52,403.00 | 41,923.35 | 10,479.65 |
| Misc. Purchased Services | 70,973.00 | (9,880.00) | 61,093.00 | 47,994.64 | 13,098.36 |
| Supplies and Materials | 54,700.00 | (2,646.00) | 52,054.00 | 43,302.59 | 8,751.41 |
| Miscellaneous Expenditures | 24,263.00 | (4,792.00) | 19,471.00 | 3,087.37 | 16,383.63 |
| Total Central Services | 1,266,414.00 | 2,375.00 | 1,268,789.00 | 1,205,877.22 | 62,911.78 |
| Admin. Info Technology | | | | | |
| Salaries | 639,441.00 | (36,698.00) | 602,743.00 | 597,105.75 | 5,637.25 |
| Purch. Technical Serv. | | 69,605.00 | 69,605.00 | 66,124.43 | 3,480.57 |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---------------------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------------|
| Other Purchased Services | 2,000.00 | 2,205.16 | 4,205.16 | 3,077.86 | 1,127.30 |
| Supplies and Materials | 144,800.00 | (25,671.30) | 119,128.70 | 118,560.42 | 568.28 |
| Total Admin Info Technology | 786,241.00 | 9,440.86 | 795,681.86 | 784,868.46 | 10,813.40 |
| Required Maint for School Facilities: | | | | | |
| Salaries | 627,119.00 | (22,073.00) | 605,046.00 | 595,169.16 | 9,876.84 |
| Purchased Tech Services | | 22,675.00 | 22,675.00 | 22,675.00 | |
| Cleaning, Repair & Maint. Services | 317,760.00 | 56,363.00 | 374,123.00 | 288,299.05 | 85,823.95 |
| General Supplies | 140,300.00 | (35,826.00) | 104,474.00 | 98,681.95 | 5,792.05 |
| Other Objects | 7,654.00 | 2,371.00 | 10,025.00 | 9,593.00 | 432.00 |
| Total Required Maint for School Facilities | 1,092,833.00 | 23,510.00 | 1,116,343.00 | 1,014,418.16 | 101,924.84 |
| Custodial Services: | | | | | |
| Salaries | 2,657,330.00 | 69,441.00 | 2,726,771.00 | 2,659,232.35 | 67,538.65 |
| Salaries Non Instructional Aides | 226,235.00 | 36,139.00 | 262,374.00 | 262,373.25 | 0.75 |
| Purch. Professional & Technical Serv. | 50,500.00 | 6,816.41 | 57,316.41 | 57,206.82 | 109.59 |
| Cleaning, Repair & Maint. Services | 143,446.00 | (52,312.92) | 91,133.08 | 87,545.46 | 3,587.62 |
| Other Purchased Property Services | 98,547.00 | 44,197.00 | 142,744.00 | 121,465.89 | 21,278.11 |
| Rentals | | | | | |
| Insurance | 141,015.00 | 10,659.00 | 151,674.00 | 151,673.31 | 0.69 |
| Miscellaneous Purchased Services | | | | | |
| General Supplies | 282,271.00 | (15,612.49) | 266,658.51 | 264,499.87 | 2,158.64 |
| Energy (Natural Gas) | 458,989.00 | (123,970.00) | 335,019.00 | 328,463.15 | 6,555.85 |
| Energy (Electricity) | 703,787.00 | 7,610.00 | 711,397.00 | 711,396.73 | 0.27 |
| Other Objects | 1,700.00 | (488.00) | 1,212.00 | 1,211.97 | 0.03 |
| Total Custodial Services | 4,763,820.00 | (17,521.00) | 4,746,299.00 | 4,645,068.80 | 101,230.20 |
| Care & Upkeep Grounds | | | | | |
| Salaries | 133,568.00 | (15,956.00) | 117,612.00 | 116,731.42 | 880.58 |
| Cleaning, Repair, and Maintenance Services | 52,000.00 | (48,470.00) | 3,530.00 | 3,330.00 | 200.00 |
| Travel Exp | | 2,000.00 | 2,000.00 | 145.00 | 1,855.00 |
| General Supplies | 45,000.00 | (7,690.00) | 37,310.00 | 37,103.29 | 206.71 |
| Total Care & Upkeep Grounds | 230,568.00 | (70,116.00) | 160,452.00 | 157,309.71 | 3,142.29 |

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**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|-------------------------------------------------------------------|----------------------|---------------------|----------------------|----------------------|-----------------------------|
| Salaries | 65,848.00 | 8,292.00 | 74,140.00 | 72,298.85 | 1,841.15 |
| Purchased Professional/Educational Services | 65,000.00 | 258.58 | 65,258.58 | 65,258.13 | 0.45 |
| General Supplies | 220.00 | | 220.00 | | 220.00 |
| Total Security | 131,068.00 | 8,550.58 | 139,618.58 | 137,556.98 | 2,061.60 |
| Total Operation & Maint. Of Plant Serv. | 6,218,289.00 | (55,576.42) | 6,162,712.58 | 5,954,353.65 | 208,358.93 |
| Student Transportation Services: | | | | | |
| Contracted Services (Between Home & School) - Vendors | 194,438.00 | 126,350.90 | 320,788.90 | 320,788.68 | 0.22 |
| Contracted Services (Other Than Between Home & School) - Vendors | 259,700.00 | (3,137.00) | 256,563.00 | 239,648.50 | 16,914.50 |
| Contracted Services (Special Ed. Students) - Vendors | 635,735.00 | (131,417.90) | 504,317.10 | 503,230.41 | 1,086.69 |
| Contracted Services (Regular Students) - ESCs & CTSA's | 120,729.00 | (27,632.00) | 93,097.00 | 80,065.37 | 13,031.63 |
| Contracted Services (Special Ed. Students) - ESCs & CTSA's | 1,295,628.00 | (29,138.00) | 1,266,490.00 | 1,128,131.20 | 138,358.80 |
| Contracted Services - Aid in Lieu of Payments - NonPublic Schools | 215,696.00 | 23,603.00 | 239,299.00 | 233,430.00 | 5,869.00 |
| Total Student Transportation Services | 2,721,926.00 | (41,371.00) | 2,680,555.00 | 2,505,294.16 | 175,260.84 |
| Unallocated Employee Benefits: | | | | | |
| Group Insurance | 195,362.00 | (9,759.00) | 185,603.00 | 157,523.16 | 28,079.84 |
| Social Security Contributions | 834,377.00 | 89,759.00 | 924,136.00 | 924,135.59 | 0.41 |
| Other Retirement Contributions - Regular | 1,208,448.00 | (32,533.00) | 1,175,915.00 | 1,137,422.37 | 38,492.63 |
| Other Retirement Contributions - PERS | | | | | |
| Unemployment Compensation | 43,667.00 | 51,714.00 | 95,381.00 | 95,381.00 | |
| Workmen's Compensation | 534,437.00 | (51,714.00) | 482,723.00 | 482,722.26 | 0.74 |
| Health Benefits | 13,353,556.00 | 32,520.00 | 13,386,076.00 | 13,365,437.15 | 20,638.85 |
| Tuition Reimbursements | 162,000.00 | 1,395.00 | 163,395.00 | 159,629.27 | 3,765.73 |
| Other Employee Benefits | 458,300.00 | 13.00 | 458,313.00 | 298,754.74 | 159,558.26 |
| Total Unallocated Employee Benefits: | 16,790,147.00 | 81,395.00 | 16,871,542.00 | 16,621,005.54 | 250,536.46 |
| On-behalf TPAF Pension Contrib. (non-budgeted) | | | | 2,470,489.00 | (2,470,489.00) |
| On-behalf TPAF Post Retirement Med. Contrib. (non-budgeted) | | | | 3,921,904.00 | (3,921,904.00) |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--------------------------------------------------------------|----------------------|---------------------|----------------------|-----------------------|-----------------------------|
| On-behalf TPAF Employer FICA Contrib. (non-budgeted) | | | | 3,375,948.52 | (3,375,948.52) |
| Total Undistributed Expenditures | 52,438,094.00 | (578,121.44) | 51,859,972.56 | 59,653,450.73 | (7,793,478.17) |
| | 94,685,321.00 | 89,459.07 | 94,792,133.82 | 102,177,282.90 | (7,385,149.08) |
| CAPITAL OUTLAY: | | | | | |
| Regular Programs - Instruction: | | | | | |
| Grades 6-18 | | 6,586.00 | 6,586.00 | 6,546.00 | 40.00 |
| Grades 9-12 | 7,500.00 | 17,861.00 | 25,361.00 | 20,167.94 | 5,193.06 |
| Special Education Programs - Instruction: | | | | | |
| LLD | | 2,600.00 | 2,600.00 | 2,585.00 | 15.00 |
| Preschool Handicapped - P/T | | 2,200.00 | 2,200.00 | 2,186.00 | 14.00 |
| School Sponsored and Other Instructional Programs | | | | | |
| Athletics | | 9,015.00 | 9,015.00 | 9,014.80 | 0.20 |
| STEM | | 2,387.00 | 2,387.00 | 340.04 | 2,046.96 |
| Support Services | | | | | |
| School Admin. | | 5,189.00 | 5,189.00 | 5,189.00 | |
| Business Office | | 3,890.00 | 3,890.00 | 3,890.00 | |
| Maintenance for School Facilities | | 91,359.00 | 91,359.00 | 89,799.53 | 1,559.47 |
| Operation of Plant | | 8,500.00 | 8,500.00 | 8,500.00 | |
| Total Equipment | | 149,587.00 | 157,087.00 | 148,218.31 | 8,868.69 |
| Facilities Acquis. & Constr. Services: | | | | | |
| Architectural/Engineering Services | | 14,190.00 | 14,190.00 | 11,750.00 | 2,440.00 |
| Other Purch. Profess. and Tech. Serv. | | 137,500.00 | 137,500.00 | 13,615.18 | 123,884.82 |
| Construction Services | | 1,141,762.53 | 1,141,762.53 | 760,543.74 | 381,218.79 |
| Assessment for Debt Service on SDA Funding | 48,016.00 | | 48,016.00 | 48,016.00 | |
| Total Facil. Acquis. & Constr. Services | 48,016.00 | 1,293,452.53 | 1,341,468.53 | 833,924.92 | 507,543.61 |
| Total Capital Outlay | 48,016.00 | 1,443,039.53 | 1,498,555.53 | 982,143.23 | 516,412.30 |
| Total Expenditures | 94,733,337.00 | 1,532,498.60 | 96,290,689.35 | 103,159,426.13 | (6,868,736.78) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,449,246.00) | (1,532,498.60) | (3,006,598.35) | 696,541.36 | 3,703,139.71 |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|----------------------------------------------------------------------------------------------------------------------|------------------------|--------------------------|------------------------|------------------------|-----------------------------|
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In (Out) | | | | | |
| Transfer Capital Outlay to Capital Projects Fund | (766,326.00) | | (766,326.00) | (522,017.00) | 244,309.00 |
| Total Other Financing Sources (Uses) | (766,326.00) | | (766,326.00) | (522,017.00) | 244,309.00 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (2,215,572.00) | (1,532,498.60) | (3,772,924.35) | 174,524.36 | 3,947,448.71 |
| Fund Balances, July 1 | 7,564,536.70 | | 7,564,536.70 | 7,564,536.70 | |
| Fund Balances, June 30 | \$ 5,348,964.70 | \$ (1,532,498.60) | \$ 3,791,612.35 | \$ 7,739,061.06 | \$ 3,947,448.71 |

Recapitulation:

Restricted Fund Balance:

| | |
|-------------------------------------------------------------------------|---------------|
| Reserved Excess Surplus - Designated for Subsequent Year's Expenditures | \$ 996,959.00 |
| Reserve for Excess Surplus | 1,200,000.00 |
| Maintenance Reserve | 614,323.07 |
| Capital Reserve | 1,996,414.50 |

Committed Fund Balance:

| | |
|-----------------------|------------|
| Year-end Encumbrances | 722,022.46 |
|-----------------------|------------|

Assigned Fund Balance:

| | |
|-----------------------------------------------|----------|
| Designated for Subsequent Year's Expenditures | 3,041.00 |
|-----------------------------------------------|----------|

Unassigned Fund Balance

2,206,301.03

\$ 7,739,061.06

Reconciliation to Governmental Funds Statements (GAAP):

| | |
|--------------------------------------------------------|----------------|
| Delayed State Aid Payment not recognized on GAAP basis | (287,231.00) |
| Extraordinary Aid Payment 2014-2015 | (1,264,472.00) |

Fund Balance per Governmental Funds (GAAP)

\$ 6,187,358.06

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|-------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------------|
| REVENUES: | | | | | |
| State Sources | \$ 232,746.00 | \$ (6,412.00) | \$ 226,334.00 | \$ 205,772.20 | (20,561.80) |
| Federal Sources | 1,391,353.00 | 691,104.83 | 2,082,457.83 | 2,006,541.46 | (75,916.37) |
| Local Sources | | 407,651.38 | 407,651.38 | 304,497.90 | (103,153.48) |
| Total Revenues | 1,624,099.00 | 1,092,344.21 | 2,716,443.21 | 2,516,811.56 | (199,631.65) |
| EXPENDITURES: | | | | | |
| Instruction | | | | | |
| Personal Services - Salaries | 133,030.00 | 87,469.00 | 220,499.00 | 206,680.24 | 13,818.76 |
| Purchased Professional/Education & Technical Services | 50,260.00 | (44,330.79) | 5,929.21 | 4,150.00 | 1,779.21 |
| Other Purchased Services | | 3,375.00 | 3,375.00 | | 3,375.00 |
| Tuition | 574,847.00 | 256,528.00 | 831,375.00 | 831,375.00 | |
| General Supplies | 71,909.00 | 333,518.57 | 405,427.57 | 305,803.72 | 99,623.85 |
| Textbooks | 27,097.00 | 3,646.23 | 30,743.23 | 28,363.30 | 2,379.93 |
| Other Objects | 430.00 | 415.00 | 845.00 | | 845.00 |
| Total Instruction | 857,573.00 | 640,621.01 | 1,498,194.01 | 1,376,372.26 | 121,821.75 |
| Support Services | | | | | |
| Personal Services - Salaries | 252,320.00 | (621.98) | 251,698.02 | 245,561.02 | 6,137.00 |
| Personal Services - Employee Benefits | 28,391.00 | 20,174.81 | 48,565.81 | 40,319.97 | 8,245.84 |
| Purchased Professional/Technical Services | | | | | |
| Purchased Professional/Educational Services | 417,504.00 | 281,355.76 | 698,859.76 | 665,161.88 | 33,697.88 |
| Other Purchased Professional Services | 38,138.00 | 10,806.00 | 48,944.00 | 47,675.53 | 1,268.47 |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---------------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------------|
| EXPENDITURES: | | | | | |
| Support Services | | | | | |
| Purchased Technical Services | | 1,250.00 | \$ 1,250.00 | | 1,250.00 |
| Other Purchased Services | \$ 7,215.00 | 28,139.00 | 35,354.00 | \$ 34,818.60 | 535.40 |
| Supplies and Materials | 22,108.00 | 49,819.59 | 71,927.59 | 52,116.31 | 19,811.28 |
| Other Objects | 850.00 | 960.00 | 1,810.00 | 37.47 | 1,772.53 |
| Total Support Services | 766,526.00 | 391,883.18 | 1,158,409.18 | 1,085,690.78 | 72,718.40 |
| Facilities Acquisition and Construction Services: | | | | | |
| Instructional Equipment | | 47,064.50 | 47,064.50 | 46,177.00 | 887.50 |
| Non-Instructional Equipment | | 12,775.52 | 12,775.52 | 8,571.52 | 4,204.00 |
| Total Facilities Acquisition and Construction Services | | 59,840.02 | 59,840.02 | 54,748.52 | 5,091.50 |
| Total Expenditures | 1,624,099.00 | 1,092,344.21 | 2,716,443.21 | 2,516,811.56 | 199,631.65 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses) | \$ -0- |

**NOTES TO THE REQUIRED
SUPPLEMENTARY INFORMATION**

**WESTFIELD SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

| | | <u>General Fund</u> | | <u>Special Revenue Fund</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------------------------|--------------|-------------------------------------|
| Sources/inflows of resources | | | | |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule | (C-1) | \$ 103,855,967.49 | (C-2) | \$ 2,516,811.56 |
| Difference - budget to GAAP: | | | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized (Net) | | | | |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements (Net) | | <u>-304,065.00</u> | | |
| Total revenues as reported on the statement of revenues, expenditures and change in fund balances - governmental funds | (B-2) | <u>\$ 103,551,902.49</u> | (B-2) | <u>\$ 2,516,811.56</u> |
| Uses/outflows of resources | | | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule | (C-1) | \$ 103,159,426.13 | (C-2) | \$ 2,516,811.56 |
| 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. | | | | |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds | (B-2) | <u>\$ 103,159,426.13</u> | (B-2) | <u>\$ 2,516,811.56</u> |

**REQUIRED SUPPLEMENTARY
INFORMATION**

PART III

**SCHEDULES RELATED TO ACCOUNTING AND
REPORTING FOR PENSIONS (GASB 68)**

SECTION – L

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

WESTFIELD SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)

Last 10 Fiscal Years*

| | <u>2013</u> | <u>2014</u> |
|-------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| District's Proportion of the Net Pension Liability | 0.117876054 | 0.124742721 |
| District's Proportionate Share of the Net Pension Liability | \$22,528,456 | \$23,355,249 |
| District's Covered-Employee Payroll | \$8,635,918 | \$8,812,161 |
| District's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll | 260.87% | 265.03% |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 48.72% | 52.08% |

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

WESTFIELD SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)

Last 10 Fiscal Years*

| | <u>2014</u> | <u>2015</u> |
|--------------------------------------------------------------------|---------------------|-----------------------|
| Contractually Required Contribution | \$ 888,172 | \$ 1,028,361 |
| Contribution in Relation to Contractually Required Contribution | <u>\$ (888,172)</u> | <u>\$ (1,028,361)</u> |
| Contribution deficiency (excess) | \$ - | \$ - |
| District's Proportionate Share of the Payroll | \$ 8,133,443 | \$ 8,627,190 |
| Contributions as a percentage of Covered Employee Payroll | 10.92% | 11.92% |

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

WESTFIELD SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S SHARE OF THE NET PENSION LIABILITY
TEACHERS PENSION AND ANNUITY FUND (Non-State Employer Group)

| | <u>Last 10 Fiscal Years*</u> | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|---------------|
| | <u>2013</u> | <u>2014</u> |
| Proportion of the Non-State Employer Group Net Pension Liability attributable to the District | 0.4289118351% | 0.4503467692% |
| Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State Employer Group | \$216,768,668 | \$240,695,691 |
| District's Covered-Employee Payroll | \$45,133,056 | \$46,054,139 |
| Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State Employer Group as a percentage of the District's Covered-Employee Payroll | 480.29% | 522.64% |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability (See Note Below) | 33.76% | 33.64% |

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

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

NOTES TO THE REQUIRED
SUPPLEMENTARY INFORMATION – PART III

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

**NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
JUNE 30, 2015**

NOTE 1. CHANGES IN ASSUMPTIONS

Net pension liabilities for the years ended June 30, 2013 and 2014 were based on RP-2000 mortality tables utilizing actuarial experience studies covering the following periods:

TPAF: July 1, 2009 to June 30, 2012

PERS: July 1, 2008 to June 30, 2011

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES

SECTION – D

SPECIAL REVENUE FUND

SECTION – E

WESTFIELD SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit - E-1
Page 1 of 2

| | TOTAL BROUGHT FORWARD (EX. E-1a) | TOTAL BROUGHT FORWARD (EX. E-1b) | TITLE I PART A REGULAR 2014-2015 | TITLE I PART A REGULAR 2013-2014 | I.D.E.A PART B BASIC 2014-2015 | I.D.E.A PART B BASIC 2013-2014 |
|---------------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-----------------------------------------|-----------------------------------------|
| <u>REVENUES</u> | | | | | | |
| State Sources | \$ 205,772.20 | | | | | |
| Federal Sources | | | 131,098.28 | 19,174.20 | 1,375,525.03 | 308,265.14 |
| Local Sources | | 304,497.90 | | | | |
| Total Revenues | 205,772.20 | 304,497.90 | 131,098.28 | 19,174.20 | 1,375,525.03 | 308,265.14 |
| <u>EXPENDITURES</u> | | | | | | |
| Instruction: | | | | | | |
| Salaries of Teachers | 28,382.04 | | 98,270.00 | 2,520.00 | | |
| Other Salaries for Instruc. | | | | | | |
| Purchased Prof. - Educational Services | | 1,900.00 | | | | 2,000.00 |
| Purch. Prof. & Tech. Services | | | | | | |
| Other Purch. Services (400-500 series) | | | | | | |
| General Supplies | | 223,731.30 | 10,792.69 | 15,562.20 | 14,803.95 | 19,301.06 |
| Textbooks | 28,363.30 | | | | | |
| Other Objects | | | | | | |
| Total Instruction | 56,745.34 | 225,631.30 | 109,062.69 | 18,082.20 | 14,803.95 | 21,301.06 |
| Support Services: | | | | | | |
| Salaries of Supervisors Instr | | | | | | |
| Salaries of Other Prof. Staff | 61,044.00 | | | | | 160,000.00 |
| Salaries of Secr & Cler Assts | | | | | 20,000.00 | 4,517.02 |
| Other Salaries | | | | | | |
| Personal Services - Empl. Benefits | | | 21,227.12 | 192.00 | | 7,941.81 |
| Purch. Prof. - Tech. Services | | | | | | |
| Purch. Prof. - Educ. Services | 15,740.13 | | 620.00 | 900.00 | 528,291.58 | 113,747.17 |
| Other Purch. Prof. Services | 47,675.53 | | | | | |
| Purch. Technical Services | | | | | | |
| Rentals | | | | | | |
| Contract Serv. - Trans. (Special Education) | 24,567.20 | | | | | |
| Contract Serv. - Trans. (Field Trips) | | 167.79 | | | | |
| Tuition | | | | | 763,109.00 | |
| Travel | | 4,048.21 | 151.00 | | 19,320.50 | 758.08 |
| Other Purch. Services (400-500 series) | | | | | | |
| Supplies and Materials | | 19,902.08 | | | 30,000.00 | |
| Other Objects | | | 37.47 | | | |
| Total Support Services | 149,026.86 | 24,118.08 | 22,035.59 | 1,092.00 | 1,360,721.08 | 286,964.08 |
| Facilities Acquis. & Const. Serv.: | | | | | | |
| Buildings | | 46,177.00 | | | | |
| Instructional Equipment | | 8,571.52 | | | | |
| Non-instructional Equipment | | | | | | |
| Total Facil. Acquis. & Const. Serv. | | 54,748.52 | | | | |
| Total Expenditures | \$ 205,772.20 | \$ 304,497.90 | \$ 131,098.28 | \$ 19,174.20 | \$ 1,375,525.03 | \$ 308,265.14 |
| Excess (Deficiency) of Revenues Over Expenditures | | | | | | |
| Other Financing Sources (Uses): | | | | | | |
| Operating Transfer - General Fund | \$ | \$ | \$ | \$ | \$ | \$ |

WESTFIELD SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit - E-1
Page 2 of 2

| | I.D.E.A. PART B PRESCHOOL 2014-2015 | I.D.E.A. PART B PRESCHOOL 2013-2014 | TITLE II PART A 2014-2015 | TITLE II PART A 2013-2014 | TITLE III 2013-2014 | TITLE III IMMIGRANT 2014-2015 | TOTALS 2013-2014 |
|---------------------------------------------------|----------------------------------------------|----------------------------------------------|---------------------------------|---------------------------------|------------------------|-------------------------------------|------------------------|
| REVENUES | | | | | | | |
| State Sources | \$ | \$ | \$ | \$ | \$ | \$ | \$ 205,772.20 |
| Federal Sources | 55,202.00 | 13,064.00 | 72,434.73 | 14,212.25 | 11,796.50 | 5,769.33 | 2,006,541.46 |
| Local Sources | | | | | | | 304,497.90 |
| Total Revenues | 55,202.00 | 13,064.00 | 72,434.73 | 14,212.25 | 11,796.50 | 5,769.33 | 2,516,811.56 |
| EXPENDITURES | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of Teachers | | | 57,019.00 | | 740.00 | | 186,931.04 |
| Other Salaries for Instruc. | | | | | | | |
| Purchased Prof. - Educational Services | | | | 250.00 | | | 4,150.00 |
| Purch. Prof. & Tech. Services | | | | | | | |
| Other Purch. Services (400-500 series) | | | | | | | |
| General Supplies | | | 3,654.69 | 6,958.33 | 10,999.50 | | 305,803.72 |
| Textbooks | | | | | | | 28,363.30 |
| Other Objects | | | | | | | |
| Total Instruction | - | - | 60,673.69 | 7,208.33 | 11,739.50 | | 525,248.06 |
| Support Services: | | | | | | | |
| Salaries of Supervisors Instr | | | | | | | 221,044.00 |
| Salaries of Other Prof. Staff | | | | | | | 24,517.02 |
| Salaries of Secr & Cler Assts | | | | | | | |
| Other Salaries | | | | | | | |
| Personal Services - Empl. Benefits | | | 10,902.04 | | 57.00 | | 40,319.97 |
| Purch. Prof. & Tech. Services | | | | | | | |
| Purch. Prof. - Educ. Services | | | 335.00 | 5,528.00 | | | 665,161.88 |
| Other Purch. Prof. Services | | | | | | | 47,675.53 |
| Purch. Technical Services | | | | | | | |
| Rentals | | | | | | | |
| Contract Serv. - Trans. (Special Education) | | | | | | | 24,567.20 |
| Contract Serv. - Trans. (Field Trips) | | | | | | | 167.79 |
| Tuition | 55,202.00 | 13,064.00 | | | | | 831,375.00 |
| Travel | | | 524.00 | 1,400.92 | | | 26,202.71 |
| Other Purch. Services | | | | | | | |
| Supplies and Materials | | | | 75.00 | | 5,769.33 | 55,746.41 |
| Other Objects | | | | | | | 37.47 |
| Total Support Services | 55,202.00 | 13,064.00 | 11,761.04 | 7,003.92 | 57.00 | 5,769.33 | 1,936,814.98 |
| Facilities Acquis. & Const. Serv.: | | | | | | | |
| Buildings | | | | | | | 46,177.00 |
| Instructional Equipment | | | | | | | 8,571.52 |
| Non-instructional Equipment | | | | | | | |
| Total Facil. Acquis. & Const. Serv. | | | | | | | 54,748.52 |
| Total Expenditures | \$ 55,202.00 | \$ 13,064.00 | \$ 72,434.73 | \$ 14,212.25 | \$ 11,796.50 | \$ 5,769.33 | \$ 2,516,811.56 |
| Excess (Deficiency) of Revenues Over Expenditures | | | | | | | |
| Other Financing Sources (Uses): | | | | | | | |
| Operating Transfer - General Fund | \$ | \$ | \$ | \$ | \$ | \$ | \$ - |

**WESTFIELD SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Exhibit - E-1a
Page 1 of 1

| | NONPUBLIC TEXTBOOKS | NONPUBLIC NURSING | NONPUBLIC TECHNOLOGY | N.J. NONPUBLIC AUXILIARY SERV., CH.192 | | | N.J. NONPUBLIC HANDICAPPED SERV., CH. 193 | | | TOTAL CARRIED FORWARD | |
|------------------------------------------------------|------------------------|----------------------|-------------------------|-------------------------------------------|---------------------|---------------------|----------------------------------------------|---------------------|---------------------|-----------------------------|----------------------|
| | | | | ESL | TRANS- PORTATION | COMP. EDUCATION | INT. EXAM. AND CLASS | SUPPL. INST. | EXAM. AND CLASS. | | CORR. SPEECH |
| REVENUES | | | | | | | | | | | |
| State Sources | \$ 28,363.30 | \$ 47,675.53 | \$ 15,740.13 | \$ 914.00 | \$ 4,818.60 | \$ 24,567.20 | \$ 23,937.00 | \$ 16,512.44 | \$ 6,137.00 | \$ 37,107.00 | \$ 205,772.20 |
| Federal Sources | | | | | | | | | | | - |
| Local Sources | | | | | | | | | | | - |
| Total Revenues | 28,363.30 | 47,675.53 | 15,740.13 | 914.00 | 4,818.60 | 24,567.20 | 23,937.00 | 16,512.44 | 6,137.00 | 37,107.00 | 205,772.20 |
| EXPENDITURES | | | | | | | | | | | |
| Instruction: | | | | | | | | | | | |
| Salaries of Teachers | | | | 914.00 | 4,818.60 | | | 16,512.44 | 6,137.00 | | 28,382.04 |
| Other Salaries for Instruc. | | | | | | | | | | | |
| Purchased Prof. - Educational Servic | | | | | | | | | | | |
| Purch. Prof. & Tech. Services | | | | | | | | | | | |
| Other Purch. Services | | | | | | | | | | | |
| General Supplies | | | | | | | | | | | |
| Textbooks | 28,363.30 | | | | | | | | | | 28,363.30 |
| Other Objects | | | | | | | | | | | |
| Total Instruction | 28,363.30 | | | 914.00 | 4,818.60 | | | 16,512.44 | 6,137.00 | | 56,745.34 |
| Support Services: | | | | | | | | | | | |
| Salaries of Other Prof. Staff | | | | | | | 23,937.00 | | | 37,107.00 | 61,044.00 |
| Other Salaries | | | | | | | | | | | |
| Personal Services - Empl. Benefits | | | 15,740.13 | | | | | | | | 15,740.13 |
| Purch. Prof. - Educ. Services | | | | | | | | | | | 47,675.53 |
| Other Purch. Prof. Services | | 47,675.53 | | | | | | | | | 47,675.53 |
| Purch. Technical Services | | | | | | | | | | | |
| Rentals | | | | | | | | | | | |
| Contract Serv. - Trans. (Special Education) | | | | | | 24,567.20 | | | | | 24,567.20 |
| Contract Serv. - Trans. (Field Trips) | | | | | | | | | | | |
| Tuition | | | | | | | | | | | |
| Travel | | | | | | | | | | | |
| Other Purch. Services | | | | | | | | | | | |
| Supplies and Materials | | | | | | | | | | | |
| Other Objects | | | | | | | | | | | |
| Total Support Services | | 47,675.53 | 15,740.13 | | | 24,567.20 | 23,937.00 | | | 37,107.00 | 149,026.86 |
| Facilities Acquis. & Const. Serv.: | | | | | | | | | | | |
| Buildings | | | | | | | | | | | |
| Instructional Equipment | | | | | | | | | | | |
| Non-instructional Equipment | | | | | | | | | | | |
| Total Facil. Acquis. & Const. Serv. | | | | | | | | | | | |
| Total Expenditures | \$ 28,363.30 | \$ 47,675.53 | \$ 15,740.13 | \$ 914.00 | \$ 4,818.60 | \$ 24,567.20 | \$ 23,937.00 | \$ 16,512.44 | \$ 6,137.00 | \$ 37,107.00 | \$ 205,772.20 |
| Excess (Deficiency) of Revenues Over Expenditures | | | | | | | | | | | |
| Other Financing Sources (Uses): | | | | | | | | | | | |
| Operating Transfer - General Fund | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |

WESTFIELD SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit - E-1b
Page 1 of 1

| | <u>VARIOUS MINI-GRANTS</u> | <u>TOTAL CARRIED FORWARD</u> |
|---------------------------------------------------|--------------------------------|--------------------------------------|
| REVENUES | | |
| State Sources | \$ | \$ |
| Federal Sources | | |
| Local Sources | <u>304,497.90</u> | <u>304,497.90</u> |
| Total Revenues | <u>304,497.90</u> | <u>304,497.90</u> |
| EXPENDITURES | | |
| Instruction: | | |
| Salaries of Teachers | | |
| Other Salaries for Instruc. | | |
| Purchased Prof. - Educational Services | 1,900.00 | 1,900.00 |
| Purch. Prof. & Tech. Services | | |
| Other Purch. Services | | |
| General Supplies | 223,731.30 | 223,731.30 |
| Textbooks | | |
| Other Objects | | |
| Total Instruction | <u>225,631.30</u> | <u>225,631.30</u> |
| Support Services: | | |
| Salaries of Other Prof. Staff | | |
| Other Salaries | | |
| Personal Services - Empl. Benefits | | |
| Purch. Prof. - Educ. Services | | |
| Other Purch. Prof. Services | | |
| Purch. Technical Services | | |
| Rentals | | |
| Contract Serv. - Trans. (Special Education) | | |
| Contract Serv. - Trans. (Field Trips) | 167.79 | 167.79 |
| Tuition | | |
| Travel | 4,048.21 | 4,048.21 |
| Other Purch. Services | | |
| Supplies and Materials | 19,902.08 | 19,902.08 |
| Other Objects | | |
| Total Support Services | <u>24,118.08</u> | <u>24,118.08</u> |
| Facilities Acquis. & Const. Serv.: | | |
| Buildings | 46,177.00 | 46,177.00 |
| Instructional Equipment | 8,571.52 | 8,571.52 |
| Non-instructional Equipment | | |
| Total Facil. Acquis. & Const. Serv. | <u>54,748.52</u> | <u>54,748.52</u> |
| Total Expenditures | \$ <u>304,497.90</u> \$ | \$ <u>304,497.90</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u> </u> | <u> </u> |
| Other Financing Sources (Uses): | | |
| Operating Transfer - General Fund | <u> </u> | <u> </u> |

CAPITAL PROJECTS FUND

SECTION – F

**WESTFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2015**

| <u>ISSUE/PROJECT TITLE</u> | <u>APPROPRIATION</u> | <u>EXPENDITURES/CANCELED TO DATE</u> | | <u>UNEXPENDED BALANCE</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------|------------------------|---------------------------|
| | | <u>PRIOR YEARS</u> | <u>CURRENT YEAR</u> | |
| Washington School Boiler Replacement | \$ 255,894.50 | 250,251.11 | 5,643.39 | 0.00 |
| Renovation of Lincoln School to an Early Childhood Center, Additions to Library and Cafeteria at Roosevelt Intermediate School and partial window replacement at Edison Intermediate School | 9,396,000.00 | 9,387,989.32 | 8,010.68 | -0.00 |
| Replacement and/or Restoration of Roofs at Westfield H.S., Edison Intermediate, Roosevelt Intermediate, Franklin Elementary Jefferson Elementary, Lincoln Early Childhood Learning Center, McKinley Elementary, Tamaques Elementary, Washington Elementary, Wilson Elementary, Kehler Field House, Board of Education Offices, including Incidental and Related Equipment and Work. | 13,655,385.00 | 6,392,034.77 | 3,359,042.95 | 3,904,307.28 |
| Replacement Boiler/ Security Various Schools SDA Grants | 1,111,844.50 | 66,001.00 | 667,783.50 | 378,060.00 |
| Total | \$ 24,419,124.00 | \$ 16,096,276.20 | \$ 4,040,480.52 | \$ 4,282,367.28 |

Reconciliation of Unexpended Capital Project Balances to Fund Balance - GAAP Basis as at June 30, 2015

| | |
|-------------------------------------------------------------|----------------------|
| Unexpended Project Balances June 30, 2015 (As Above) | \$ 4,282,367.28 |
| Less: State Grant/Aid Not Recognized as Revenue | 444,735.00 |
| Less: SY 2014/2015 Appropriations Authorized But Not Issued | 3,484,000.00 |
| Total Fund Balance (GAAP Basis) - June 30, 2015 | \$ 353,632.28 |
| <u>Analysis of Fund Balance - June 30, 2015:</u> | |
| Restricted for Capital Projects | \$ 353,632.78 |
| Total Fund Balance (GAAP Basis) - June 30, 2015 | \$ 353,632.78 |

**WESTFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

| | |
|-----------------------------------------------------------|------------------------------------|
| Revenues and Other Financing Sources | |
| State Sources - SCC Grant | \$ |
| Bond proceeds and transfers | 3,471,000.00 |
| Contribution from private source | 3,517.15 |
| Transfer from capital reserve | 522,017.00 |
| Transfer from capital outlay | |
| Total revenues | <u>3,996,534.15</u> |
| Expenditures and Other Financing Uses | |
| Purchased professional and technical services | 217,439.64 |
| Construction services | 3,809,386.81 |
| Equipment purchases | |
| Transfer to debt service fund | |
| Total expenditures | <u>4,026,826.45</u> |
| Excess (deficiency) of revenues over (under) expenditures | -30,292.30 |
| Fund balance - beginning | <u>383,925.08</u> |
| Fund balance - ending | \$ <u><u>353,632.78</u></u> |
| <u>Analysis of Fund Balance - June 30, 2015:</u> | |
| Restricted for Capital Projects | \$ 353,632.78 |
| Unassigned | |
| Fund balance (GAAP Basis) - June 30, 2015 | \$ <u><u>353,632.78</u></u> |

**WESTFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
DISTRICT ROOF REPLACEMENT PROGRAM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|------------------------------------------------------------------|--------------------------|---------------------------|--------------------------|----------------------------------------|
| Revenues and Other Financing Sources | | | | |
| State Sources - SCC Grant | \$ 6,916,000.00 | \$ 3,200,000.00 | \$ 10,116,000.00 | \$ 10,116,000.00 |
| Bond proceeds and transfers | | | | |
| Contribution from private source | | | | |
| Transfer from capital reserve | | 55,385.00 | 55,385.00 | 55,385.00 |
| Transfer from capital outlay | | | | |
| Total revenues | <u>6,916,000.00</u> | <u>3,255,385.00</u> | <u>10,171,385.00</u> | <u>10,171,385.00</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased professional and technical services | 786,622.69 | 144,447.14 | 931,069.83 | 931,069.83 |
| Other salaries | | | | |
| Land and Improvements | | | | |
| Construction services | 5,605,412.08 | 3,214,595.81 | 8,820,007.89 | 8,820,007.89 |
| Rental service | | | | |
| Equipment purchases | | | | |
| Total expenditures | <u>6,392,034.77</u> | <u>3,359,042.95</u> | <u>9,751,077.72</u> | <u>9,751,077.72</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>523,965.23</u> | <u>-103,657.95</u> | <u>420,307.28</u> | <u>420,307.28</u> |
| Additional project information: | | | | |
| Project Number | N/A | | | |
| Grant Date | N/A | | | |
| Bond Authorization Date | 12/01/012 | | | |
| Bonds Authorized | \$13,600,000 | | | |
| Bonds Issued | \$10,116,000 | | | |
| Original Authorized Cost | \$13,600,000 | | | |
| Additional Authorized Cost | \$55,385 | | | |
| Revised Authorized Cost | \$13,655,385 | | | |
| Percentage Increase over Original Authorized Cost | \$0.00 | | | |
| Percentage completion | 0% | | | |
| Original target completion date | 2014 | | | |
| Revised target completions date | 2016 | | | |

**WESTFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
REPLACEMENT / REPAIR BOILERS & SCHOOL SECURITY VARIOUS SCHOOLS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|------------------------------------------------------------------|-----------------------------|------------------------------|-----------------------------|----------------------------------------|
| Revenues and Other Financing Sources | | | | |
| State Sources - SCC Grant | \$ | \$ | \$ | \$ |
| Bond proceeds and transfers | | | | |
| Contribution from private source | | | | |
| Transfer from capital reserve | 200,478.00 | 466,632.00 | 667,110.00 | 667,110.00 |
| Transfer from capital outlay | | | | |
| Total revenues | <u>200,478.00</u> | <u>466,632.00</u> | <u>667,110.00</u> | <u>667,110.00</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased professional and technical services | 34,651.00 | 72,992.50 | 107,643.50 | 107,643.50 |
| Other salaries | | | | |
| Land and Improvements | | | | |
| Construction services | 31,350.00 | 594,791.00 | 626,141.00 | 626,141.00 |
| Rental service | | | | |
| Equipment purchases | | | | |
| Total expenditures | <u>66,001.00</u> | <u>667,783.50</u> | <u>733,784.50</u> | <u>733,784.50</u> |
| Excess (deficiency) of revenues over (under) expenditures | \$ <u>134,477.00</u> | \$ <u>-201,151.50</u> | \$ <u>-66,674.50</u> | \$ <u>-66,674.50</u> |
| Additional project information: | | | | |
| Project Number | | N/A | | |
| Grant Date | | N/A | | |
| Bond Authorization Date | | N/A | | |
| Bonds Authorized | - | | | |
| Bonds Issued | - | | | |
| Original Authorized Cost | \$2,700,000.00 | | | |
| Additional Authorized Cost | | | | |
| Revised Authorized Cost | \$2,700,000.00 | | | |
| Percentage Increase over Original | | | | |
| Authorized Cost | | N/A | | |
| Percentage completion | | N/A | | |
| Original target completion date | | 2016 | | |
| Revised target completions date | | 2016 | | |

**WESTFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
CONSTRUCTION AND ADDITIONS & RENOVATIONS TO HIGH SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|------------------------------------------------------------------|------------------------------|-----------------------------|----------------------|----------------------------------------|
| Revenues and Other Financing Sources | | | | |
| State Sources - SCC Grant | \$ 6,244,150.67 | \$ | 6,244,150.67 | \$ 6,244,150.67 |
| Bond proceeds and transfers | 13,387,132.33 | 271,000.00 | 13,658,132.33 | 13,658,132.33 |
| Contribution from private source | | 55,979.33 | 55,979.33 | 55,979.33 |
| Transfer from capital reserve | | | | |
| Transfer from capital outlay | | | | |
| Total revenues | <u>19,631,283.00</u> | <u>326,979.33</u> | <u>19,958,262.33</u> | <u>19,958,262.33</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased professional and technical services | 2,771,448.59 | | 2,771,448.59 | 3,053,070.28 |
| Other salaries | 37,911.74 | | 37,911.74 | 37,911.74 |
| Land and Improvements | | | | |
| Construction services | 15,736,634.58 | | 15,736,634.58 | 15,518,376.40 |
| Rental service | 96,598.00 | | 96,598.00 | 96,598.00 |
| Equipment purchases | <u>1,315,669.42</u> | | <u>1,315,669.42</u> | <u>1,252,305.91</u> |
| Total expenditures | <u>19,958,262.33</u> | | <u>19,958,262.33</u> | <u>19,958,262.33</u> |
| Excess (deficiency) of revenues over (under) expenditures | \$ <u>-326,979.33</u> | \$ <u>326,979.33</u> | \$ <u></u> | \$ <u></u> |

Additional project information:

| | |
|----------------------------|--------------|
| Project Number | SP201327 |
| Grant Date | 11/09/01 |
| Bond Authorization Date | 08/01/01 |
| Bonds Authorized | \$13,658,132 |
| Bonds Issued | \$13,658,132 |
| Original Authorized Cost | \$19,486,436 |
| Additional Authorized Cost | N/A |
| Revised Authorized Cost | \$19,958,262 |

Percentage Increase over Original

| | |
|---------------------------------|--------|
| Authorized Cost | N/A |
| Percentage completion | 100% |
| Original target completion date | Nov-06 |
| Revised target completions date | Jun-11 |

**WESTFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
BOILER REPLACEMENT WASHINGTON SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|------------------------------------------------------------------|---------------------------|----------------------------|-------------------|----------------------------------------|
| Revenues and Other Financing Sources | | | | |
| State Sources - SCC Grant | \$ 55,894.50 | \$ | \$ 55,894.50 | \$ 55,894.50 |
| Transfer from capital outlay | <u>200,000.00</u> | | <u>200,000.00</u> | <u>200,000.00</u> |
| Total revenues | <u>255,894.50</u> | | <u>255,894.50</u> | <u>255,894.50</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased professional and technical services | 21,400.00 | | 21,400.00 | 21,400.00 |
| Land and Improvements | | | | |
| Construction services | 228,851.11 | | 228,851.11 | 228,851.11 |
| Equipment purchases | | | | |
| Transfer/canceled capital projects fund | | <u>5,643.39</u> | <u>5,643.39</u> | <u>5,643.39</u> |
| Total expenditures | <u>250,251.11</u> | <u>5,643.39</u> | <u>255,894.50</u> | <u>255,894.50</u> |
| Excess (deficiency) of revenues over (under) expenditures | \$ <u>5,643.39</u> | \$ <u>-5,643.39</u> | \$ _____ | \$ _____ |
| Additional project information: | | | | |
| Project Number | 5730-150-05-1000 | | | |
| Grant Date | 07/13/05 | | | |
| Bond Authorization Date | N/A | | | |
| Bonds Authorized | N/A | | | |
| Bonds Issued | N/A | | | |
| Original Authorized Cost | \$312,606 | | | |
| Additional Authorized Cost | | | | |
| Revised Authorized Cost | \$255,895 | | | |
| Percentage Increase over Original | | | | |
| Authorized Cost | N/A | | | |
| Percentage completion | 92% | | | |
| Original target completion date | Dec-06 | | | |
| Revised target completions date | Dec-10 | | | |

**WESTFIELD SCHOOL DISTRICT
CAPITAL PROJECTS FUND**

**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
RENOVATION OF LINCOLN SCHOOL TO AN EARLY CHILDHOOD CENTER, ADDITIONS TO LIBRARY AND
CAFETERIA AT ROOSEVELT INTERMEDIATE SCHOOL, PARTIAL WINDOW REPLAc. AT EDISON INTERMEDIATE SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|------------------------------------------------------------------|---------------------------|----------------------------|---------------------|----------------------------------------|
| Revenues and Other Financing Sources | | | | |
| Bond proceeds and transfers | \$ 9,396,000.00 | \$ _____ | \$ 9,396,000.00 | \$ 9,396,000.00 |
| Total revenues | <u>9,396,000.00</u> | <u>_____</u> | <u>9,396,000.00</u> | <u>9,396,000.00</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased professional and technical services | 1,342,833.83 | | 1,342,833.83 | 1,342,833.83 |
| Land and Improvements | | | | |
| Construction services | 7,935,170.40 | | 7,935,170.40 | 7,935,170.40 |
| Equipment purchases | 87,385.09 | | 87,385.09 | 87,385.09 |
| Transfer/canceled to capital projects fund | 22,600.00 | 8,010.68 | 30,610.68 | 30,610.68 |
| Total expenditures | <u>9,387,989.32</u> | <u>8,010.68</u> | <u>9,396,000.00</u> | <u>9,396,000.00</u> |
| Excess (deficiency) of revenues over (under) expenditures | \$ <u>8,010.68</u> | \$ <u>-8,010.68</u> | \$ _____ | \$ _____ |

Additional project information:

| | |
|------------------------------------------------------|-------------|
| Project Number | |
| Grant Date | N/A |
| Bond Authorization Date | |
| Bonds Authorized | \$9,396,000 |
| Bonds Issued | \$9,396,000 |
| Original Authorized Cost | \$9,396,000 |
| Additional Authorized Cost | |
| Revised Authorized Cost | \$9,396,000 |
| | |
| Percentage Increase over Original Authorized Cost | N/A |
| Percentage completion | 93% |
| Original target completion date | Dec-08 |
| Revised target completions date | Dec-10 |

PROPRIETARY FUNDS

SECTION – G

ENTERPRISE FUND

**WESTFIELD SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
ENTERPRISE FUND
AS OF JUNE 30, 2015**

| <u>ASSETS</u> | <u>FOOD SERVICE</u> | <u>WRAP PROGRAM</u> | <u>TOTALS</u> |
|---------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 378,919.22 | \$ 179,669.79 | \$ 558,589.01 |
| Accounts Receivable: | | | |
| State | 326.26 | | 326.26 |
| Federal | 5,095.46 | | 5,095.46 |
| Other | 1,610.50 | | 1,610.50 |
| Inventories | 12,405.64 | | 12,405.64 |
| Interfund Receivable | 4,865.69 | | 4,865.69 |
| Total Current Assets | <u>403,222.77</u> | <u>179,669.79</u> | <u>582,892.56</u> |
| Noncurrent Assets: | | | |
| Fixed Assets: | | | |
| Equipment | 428,577.00 | | 428,577.00 |
| Accumulated Depreciation | <u>-403,961.00</u> | | <u>-403,961.00</u> |
| Total Noncurrent Assets | <u>24,616.00</u> | | <u>24,616.00</u> |
| Total Assets | \$ <u>427,838.77</u> | \$ <u>179,669.79</u> | \$ <u>607,508.56</u> |
| <u>LIABILITIES AND NET POSITION</u> | | | |
| Current Liabilities: | | | |
| Accounts Payable | \$ 90,295.94 | \$ 414.58 | \$ 90,710.52 |
| Deferred Revenue | <u>26,874.52</u> | <u>50,505.00</u> | <u>77,379.52</u> |
| Total Current Liabilities | <u>117,170.46</u> | <u>50,919.58</u> | <u>168,090.04</u> |
| Net Position: | | | |
| Invested in Capital Assets Net of Related Debt | 24,616.00 | | 24,616.00 |
| Unrestricted (Deficit) | <u>286,052.31</u> | <u>128,750.21</u> | <u>414,802.52</u> |
| Total Net Position | <u>310,668.31</u> | <u>128,750.21</u> | <u>439,418.52</u> |
| Total Liabilities and Net Position | \$ <u>427,838.77</u> | \$ <u>179,669.79</u> | \$ <u>607,508.56</u> |

WESTFIELD SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>FOOD SERVICE</u> | <u>WRAP PROGRAM</u> | <u>TOTAL</u> |
|-----------------------------------------|--------------------------------|--------------------------------|-----------------------------|
| <u>OPERATING REVENUES</u> | | | |
| Local Sources: | | | |
| Daily Sales - Reimbursable Programs | \$ 224,634.10 | \$ | \$ 224,634.10 |
| Daily Sales - Non-Reimbursable Programs | <u>1,001,515.11</u> | <u> </u> | <u>1,001,515.11</u> |
| Total Daily Sales | 1,226,149.21 | | 1,226,149.21 |
| Program Fees | <u> </u> | <u>278,052.75</u> | <u>278,052.75</u> |
| Total Operating Revenues | <u>1,226,149.21</u> | <u>278,052.75</u> | <u>1,504,201.96</u> |
| <u>OPERATING EXPENSES</u> | | | |
| Food | 471,308.44 | | 471,308.44 |
| Labor | 499,117.39 | 192,459.96 | 691,577.35 |
| Supplies | 79,435.28 | 5,520.49 | 84,955.77 |
| Management Fees | 105,317.86 | | 105,317.86 |
| Depreciation | <u>6,339.00</u> | <u> </u> | <u>6,339.00</u> |
| Total Operating Expenses | <u>1,161,517.97</u> | <u>197,980.45</u> | <u>1,359,498.42</u> |
| Operating Income (Loss) | <u>64,631.24</u> | <u>80,072.30</u> | <u>144,703.54</u> |
| Non-Operating Revenues: | | | |
| State Sources: | | | |
| State School Lunch Program | 3,751.06 | | 3,751.06 |
| Federal Sources: | | | |
| U.S.D.A. Commodities | 21,412.95 | | 21,412.95 |
| National School Lunch Program | 55,603.82 | | 55,603.82 |
| Interest on Deposits | <u>1,683.78</u> | <u> </u> | <u>1,683.78</u> |
| Total Non-Operating Revenues | <u>82,451.61</u> | <u> </u> | <u>82,451.61</u> |
| Change in Net Position | 147,082.85 | 80,072.30 | 227,155.15 |
| Total Net Position Beginning | <u>163,585.46</u> | <u>48,677.91</u> | <u>212,263.37</u> |
| Total Net Position Ending | \$ <u>310,668.31</u> \$ | \$ <u>128,750.21</u> \$ | \$ <u>439,418.52</u> |

**WESTFIELD SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | <u>FOOD SERVICE</u> | <u>WRAP PROGRAM</u> | <u>TOTAL</u> |
|---------------------------------------------------------------------------------------------------|-----------------------------|--------------------------|-----------------------------|
| Cash Flows from Operating Activities: | | | |
| Receipts from Customers | \$ 1,234,648.62 | 297,757.75 | \$ 1,532,406.37 |
| Payments to Suppliers | <u>-1,144,135.04</u> | <u>-198,346.87</u> | <u>-1,342,481.91</u> |
| Net Cash Provided by (Used for) Operating Activities | <u>90,513.58</u> | <u>99,410.88</u> | <u>189,924.46</u> |
| Cash Flows from Non-Capital Financing Activities | | | |
| State Sources | 3,662.05 | | 3,662.05 |
| Federal Sources | 54,863.18 | | 54,863.18 |
| Interfund Loan Received | <u>829.65</u> | | <u>829.65</u> |
| Net Cash Provided by (Used for) Non-Capital Financing Activities | <u>59,354.88</u> | | <u>59,354.88</u> |
| Cash Flows from Investing Activities | | | |
| Interest on Deposits | <u>1,683.78</u> | | <u>615.60</u> |
| Net Cash Provided by (Used for) Investing Activities | <u>1,683.78</u> | | <u>615.60</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 151,552.24 | 99,410.88 | 249,894.94 |
| Cash and Cash Equivalents, July 1 | <u>227,366.98</u> | <u>80,258.91</u> | <u>307,625.89</u> |
| Cash and Cash Equivalents, June 30 | <u>\$ 378,919.22</u> | <u>179,669.79</u> | <u>\$ 558,589.01</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | |
| Operating Income (Loss) | \$ 64,631.24 | 80,072.30 | \$ 144,703.54 |
| Adjust. to Reconcile Operating Income (Loss) to Cash Provided (Used) by Oper. Activities: | | | 0.00 |
| Depreciation | 6,339.00 | | 6,339.00 |
| Federal Commodities | 21,412.95 | | 21,412.95 |
| (Increase) Decrease in Accounts Receivable | -1,508.40 | | -1,508.40 |
| (Increase) Decrease in Interfund Loans | 150.70 | | 150.70 |
| (Increase) Decrease in Inventory | -1,389.09 | | -1,389.09 |
| Increase (Decrease) in Deferred Revenue | 9,178.16 | 19,705.00 | 28,883.16 |
| Increase (Decrease) in Accounts Payable | <u>-8,300.98</u> | <u>-366.42</u> | <u>-8,667.40</u> |
| Net Cash Provided by (Used for) Operating Activities | <u>\$ 90,513.58</u> | <u>99,410.88</u> | <u>\$ 189,924.46</u> |

INTERNAL SERVICE FUND

FIDUCIARY FUNDS

SECTION - H

**WESTFIELD SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015**

| | <u>UNEMPLOYMENT COMPENSATION</u> | | <u>AGENCY</u> | | <u>TOTALS</u> |
|--------------------------------------------------------------|--------------------------------------|-----------|-----------------------------|----------------------|------------------------|
| | | | <u>STUDENT ACTIVITY</u> | <u>PAYROLL</u> | <u>2015</u> |
| <u>ASSETS</u> | | | | | |
| Cash and Cash Equivalents | \$ 125,987.75 | \$ | 498,395.77 | \$ 494,094.73 | \$ 1,118,478.25 |
| Total Assets | \$ 125,987.75 | \$ | 498,395.77 | \$ 494,094.73 | \$ 1,118,478.25 |
| <u>LIABILITIES AND NET POSITION</u> | | | | | |
| Liabilities: | | | | | |
| Payroll Deductions and Withholdings Due to Student Groups | \$ 16,326.38 | \$ | 498,395.77 | \$ 494,094.73 | \$ 510,421.11 |
| Total Liabilities | 16,326.38 | | 498,395.77 | 494,094.73 | 1,008,816.88 |
| Net Position: | | | | | |
| Unreserved | 109,661.37 | | | | 109,661.37 |
| Total Net Position | 109,661.37 | | | | 109,661.37 |
| Total Liabilities and Net Position | \$ 125,987.75 | \$ | 498,395.77 | \$ 494,094.73 | \$ 1,118,478.25 |

**WESTFIELD SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | <u>Unemployment Compensation Trust</u> |
|---------------------------------------|--------------------------------------------|
| ADDITIONS | |
| Contributions: | |
| Dedicated Payroll Withholdings | \$ 148,571.51 |
| Board Contribution | 95,381.00 |
| Total Contributions | <u>243,952.51</u> |
| Investment Earnings: | |
| Interest On Deposits | <u>267.13</u> |
| Net Investment Earnings | <u>267.13</u> |
| Total Additions | <u>244,219.64</u> |
| DEDUCTIONS | |
| Quarterly contribution reports | <u>202,293.07</u> |
| Total Deductions | <u>202,293.07</u> |
| Change in Net Position | <u>41,926.57</u> |
| Net Position - beginning of the year | <u>67,734.80</u> |
| Net Position - end of the year | \$ <u><u>109,661.37</u></u> |

**WESTFIELD SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
STUDENT ACTIVITY AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | BALANCE JUNE 30, 2014 | CASH RECEIPTS | CASH DISBURSEMENTS | BALANCE JUNE 30, 2015 |
|-----------------------------------|-----------------------------|------------------------|------------------------|-----------------------------|
| <u>ELEMENTARY SCHOOLS</u> | | | | |
| Franklin | \$ 3,975.11 | \$ 37,067.29 | \$ 35,669.83 | \$ 5,372.57 |
| Jefferson | 5,099.13 | 14,825.00 | 17,088.57 | 2,835.56 |
| Lincoln | 2,209.21 | 1,097.67 | 1,079.00 | 2,227.88 |
| McKinley | 7,582.09 | 27,077.36 | 30,195.26 | 4,464.19 |
| Tamaques | 903.78 | 30,303.57 | 26,091.73 | 5,115.62 |
| Washington | 8,125.47 | 20,090.72 | 24,589.88 | 3,626.31 |
| Wilson | 12,471.67 | 26,089.77 | 31,530.28 | 7,031.16 |
| Total Elementary Schools | \$ 37,795.68 | \$ 156,551.38 | \$ 166,244.55 | \$ 30,673.29 |
| <u>INTERMEDIATE SCHOOLS</u> | | | | |
| Edison | \$ 55,221.24 | \$ 67,027.87 | \$ 55,221.24 | \$ 67,027.87 |
| Roosevelt | 143,448.11 | 117,798.47 | 115,051.34 | 146,195.24 |
| Total Intermediate Schools | \$ 165,630.85 | \$ 184,826.34 | \$ 170,272.58 | \$ 213,223.11 |
| <u>SENIOR HIGH SCHOOLS</u> | | | | |
| Westfield H.S. | \$ 249,104.19 | \$ 246,947.38 | \$ 249,104.19 | \$ 246,947.38 |
| Westfield H.S Music Account | 13,923.35 | 434,372.21 | 440,743.57 | 7,551.99 |
| Total Senior High Schools | \$ 289,129.05 | \$ 681,319.59 | \$ 689,847.76 | \$ 254,499.37 |
| Total All Schools | \$ 492,555.58 | \$ 1,022,697.31 | \$ 1,026,364.89 | \$ 498,395.77 |

**WESTFIELD SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
PAYROLL AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | <u>BALANCE JUNE 30, 2014</u> | <u>CASH RECEIPTS</u> | <u>CASH DISBURSEMENTS</u> | <u>BALANCE JUNE 30, 2015</u> |
|----------------------------------------|--------------------------------------|--------------------------|-------------------------------|--------------------------------------|
| <u>ASSETS</u> | | | | |
| Cash and Cash Equivalents | \$ 449,943.52 | \$ 494,094.73 | \$ -449,943.52 | \$ 494,094.73 |
| Total Assets | \$ 449,943.52 | \$ 494,094.73 | \$ -449,943.52 | \$ 494,094.73 |
| <u>LIABILITIES</u> | | | | |
| Payroll Deductions and Withholdings | \$ 449,943.52 | \$ 494,094.73 | \$ -449,943.52 | \$ 494,094.73 |
| Total Liabilities | \$ 449,943.52 | \$ 494,094.73 | \$ -449,943.52 | \$ 494,094.73 |

LONG-TERM DEBT

SECTION - I

**WESTFIELD SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2015**

| ISSUE | DATE OF ISSUE | AMOUNT OF ISSUE | ANNUAL MATURITIES | | INTEREST RATE | BALANCE | ISSUED | RETIRED | BALANCE |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|-------------------|------------|---------------|---------------|--------------|---------------|---------------|
| | | | DATE | AMOUNT | | JUNE 30, 2014 | | | JUNE 30, 2015 |
| Artificial Turf Field and Replacement of Running Track At Kehler Stadium | 3/15/2005 | \$ 1,381,000 | | | | \$ 156,000.00 | | \$ 156,000.00 | |
| Refunding School Bonds | 9/1/2006 | \$ 9,195,000 | 8/1/2015 | \$ 610,000 | 4.100% | | | | |
| | | | 8/1/2016 | 1,585,000 | 4.000% | | | | |
| | | | 8/1/2017 | 1,605,000 | 4.000% | | | | |
| | | | 8/1/2018 | 1,600,000 | 4.000% | | | | |
| | | | 8/1/2019 | 1,615,000 | 4.000% | | | | |
| | | | 8/1/2020 | 940,000 | 4.000% | | | | |
| | | | 8/1/2021 | 930,000 | 4.000% | 8,925,000.00 | 40,000.00 | 8,885,000.00 | |
| Renovations and alterations at Lincoln School, additions renovations and alterations at Roosevelt Intermediate School and replacement of windows at Thomas Edison Intermediate School | 10/1/2007 | \$ 9,396,000 | 10/1/2015 | \$ 325,000 | 4.000% | | | | |
| | | | 10/1/2016 | 350,000 | 4.000% | | | | |
| | | | 10/1/2017 | 400,000 | 4.000% | 7,471,000.00 | 6,396,000.00 | 1,075,000.00 | |
| Refunding School Bonds | 8/1/2010 | \$ 3,830,000 | 8/1/2015 | \$ 935,000 | 3.000% | 1,885,000.00 | 950,000.00 | 935,000.00 | |
| School Bonds | 8/1/2013 | \$ 6,916,000 | 8/1/2015 | \$ 465,000 | 1.000% | | | | |
| | | | 8/1/2016 | 465,000 | 1.000% | | | | |
| | | | 8/1/2017 | 461,000 | 1.500% | | | | |
| | | | 8/1/2018 | 460,000 | 1.750% | | | | |
| | | | 8/1/2019 | 460,000 | 2.000% | | | | |
| | | | 8/1/2020 | 460,000 | 2.000% | | | | |
| | | | 8/1/2021 | 460,000 | 2.375% | | | | |
| | | | 8/1/2022 | 460,000 | 2.500% | | | | |
| | | | 8/1/2023 | 460,000 | 3.000% | | | | |
| | | | 8/1/2024 | 460,000 | 3.000% | | | | |
| | | | 8/1/2025 | 460,000 | 3.000% | | | | |
| | | | 8/1/2026 | 460,000 | 3.000% | | | | |
| | | | 8/1/2027 | 460,000 | 3.000% | | | | |
| | | | 8/1/2028 | 460,000 | 3.000% | 6,916,000.00 | 465,000.00 | 6,451,000.00 | |
| School Bonds | 7/10/2014 | \$ 3,200,000 | 8/1/2015 | \$ 250,000 | 1.500% | | | | |
| | | | 8/1/2016 | 300,000 | 1.500% | | | | |
| | | | 8/1/2017 | 300,000 | 1.500% | | | | |
| | | | 8/1/2018 | 300,000 | 2.000% | | | | |
| | | | 8/1/2019 | 300,000 | 2.000% | | | | |
| | | | 8/1/2020 | 350,000 | 2.000% | | | | |
| | | | 8/1/2021 | 350,000 | 2.000% | | | | |
| | | | 8/1/2022 | 350,000 | 2.000% | | | | |
| | | | 8/1/2023 | 350,000 | 2.250% | | | | |
| | | | 8/1/2024 | 350,000 | 2.375% | | | | |
| | | | | | | | | 3,200,000.00 | |

**WESTFIELD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Positive (Negative) Final to Actual |
|------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------------------------------------|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 2,848,413.00 | | \$ 2,848,413.00 | \$ 2,848,413.00 | \$ - |
| Total Local Sources: | 2,848,413.00 | - | 2,848,413.00 | 2,848,413.00 | - |
| State Aid - Debt Service | 306,218.00 | | 306,218.00 | 306,218.00 | - |
| Total Revenues | <u>3,154,631.00</u> | <u>-</u> | <u>3,154,631.00</u> | <u>3,154,631.00</u> | <u>-</u> |
| EXPENDITURES: | | | | | |
| Regular Debt Service: | | | | | |
| Redemption of Bond Principal | 2,236,000.00 | | 2,236,000.00 | 2,236,000.00 | - |
| Bond Interest | 918,631.00 | | 918,631.00 | 918,631.00 | - |
| Costs of Issuance | | | | 92,117.21 | (92,117.21) |
| Total Regular Debt Service | <u>3,154,631.00</u> | <u>-</u> | <u>3,154,631.00</u> | <u>3,246,748.21</u> | <u>(92,117.21)</u> |
| Total expenditures | <u>3,154,631.00</u> | <u>-</u> | <u>3,154,631.00</u> | <u>3,246,748.21</u> | <u>(92,117.21)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - | (92,117.21) | (92,117.21) |
| Other Financing Sources/ (Uses): | | | | | |
| Refunding bonds issued/ Premium | - | - | - | 6,331,360.15 | 6,331,360.15 |
| Payment to bond refunding escrow agent | | | | (6,239,242.94) | (6,239,242.94) |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures | - | - | - | - | - |
| Fund Balance, July 1 | 1.56 | 1.56 | 1.56 | 1.56 | - |
| Fund Balance, June 30 | <u><u>1.56</u></u> | <u><u>1.56</u></u> | <u><u>1.56</u></u> | <u><u>1.56</u></u> | <u><u>-</u></u> |
| Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures | | | | | |
| Budgeted Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1.56</u> | <u>\$ 1.56</u> |

STATISTICAL SECTION

SECTION – J

Financial Trends

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

Exhibit J-1
GASB B-1

| | Fiscal Year Ending June 30, | | | | | | GASB #68 | | 2015 | |
|--------------------------------------------------|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | Restated 2012 | Restated 2013 | | Restated 2014 |
| Governmental activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 19,015,648 | \$ 20,198,603 | \$ 16,197,054 | \$ 20,633,404 | \$ 21,718,368 | \$ 22,470,195 | \$ 6,299,851 | \$ 10,724,623 | \$ 11,658,528 | \$ 14,113,937 |
| Restricted | 6,580,355 | 4,882,153 | 7,214,246 | 2,264,758 | 2,299,089 | 5,437,164 | 5,859,508 | 3,525,144 | 5,732,998 | 5,886,394 |
| Unrestricted | (633,270) | (437,487) | 85,055 | 213,871 | (44,533) | (937,855) | 798,409 | 618,078 | (22,651,303) | (23,325,495) |
| Total governmental activities net assets | \$ 24,962,733 | \$ 24,643,269 | \$ 23,496,356 | \$ 23,112,033 | \$ 23,972,924 | \$ 26,969,504 | \$ 12,957,767 | \$ 14,867,845 | \$ (5,259,778) | \$ (3,325,164) |
| Business-type activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 51,486 | \$ 70,960 | \$ 66,283 | \$ 62,229 | \$ 57,481 | \$ 69,825 | \$ 43,630 | \$ 37,294 | \$ 30,955 | \$ 24,616 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Unrestricted | 67,603 | 47,873 | 46,811 | 40,358 | 98,742 | 123,239 | 77,624 | 114,071 | 181,308 | 414,803 |
| Total business-type activities net assets | \$ 119,089 | \$ 118,833 | \$ 113,094 | \$ 102,587 | \$ 156,223 | \$ 193,064 | \$ 121,254 | \$ 151,365 | \$ 212,263 | \$ 439,419 |
| District-wide | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 19,067,134 | \$ 20,269,563 | \$ 16,263,337 | \$ 20,695,633 | \$ 21,775,849 | \$ 22,540,020 | \$ 6,343,481 | \$ 10,761,917 | \$ 11,689,483 | \$ 14,138,553 |
| Restricted | 6,580,355 | 4,882,153 | 7,214,246 | 2,264,758 | 2,299,089 | 5,437,164 | 5,859,508 | 3,525,144 | 5,732,998 | 5,886,394 |
| Unrestricted | (565,667) | (389,614) | 131,866 | 254,229 | 54,209 | (814,616) | 876,033 | 732,149 | (22,469,995) | (22,910,692) |
| Total district net assets/position | \$ 25,081,822 | \$ 24,762,102 | \$ 23,609,450 | \$ 23,214,620 | \$ 24,129,147 | \$ 27,162,568 | \$ 13,079,021 | \$ 15,019,210 | \$ (5,047,515) | \$ (2,885,745) |

Source: CAFR Schedule A-1

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

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

Fiscal Year Ending June 30,

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| EXPENSES | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | \$ 26,936,411 | \$ 27,118,231 | \$ 27,666,559 | \$ 28,237,946 | \$ 28,144,634 | \$ 28,092,789 | \$ 30,085,810 | \$ 33,216,431 | \$ 33,171,669 | \$ 32,170,882 |
| Special Education | 4,478,044 | 4,859,988 | 5,151,380 | 5,478,684 | 6,309,395 | 6,908,760 | 6,959,573 | 7,347,902 | 8,076,449 | 8,152,638 |
| Other Special Instruction | 949,618 | 1,043,750 | 1,036,011 | 1,021,996 | 1,095,682 | 944,665 | 895,340 | 984,132 | 1,024,005 | 2,155,957 |
| Other Instruction | 1,108,599 | 1,383,903 | 1,583,581 | 1,605,820 | 1,366,711 | 1,276,895 | 1,409,614 | 1,537,375 | 1,567,943 | 1,675,043 |
| Support Services | | | | | | | | | | |
| Tuition | 5,021,997 | 5,415,837 | 5,634,370 | 6,072,048 | 5,746,043 | 6,403,845 | 6,253,142 | 5,997,483 | 5,839,281 | 6,686,758 |
| Student & Instruction Related Services | 9,765,488 | 10,056,783 | 10,838,549 | 11,180,709 | 11,339,433 | 11,641,513 | 12,372,419 | 11,303,844 | 11,450,450 | 11,684,484 |
| School Administrative Services | 2,821,967 | 2,784,382 | 3,057,743 | 3,124,291 | 3,308,431 | 3,232,862 | 3,380,507 | 3,354,346 | 3,495,703 | 3,575,510 |
| General & Business Administrative Services | 3,545,780 | 4,123,988 | 3,556,545 | 3,503,649 | 3,811,433 | 3,613,287 | 3,841,033 | 3,577,560 | 3,708,227 | 3,689,079 |
| Plant Operations and Maintenance | 5,754,376 | 5,591,527 | 5,788,221 | 6,059,785 | 5,582,678 | 6,081,557 | 5,879,272 | 5,762,483 | 5,878,848 | 5,954,354 |
| Pupil Transportation | 2,326,760 | 2,706,037 | 2,569,663 | 2,803,755 | 2,372,524 | 2,264,653 | 2,496,987 | 2,456,187 | 2,744,174 | 2,505,294 |
| Unallocated Benefits | 15,642,988 | 19,848,340 | 21,538,306 | 19,493,166 | 21,070,275 | 19,928,808 | 21,474,960 | 24,322,921 | 24,007,770 | 26,417,254 |
| Special Schools | - | - | - | - | - | - | - | - | - | - |
| Charter Schools | - | - | - | - | - | - | - | - | - | - |
| Interest on Long-Term Debt | 1,060,108 | 939,220 | 1,172,845 | 1,173,489 | 1,077,696 | 942,306 | 859,740 | 813,870 | 889,586 | 808,442 |
| Unallocated Depreciation & Amortization | 1,586,199 | 1,497,052 | 1,509,995 | 1,582,203 | 2,004,307 | 1,526,942 | 1,967,528 | 1,316,041 | 1,201,462 | 1,255,944 |
| Capital Outlay | - | - | - | - | - | - | - | - | - | - |
| Total Governmental Activities | <u>80,998,336</u> | <u>87,369,038</u> | <u>91,103,769</u> | <u>91,337,542</u> | <u>93,229,242</u> | <u>92,858,881</u> | <u>97,875,924</u> | <u>101,990,575</u> | <u>103,055,566</u> | <u>106,731,639</u> |
| Business-Type Activities: | | | | | | | | | | |
| Food Service | 975,041 | 1,054,833 | 1,142,450 | 1,117,357 | 1,046,291 | 1,072,591 | 1,090,730 | 1,158,886 | 1,242,856 | 1,161,518 |
| Child Care | - | - | - | - | - | - | - | - | 89,922 | 197,980 |
| Total Business-Type Activities | <u>975,041</u> | <u>1,054,833</u> | <u>1,142,450</u> | <u>1,117,357</u> | <u>1,046,291</u> | <u>1,072,591</u> | <u>1,090,730</u> | <u>1,158,886</u> | <u>1,332,778</u> | <u>1,359,498</u> |
| Total Primary Government Expenses | <u>\$ 81,973,377</u> | <u>\$ 88,423,871</u> | <u>\$ 92,246,219</u> | <u>\$ 92,454,899</u> | <u>\$ 94,275,533</u> | <u>\$ 93,931,472</u> | <u>\$ 98,966,654</u> | <u>\$ 103,149,461</u> | <u>\$ 104,388,345</u> | <u>\$ 108,091,137</u> |
| Program Revenues | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Instruction (tuition) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Pupil Transportation | - | - | - | - | - | - | - | - | - | - |
| Business and Other Support Services | - | - | - | - | - | - | - | - | - | - |
| Operating Grants and Contributions | 6,012,161 | 8,611,686 | 8,754,459 | 5,698,789 | 5,889,877 | 5,901,907 | 7,192,491 | 9,269,748 | 8,415,719 | 9,210,875 |
| Interest on Long-Term Debt | 257,426 | 256,997 | 252,893 | 457,378 | 503,884 | 402,020 | 342,105 | 353,654 | 363,541 | 306,218 |
| Capital Grants and Contributions | - | - | - | - | - | - | - | - | - | - |
| Total Governmental Activities Program Revenues | <u>6,269,587</u> | <u>8,868,683</u> | <u>9,007,352</u> | <u>6,156,167</u> | <u>6,393,761</u> | <u>6,303,927</u> | <u>7,534,596</u> | <u>9,623,402</u> | <u>8,779,260</u> | <u>9,517,093</u> |

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

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|------------------------------------------------------------------|-----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Business-Type Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Food Service | 878,276 | 980,051 | 1,046,190 | 1,033,776 | 1,014,112 | 1,022,678 | 1,044,113 | 1,109,513 | 1,164,484 | 1,226,149 |
| Child Care | - | - | - | - | - | - | - | - | 138,600 | 278,053 |
| Operating Grants and Contributions | 84,321 | 61,768 | 72,935 | 65,346 | 85,815 | 86,753 | 87,346 | 79,054 | 89,977 | 80,768 |
| Capital Grants and Contributions | - | - | - | - | - | - | - | - | - | - |
| Total Business Type Activities Program Revenues | <u>962,597</u> | <u>1,041,819</u> | <u>1,119,126</u> | <u>1,099,122</u> | <u>1,099,927</u> | <u>1,109,432</u> | <u>1,131,458</u> | <u>1,188,567</u> | <u>1,393,061</u> | <u>1,584,970</u> |
| Total District Program Revenues | <u>\$ 7,232,183</u> | <u>\$ 9,910,502</u> | <u>\$ 10,126,478</u> | <u>\$ 7,255,289</u> | <u>\$ 7,493,688</u> | <u>\$ 7,413,358</u> | <u>\$ 8,666,054</u> | <u>\$ 10,811,969</u> | <u>\$ 10,172,321</u> | <u>\$ 11,102,062</u> |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | \$ (74,728,749) | \$ (78,500,355) | \$ (82,096,417) | \$ (85,181,375) | \$ (86,835,481) | \$ (86,554,955) | \$ (90,341,328) | \$ (92,367,173) | \$ (94,276,307) | \$ (97,214,546) |
| Business-Type Activities | (12,444) | (13,014) | (23,324) | (18,235) | 53,636 | 36,841 | 40,729 | 29,681 | 60,283 | 225,471 |
| Total District-Wide Net Expense | <u>\$ (74,741,193)</u> | <u>\$ (78,513,369)</u> | <u>\$ (82,119,741)</u> | <u>\$ (85,199,611)</u> | <u>\$ (86,781,845)</u> | <u>\$ (86,518,114)</u> | <u>\$ (90,300,600)</u> | <u>\$ (92,337,492)</u> | <u>\$ (94,216,024)</u> | <u>\$ (96,989,075)</u> |
| General Revenues and Other Changes in Net Assets/Position | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Property Taxes, Levied for General Purposes, Net | \$ 65,331,148 | \$ 68,227,778 | \$ 71,096,796 | \$ 75,086,661 | \$ 78,195,764 | \$ 81,379,595 | \$ 83,007,187 | \$ 84,667,331 | \$ 86,360,677 | \$ 88,967,333 |
| Taxes Levied for Debt Service | 2,084,490 | 1,992,911 | 2,019,180 | 2,231,527 | 2,152,919 | 2,534,127 | 2,537,247 | 2,527,277 | 2,551,925 | 2,848,413 |
| Unrestricted Grants and Contributions | 4,828,352 | 4,802,251 | 5,048,711 | 5,055,022 | 4,484,666 | 1,805,121 | 3,506,246 | 4,194,340 | 4,115,308 | 4,180,857 |
| Restricted Grants and Contributions | 2,501,253 | 2,114,750 | 2,045,006 | 2,101,165 | 2,383,944 | 2,653,090 | 2,492,779 | 2,172,729 | 1,906,840 | 2,212,314 |
| Tuition Received | 15,946 | 46,969 | 65,835 | 41,593 | 115,759 | 99,326 | 159,866 | 135,874 | 138,397 | 210,478 |
| Investment earnings | 443,941 | 644,906 | 632,761 | 115,631 | 125,780 | 85,201 | 65,400 | 29,515 | 29,129 | 41,146 |
| Miscellaneous Income | 408,924 | 395,304 | 58,800 | 173,181 | 237,541 | 995,074 | 530,961 | 550,740 | 411,212 | 688,620 |
| Cancellation of Accounts Receivable | - | (31,220) | - | - | - | - | - | - | - | - |
| Cancellation of Accrued Liability | - | - | - | - | - | - | - | - | - | - |
| Transfers | (3,511) | (12,758) | (17,585) | (7,728) | - | - | (9,873) | (557) | 9,135 | - |
| Total Governmental Activities | <u>75,610,543</u> | <u>78,180,891</u> | <u>80,949,503</u> | <u>84,797,053</u> | <u>87,696,372</u> | <u>89,551,535</u> | <u>92,289,814</u> | <u>94,277,249</u> | <u>95,522,623</u> | <u>99,149,160</u> |
| Business-Type Activities | | | | | | | | | | |
| Miscellaneous Income | - | - | - | - | - | - | - | 430 | 616 | 1,684 |
| Transfers | 3,511 | 12,758 | 17,585 | 7,728 | - | - | - | - | - | - |
| Total Business-Type Activities | <u>3,511</u> | <u>12,758</u> | <u>17,585</u> | <u>7,728</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>430</u> | <u>616</u> | <u>1,684</u> |
| Total Primary Government | <u>\$ 75,614,055</u> | <u>\$ 78,193,649</u> | <u>\$ 80,967,088</u> | <u>\$ 84,804,781</u> | <u>\$ 87,696,372</u> | <u>\$ 89,551,535</u> | <u>\$ 92,289,814</u> | <u>\$ 94,277,679</u> | <u>\$ 95,523,239</u> | <u>\$ 99,150,844</u> |
| Change in Net Assets/Net Position | | | | | | | | | | |
| Governmental Activities | \$ 881,795 | \$ (319,464) | \$ (1,146,914) | \$ (384,322) | \$ 860,891 | \$ 2,996,580 | \$ 1,948,485 | \$ 1,910,076 | \$ 1,246,316 | \$ 1,934,614 |
| Business-Type Activities | (8,933) | (256) | (5,739) | (10,508) | 53,636 | 36,841 | 40,729 | 30,111 | 60,898 | 227,155 |
| Total District | <u>\$ 872,862</u> | <u>\$ (319,720)</u> | <u>\$ (1,152,653)</u> | <u>\$ (394,830)</u> | <u>\$ 914,527</u> | <u>\$ 3,033,421</u> | <u>\$ 1,989,214</u> | <u>\$ 1,940,187</u> | <u>\$ 1,307,214</u> | <u>\$ 2,161,769</u> |

Source: CAFR Schedule A-2.

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

**Exhibit J-3
GASB B-3**

| | Fiscal Year Ending June 30, | | | | | | | | | |
|------------------------------------|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| General Fund | | | | | | | | | | |
| Restricted: | | | | | | | | | | |
| Committed: | \$ 2,234,500 | \$ 1,074,573 | \$ 1,426,032 | \$ 751,686 | \$ 1,772,008 | \$ 4,107,527 | \$ 4,006,555 | \$ 5,022,670 | \$ 4,468,499 | \$ 4,807,697 |
| Assigned: | | | | | | 952,984 | 1,537,139 | 1,154,265 | 880,573 | 722,022 |
| Unassigned: | 3,270,853 | 3,577,772 | 2,397,430 | 2,353,924 | 2,002,994 | 350,088 | 1,106,658 | | 308,774 | 3,041 |
| Total General Fund | <u>\$ 5,505,353</u> | <u>\$ 4,652,345</u> | <u>\$ 3,823,463</u> | <u>\$ 3,105,609</u> | <u>\$ 3,775,002</u> | <u>\$ 6,221,190</u> | <u>\$ 7,508,934</u> | <u>\$ 6,764,543</u> | <u>\$ 6,316,899</u> | <u>\$ 6,187,358</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Restricted: | \$ 356,536 | \$ 696,178 | \$ 4,071,775 | \$ 878,233 | \$ 274,664 | | | | | |
| Assigned, Reported In: | | | | | | | | | | |
| Special Revenue Fund | - | - | - | - | - | | | | | |
| Capital Projects Fund | 2,003,837 | 814,212 | 1,332,452 | 354,342 | 250,807 | 331,982 | 272,720 | (1,527,195) | 658,442 | 353,633 |
| Debt Service Fund | 156,127 | 221,810 | 383,987 | 280,497 | 1,610 | 44,671 | 43,095 | 1 | 2 | 2 |
| Unassigned | | | | | | | | 29,669 | (274,517) | |
| Total All Other Governmental Funds | <u>\$ 2,516,500</u> | <u>\$ 1,732,200</u> | <u>\$ 5,788,214</u> | <u>\$ 1,513,072</u> | <u>\$ 527,081</u> | <u>\$ 376,653</u> | <u>\$ 315,815</u> | <u>\$ (1,497,526)</u> | <u>\$ 383,927</u> | <u>\$ 353,634</u> |

Source: CAFR Schedule B-1.

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

Exhibit J-4
GASB B-4

| | Fiscal Year Ending June 30, | | | | | | | | | |
|-----------------------------------------------------------|-----------------------------|-----------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Revenues | | | | | | | | | | |
| Tax levy | \$ 67,415,638 | \$ 70,220,689 | \$ 73,115,976 | \$ 77,318,188 | \$ 80,348,683 | \$ 83,913,722 | \$ 85,544,434 | \$ 87,194,608 | \$ 88,912,602 | \$ 91,815,746 |
| Tuition charges | 15,946 | 46,970 | 65,835 | 41,593 | 115,759 | 99,326 | 159,866 | 135,874 | 138,397 | 210,478 |
| Miscellaneous | 975,136 | 1,145,285 | 778,224 | 346,487 | 363,321 | 1,080,276 | 596,361 | 580,255 | 580,277 | 729,765 |
| State sources | 11,733,847 | 14,051,672 | 14,321,950 | 11,695,883 | 11,301,842 | 8,337,913 | 11,108,358 | 14,155,460 | 12,845,146 | 14,270,874 |
| Federal sources | 1,743,075 | 1,628,936 | 1,692,456 | 1,558,796 | 1,960,528 | 2,424,224 | 2,425,263 | 1,835,010 | 1,816,326 | 2,196,857 |
| Total revenue | <u>81,883,642</u> | <u>87,093,552</u> | <u>89,974,441</u> | <u>90,960,947</u> | <u>94,090,133</u> | <u>95,855,461</u> | <u>99,834,282</u> | <u>103,901,208</u> | <u>104,292,747</u> | <u>109,223,720</u> |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 27,020,199 | 27,194,253 | 27,658,651 | 28,227,790 | 28,243,334 | 28,028,953 | 30,076,015 | 33,216,431 | 33,171,669 | 32,170,882 |
| Special education instruction | 4,477,216 | 4,867,750 | 5,130,827 | 5,469,359 | 6,318,663 | 6,858,506 | 6,954,087 | 7,347,902 | 8,076,449 | 8,152,638 |
| Other special instruction | 964,038 | 1,064,410 | 1,036,011 | 1,021,996 | 1,095,682 | 944,665 | 895,340 | 984,132 | 1,024,005 | 2,155,957 |
| Other instruction | 1,108,599 | 1,383,903 | 1,583,581 | 1,605,820 | 1,366,711 | 1,276,895 | 1,409,614 | 1,537,375 | 1,567,943 | 1,675,043 |
| Support Services: | | | | | | | | | | |
| Tuition | 5,021,997 | 5,415,837 | 5,634,370 | 6,072,048 | 5,746,043 | 6,403,845 | 6,253,142 | 5,997,483 | 5,839,281 | 6,686,758 |
| Student & inst. related services | 9,742,219 | 10,076,246 | 10,814,687 | 11,161,627 | 11,366,482 | 11,606,752 | 12,384,045 | 11,303,844 | 11,450,450 | 11,684,484 |
| General administration | 1,213,660 | 1,734,286 | 1,267,341 | 1,301,004 | 1,677,350 | 1,674,901 | 1,941,964 | 3,354,346 | 3,495,703 | 3,575,510 |
| School administrative services | 2,825,371 | 2,778,235 | 3,057,529 | 3,123,940 | 3,286,095 | 3,220,902 | 3,402,281 | 3,577,560 | 3,708,227 | 3,689,079 |
| Central services | 995,079 | 1,062,189 | 1,031,740 | 1,038,582 | 1,082,127 | 1,083,510 | 1,126,129 | | | |
| Admin. information technology | 1,327,889 | 1,349,481 | 1,228,255 | 1,165,669 | 1,029,346 | 886,613 | 747,492 | | | |
| Plant operations and maintenance | 5,744,547 | 5,658,581 | 5,790,086 | 6,051,861 | 5,575,561 | 6,108,845 | 5,879,522 | 5,762,483 | 5,878,848 | 5,954,354 |
| Pupil transportation | 2,326,760 | 2,706,037 | 2,569,663 | 2,803,755 | 2,372,524 | 2,264,653 | 2,496,987 | 2,456,187 | 2,744,174 | 2,505,294 |
| Other Support Services | 800 | - | - | - | - | - | - | - | - | - |
| Employee benefits | 15,642,988 | 19,848,340 | 21,538,306 | 19,493,166 | 21,070,275 | 19,928,808 | 21,474,960 | 24,350,801 | 23,663,574 | 26,389,347 |
| Capital outlay | 2,804,567 | 1,223,444 | 5,385,498 | 4,509,549 | 1,199,271 | 378,769 | 674,997 | 3,645,813 | 6,248,288 | 5,155,835 |
| Debt service: | | | | | | | | | | |
| Principal | 1,320,000 | 1,355,000 | 1,485,000 | 1,485,000 | 1,890,000 | 1,900,000 | 1,985,000 | 2,095,000 | 2,150,000 | 2,236,000 |
| Interest and other charges | 1,079,488 | 968,890 | 914,179 | 1,415,048 | 1,087,267 | 993,086 | 895,929 | 829,025 | 765,465 | 918,631 |
| Total expenditures | <u>83,615,418</u> | <u>88,686,882</u> | <u>96,125,724</u> | <u>95,946,215</u> | <u>94,406,731</u> | <u>93,559,703</u> | <u>98,597,503</u> | <u>106,458,383</u> | <u>109,784,075</u> | <u>112,949,812</u> |
| Excess (Deficiency) of revenues over (under) expenditures | (1,731,776) | (1,593,330) | (6,151,283) | (4,985,267) | (316,598) | 2,295,758 | 1,236,779 | (2,557,175) | (5,491,327) | (3,726,093) |
| Other Financing sources (uses) | | | | | | | | | | |
| Proceeds from borrowing | - | - | 9,396,000 | - | - | - | - | - | 6,916,000 | 6,331,360 |
| Proceeds from refunding | - | - | - | 3,247,187 | - | 4,038,132 | - | - | - | 3,474,143 |
| Payments to escrow agent | - | - | - | (3,247,187) | - | (4,038,132) | - | - | - | (6,239,243) |
| Transfers in | 200,000 | 31,220 | 508,041 | 22,600 | - | - | - | 9,477 | 9,135 | 522,017 |
| Transfers out | (203,511) | (43,978) | (525,626) | (30,328) | - | - | (9,873) | (10,034) | - | (522,017) |
| Total other financing sources (uses) | <u>(3,511)</u> | <u>(12,758)</u> | <u>9,378,415</u> | <u>(7,728)</u> | <u>-</u> | <u>-</u> | <u>(9,873)</u> | <u>(557)</u> | <u>6,925,135</u> | <u>3,566,260</u> |
| Special Item | | | | | | | | | | |
| Cancellation of Accrued Liability | - | (31,220) | - | - | - | - | - | - | - | - |
| Total special item | <u>-</u> | <u>(31,220)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>\$ (1,735,287)</u> | <u>\$ (1,637,308)</u> | <u>\$ 3,227,132</u> | <u>\$ (4,992,995)</u> | <u>\$ (316,598)</u> | <u>\$ 2,295,758</u> | <u>\$ 1,226,906</u> | <u>\$ (2,557,732)</u> | <u>\$ 1,433,808</u> | <u>\$ (159,833)</u> |
| Debt service as a percentage of noncapital expenditures | 2.97% | 2.66% | 2.64% | 3.17% | 3.19% | 3.10% | 2.94% | 2.84% | 2.82% | 2.93% |

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

**WESTFIELD BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED**

Exhibit J-5

(modified accrual basis of accounting)

| | <u>Gate Receipts</u> | <u>Student Activities</u> | <u>Rentals</u> | <u>Interest on Deposits</u> | <u>Sale and Leaseback of Textbooks</u> | <u>Miscellaneous</u> | <u>Annual Totals</u> |
|-----------------|----------------------|---------------------------|----------------|-----------------------------|----------------------------------------|----------------------|----------------------|
| Fiscal Year | | | | | | | |
| Ending June 30, | | | | | | | |
| 2006 | \$ 0 | \$ 0 | 197,506 | \$ 0 | \$ 0 | 522,027 | 719,533 |
| 2007 | 0 | 0 | 194,760 | 0 | 0 | 678,640 | 873,400 |
| 2008 | 0 | 0 | 0 | 0 | 0 | 444,466 | 444,466 |
| 2009 | 0 | 0 | 0 | 0 | 0 | 203,760 | 203,760 |
| 2010 | 0 | 0 | 0 | 0 | 0 | 268,569 | 268,569 |
| 2011 | 0 | 0 | 0 | 0 | 0 | 936,833 | 936,833 |
| 2012 | 0 | 0 | 0 | 0 | 0 | 401,122 | 401,122 |
| 2013 | 0 | 0 | 0 | 0 | 0 | 403,936 | 403,936 |
| 2014 | 16,004 | 153,466 | 0 | 29,129 | 0 | 241,742 | 440,341 |
| 2015 | 12,654 | 145,874 | | 41,146 | 0 | 225,219 | 424,893 |

Source: District records.

Revenue Capacity

**WESTFIELD BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

**Exhibit J-6
 GASB C-11**

| Fiscal Year Ended June 30, | Vacant Land | Residential | Farm Reg. | Qfarm | Commercial | Industrial | Apartment | Total Assessed Value | Less: Tax-Exempt Property | Public Utilities * | Net Valuation Taxable | Total Direct School Tax Rate ^b | Estimated Actual (County Equalized Value) ^c |
|----------------------------|-------------|---------------|-----------|-------|-------------|------------|------------|----------------------|---------------------------|--------------------|-----------------------|-------------------------------------------|--------------------------------------------------------|
| 2006 | 11,748,100 | 1,636,037,000 | 0 | 4,200 | 178,200,400 | 1,988,100 | 21,679,100 | 1,849,656,900 | 0 | 2,015,192 | 1,851,672,092 | 3.792 | 6,600,938,501 |
| 2007 | 13,582,300 | 1,649,131,600 | 0 | 4,200 | 176,017,200 | 1,988,100 | 21,679,100 | 1,862,402,500 | 0 | 1,736,953 | 1,864,139,453 | 3.922 | 7,084,129,209 |
| 2008 | 11,548,700 | 1,670,669,600 | 0 | 4,200 | 176,297,300 | 1,988,100 | 21,679,100 | 1,882,187,000 | 0 | 2,575,778 | 1,884,762,778 | 4.103 | 7,533,990,696 |
| 2009 | 12,364,500 | 1,684,714,100 | 0 | 4,200 | 175,356,700 | 1,988,100 | 21,339,100 | 1,895,766,700 | 0 | 2,710,382 | 1,898,477,082 | 4.233 | 7,716,156,926 |
| 2010 | 8,838,700 | 1,697,417,200 | 0 | 4,200 | 174,633,900 | 1,988,100 | 21,339,100 | 1,904,221,200 | 0 | 1,927,282 | 1,906,148,482 | 4.403 | 7,619,290,133 |
| 2011 | 8,138,300 | 1,686,710,100 | 0 | 4,200 | 173,055,900 | 1,988,100 | 21,156,200 | 1,891,052,800 | 0 | 1,944,916 | 1,892,997,716 | 4.519 | 7,303,231,929 |
| 2012 | 8,234,800 | 1,673,159,900 | 0 | 4,200 | 170,812,600 | 1,988,100 | 20,980,600 | 1,875,180,200 | 0 | 1,835,609 | 1,877,015,809 | 4.646 | 7,235,990,001 |
| 2013 | 9,606,800 | 1,658,496,600 | 0 | 4,200 | 166,000,400 | 1,988,100 | 20,257,900 | 1,856,354,000 | 0 | 1,956,540 | 1,858,310,540 | 4.785 | 7,109,068,630 |
| 2014 | 10,233,800 | 1,650,848,800 | 0 | 4,200 | 165,809,000 | 1,458,500 | 19,074,100 | 1,847,428,400 | 0 | 1,620,019 | 1,849,048,419 | 4.966 | 7,222,845,387 |
| 2015 | 12,119,800 | 1,647,855,600 | 0 | 4,200 | 164,116,600 | 1,341,600 | 19,074,100 | 1,844,511,900 | 0 | 1,505,114 | 1,846,017,014 | 5.146 | 7,256,875,671 |

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

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

c Town of Westfield Annual Debt Statement

N/A - Not Available.

**WESTFIELD BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

**Exhibit J-7
GASB C-2**

(rate per \$100 of assessed value)

| <u>Year Ended Dec. 30</u> | <u>Basic Rate</u> | <u>General Obligation Debt Service</u> | <u>Total Direct School Tax Rate</u> | <u>Town of Westfield</u> | <u>Union County</u> | <u>Total Tax Rate**</u> |
|-------------------------------|-------------------|------------------------------------------------|-----------------------------------------|--------------------------|---------------------|-------------------------|
| 2006 | 3.685 | 0.108 | 3.792 | 1.027 | 1.263 | 6.082 |
| 2007 | 3.814 | 0.108 | 3.922 | 1.083 | 1.323 | 6.328 |
| 2008 | 3.985 | 0.118 | 4.103 | 1.172 | 1.394 | 6.669 |
| 2009 | 4.119 | 0.114 | 4.233 | 1.234 | 1.447 | 6.914 |
| 2010 | 4.269 | 0.134 | 4.403 | 1.329 | 1.540 | 7.272 |
| 2011 | 4.225 | 0.294 | 4.519 | 1.403 | 1.641 | 7.563 |
| 2012 | 4.376 | 0.270 | 4.646 | 1.459 | 1.757 | 7.862 |
| 2013 | 4.540 | 0.245 | 4.785 | 1.505 | 1.893 | 8.183 |
| 2014 | 4.664 | 0.302 | 4.966 | 1.548 | 2.043 | 8.557 |
| 2015 | 4.973 | 0.173 | 5.146 | 1.577 | 2.126 | 8.849 |

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

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

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

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

**WESTFIELD BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND TEN YEARS AGO**

**Exhibit J-8
GASB C-3**

| Taxpayer | YEAR ENDED DEC. 31, 2015 | | | YEAR ENDED DEC. 31, 2005 | | |
|-----------------------------|--------------------------|-----------------|----------------------------------------|--------------------------|-----------------|----------------------------------------|
| | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value |
| WYCHWOOD GARDENS | \$ 7,500,000 | | 0.41% | | | |
| ECHO LAKE COUNTRY CLUB | \$ 6,031,000 | | 0.33% | | | |
| WEILL, MAURICE | \$ 4,792,800 | | 0.26% | | | |
| EAST COAST DUNCAN HILL, LLC | \$ 4,377,300 | | 0.24% | | | |
| SUNRISE ASSISTED LIVING | \$ 4,176,700 | | 0.23% | N/A | | |
| WESTFIELD MERDIAN LLP | \$ 4,004,000 | | 0.22% | | | |
| LT PROPCO LLC | \$ 3,773,400 | | 0.20% | | | |
| ERNSTOFF, ROBERT | \$ 3,325,000 | | 0.18% | | | |
| ACL REAL ESTAT LLC | \$ 2,638,000 | | 0.14% | | | |
| CARDINAL DRIVE PARTNERS | \$ 250,000 | | 0.01% | | | |
| TOTAL | \$ 40,868,200 | | 2.21% | \$ - | | 0.00% |

SOURCE(S): DISTRICT CAFR & MUNICIPAL TAX ASSESSOR.

N/A - Not Available.

**WESTFIELD BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS**

**Exhibit J-9
GASB C-4**

| <u>Fiscal Year Ended June 30,</u> | <u>Taxes Levied for the Fiscal Year</u> | <u>Collected within the Fiscal Year of the Levy</u> | | <u>Collections in Subsequent Years</u> |
|---------------------------------------|---------------------------------------------|---------------------------------------------------------|-------------------------------|--------------------------------------------|
| | | <u>Amount</u> | <u>Percentage of Levy</u> | |
| 2005 | \$ 108,764,929 | \$ 107,826,766 | 99.14% | N/A |
| 2006 | 114,061,861 | 112,786,758 | 98.88% | N/A |
| 2007 | 119,456,100 | 118,144,562 | 98.90% | N/A |
| 2008 | 126,926,806 | 125,314,414 | 98.73% | N/A |
| 2009 | 132,675,758 | 130,576,319 | 98.42% | N/A |
| 2010 | 139,574,683 | 137,028,887 | 98.18% | N/A |
| 2011 | 143,975,849 | 141,106,079 | 98.01% | N/A |
| 2012 | 148,525,823 | 146,458,309 | 98.61% | N/A |
| 2013 | 153,284,331 | 151,287,227 | 98.70% | N/A |
| 2014 | 159,490,268 | 157,581,190 | 98.80% | N/A |

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

N/A - Not Available.

Debt Capacity

**WESTFIELD BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

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

| Fiscal Year Ended June 30, | Governmental Activities | | | Business-Type Activities | | Total District | Percentage of Personal Income ^a | Per Capita ^a |
|----------------------------------|---------------------------------------------|-------------------------------------|-------------------|-----------------------------------------|----------------|----------------|--------------------------------------------------|-------------------------|
| | General Obligation Bonds ^b | Certificates of Participation | Capital Leases | Bond Anticipation Notes (BANs) | Capital Leases | | | |
| 2005 | \$ 24,334,000 | | \$ 21,072 | | | \$ 24,355,072 | 1.849% | \$ 828 |
| 2006 | 23,014,000.00 | | - | | | 23,014,000.00 | 1.609% | 784 |
| 2007 | 21,986,000.00 | | 303,174.00 | | | 22,289,174.00 | 1.119% | 567 |
| 2008 | 29,897,000.00 | | 269,003.81 | | | 30,166,003.81 | 1.987% | 1,026 |
| 2009 | 28,427,000.00 | | | | | 28,427,000.00 | 1.943% | 958 |
| 2010 | 26,537,000.00 | | | | | 26,537,000.00 | 1.750% | 873 |
| 2011 | 24,667,000.00 | | | | | 24,667,000.00 | 1.548% | 809 |
| 2012 | 22,682,000.00 | | | | | 22,682,000.00 | 1.379% | 740 |
| 2013 | 20,587,000.00 | | | | | 20,587,000.00 | 1.227% | 667 |
| 2014 | 25,353,000.00 | | | | | 25,353,000.00 | 1.509% | 821 |
| 2015 | 26,507,000.00 | | | | | 26,507,000.00 | 1.578% | 821 |

Source: District CAFR Schedules I-1

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

**WESTFIELD BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

**Exhibit J-11
GASB D-2**

| <u>GENERAL BONDED DEBT OUTSTANDING</u> | | | | | |
|----------------------------------------|-----------------------------|-------------------|-------------------------------------------|----------------------------------------------------------------------|--------------------------------|
| Fiscal Year Ended June 30, | General Obligation Bonds | <u>Deductions</u> | Net General Bonded Debt Outstanding | Percentage of Actual Taxable Value ^a of Property | <u>Per Capita ^b</u> |
| 2006 | 23,014,000 | | 23,014,000 | 1.24% | 784.07 |
| 2007 | 21,986,000 | | 21,986,000 | 1.18% | 559.43 |
| 2008 | 29,897,000 | | 29,897,000 | 1.59% | 1,017.01 |
| 2009 | 28,427,000 | | 28,427,000 | 1.50% | 957.85 |
| 2010 | 26,537,000 | | 26,537,000 | 1.39% | 873.36 |
| 2011 | 24,667,000 | | 24,667,000 | 1.30% | 809.50 |
| 2012 | 22,682,000 | | 22,682,000 | 1.20% | 739.82 |
| 2013 | 20,587,000 | | 20,587,000 | 1.09% | 667.24 |
| 2014 | 25,353,000 | | 25,353,000 | 1.34% | 820.75 |
| 2015 | 26,507,000 | | 26,507,000 | 0.22% | 858.11 |

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

- a See Exhibit J-6 for property tax data
- b See Exhibit J-14 for Population Data

**WESTFIELD BOARD OF EDUCATION
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014**

**Exhibit J-12
GASB D-3**

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable ^a</u> | <u>Estimated Share of Overlapping Debt</u> |
|----------------------------------------------------------------|-------------------------|-----------------------------------------------------|--------------------------------------------|
| Debt Repaid with Property Taxes | | | |
| Town of Westfield | \$21,042,243 | 100.00% | \$21,042,243 |
| Other Debt | | | |
| County of Union - Town's Share | 688,712,903 | 11.240% | 77,411,330 |
| Rahway Valley Sewarge Authority - Town's Share | 169,324,128 | 14.000% | <u>23,705,378</u> |
| Subtotal Overlapping Debt | | | 122,158,951 |
| Net Direct Debt of School District as at June 30, 2015. | | | <u>26,507,000</u> |
| Total Direct and Overlapping Debt | | | <u><u>\$148,665,951</u></u> |

Source(s): Town of Westfield, Chief Financial Officer.
Union County Treasurer's Office.
Rahway Valley Sewarge Authority.
Westfield School District, Official Statement dated August 6, 2015.

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

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

WESTFIELD BOARD OF EDUCATION
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

Exhibit J-13
 GASB D-4

Legal Debt Margin Calculation for Calendar Year 2014

| | Equalized Valuation Basis |
|---------------------------------------------|---------------------------------|
| 2012 | 7,173,604,438 |
| 2013 | 7,251,382,813 |
| 2014 | <u>7,345,639,461</u> |
| [A] | <u>\$ 21,770,626,712</u> |
| | |
| Avg Equalized Valuation of Taxable Property | [A/3] \$ 7,256,875,671 |
| | |
| School Borrowing Margin (4%) | [B] 290,275,027 |
| Net Bonded School Debt | [C] <u>25,353,000</u> |
| Legal Debt Margin | [B-C] <u>\$ 264,922,027</u> |

| | Fiscal Year | | | | | | | | | |
|-------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Debt Limit | \$ 225,513,674 | \$ 251,633,366 | \$ 277,143,315 | \$ 296,828,654 | \$ 304,859,355 | \$ 302,359,911 | \$ 296,709,540 | \$ 290,803,202 | \$ 289,534,541 | \$ 290,275,027 |
| Total Net Debt Applicable to Limit | <u>23,014,000</u> | <u>21,986,000</u> | <u>29,897,000</u> | <u>28,427,000</u> | <u>27,087,000</u> | <u>24,667,000</u> | <u>22,682,000</u> | <u>20,587,000</u> | <u>25,353,000</u> | <u>26,507,000</u> |
| Legal Debt Margin | <u>\$ 202,499,674</u> | <u>\$ 229,647,366</u> | <u>\$ 247,246,315</u> | <u>\$ 268,401,654</u> | <u>\$ 277,772,355</u> | <u>\$ 277,692,911</u> | <u>\$ 274,027,540</u> | <u>\$ 270,216,202</u> | <u>\$ 264,181,541</u> | <u>\$ 263,768,027</u> |
| Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit | 10.21% | 8.74% | 10.79% | 9.58% | 8.89% | 8.16% | 7.64% | 7.08% | 8.76% | 9.13% |

Source(s): Town of Westfield Annual Debt Statement - Town of Westfield Finance Director.
 Westfield School District, Official Statement dated August 6, 2015.

Demographic and Economic Information

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

**Exhibit J-14
GASB E-1**

| <u>Year</u> | <u>Population ^a</u> | <u>Personal Income ^b</u> | <u>Per Capita Personal Income ^c</u> | <u>Unemployment Rate ^d</u> |
|-------------|--------------------------------|-------------------------------------|----------------------------------------------------|-------------------------------------------|
| 2005 | 29,400 | 1,316,884,800 | 44,792 | 2.50% |
| 2006 | 29,352 | 1,430,704,536 | 48,743 | 2.70% |
| 2007 | 39,301 | 1,991,892,583 | 50,683 | 2.40% |
| 2008 | 29,397 | 1,518,208,065 | 51,645 | 3.20% |
| 2009 | 29,678 | 1,462,680,230 | 49,285 | 5.70% |
| 2010 | 30,385 | 1,516,120,345 | 49,897 | 5.70% |
| 2011 | 30,472 | 1,593,594,184 | 52,297 | 5.50% |
| 2012 | 30,659 | 1,644,487,442 | 53,638 | 5.60% |
| 2013 | 30,854 | 1,677,902,228 | 54,382 | 4.70% |
| 2014 | 30,890 | 1,679,859,980 | 54,382 | 4.20% |

Source(s):

^a State of New Jersey, Department of labor and Workforce Development (Release Date May 21, 2015).

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

^c Per Capita Data represents County of Union available through 2032, estimated at 2013 levels for 2014.

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

WESTFIELD BOARD OF EDUCATION
 PRINCIPAL EMPLOYERS
 CURRENT AND TEN YEARS AGO

Exhibit J-15
 GASB E-2

| Employer | 2014 | | | 2005 | | |
|----------|-------------|-----------------|--------------------------------|-------------|-----------------|--------------------------------|
| | 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% |

Operating Information

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

Exhibit J-16
 GASB F-1

| Function/Program | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|----------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Instruction | | | | | | | | | | |
| Teachers | 454 | 462 | 462 | 452 | 445 | 460 | 475 | 475 | 478 | 475 |
| Classroom Aides | 27 | 23 | 27 | 31 | 31 | 12 | 12 | 14 | 38 | 31 |
| Vocational | - | - | - | - | - | - | - | - | - | - |
| Other Instruction | - | - | - | - | - | - | - | - | - | - |
| Nonpublic School Programs | - | - | - | - | - | - | - | - | - | - |
| Adult/Continuing Education Programs | - | - | - | - | - | - | - | - | - | - |
| Support Services: | | | | | | | | | | |
| Tuition | - | - | - | - | - | - | - | - | - | - |
| Student & Instruction Related Services | 153 | 152 | 160 | 163 | 161 | 178 | 194 | 197 | 191 | 189 |
| General Administrative Services | 3 | 3 | 3 | 3 | 3 | 7 | 7 | 7 | 6 | 6 |
| School Administrative Services | 42 | 42 | 41 | 41 | 41 | 39 | 40 | 40 | 41 | 41 |
| Business Administrative Services | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 15 | 15 | 15 |
| Admin Info Technology Services | 9 | 9 | 9 | 6 | 6 | 7 | 9 | 9 | 9 | 8 |
| Plant Operations and Maintenance | 57 | 57 | 57 | 56 | 55 | 58 | 61 | 61 | 61 | 61 |
| Pupil Transportation | - | - | - | - | - | - | - | - | - | - |
| Total | 759 | 762 | 773 | 766 | 756 | 775 | 812 | 816 | 839 | 826 |

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

WESTFIELD BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Exhibit J-18
GASB F-4

| | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|--------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 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 | 591 | 600 | 634 | 608 | 629 | 642 | 636 | 636 | 570 | 575 |
| 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 | 491 | 470 | 452 | 421 | 444 | 468 | 469 | 483 | 502 | 496 |
| 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 | 334 | 387 | 367 | 331 | 348 | 368 | 355 | 349 | 344 | 350 |
| 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 | 468 | 465 | 486 | 435 | 426 | 437 | 431 | 441 | 439 | 439 |
| 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 | 347 | 337 | 366 | 330 | 329 | 333 | 325 | 319 | 330 | 326 |
| 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 | 582 | 559 | 548 | 478 | 468 | 412 | 393 | 389 | 385 | 387 |
| 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 | N/A | N/A | N/A | 465 | 465 | 465 | 465 | 465 | 465 | 465 |
| ENROLLMENT | N/A | N/A | N/A | 323 | 285 | 257 | 260 | 283 | 234 | 313 |
| 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 | 719 | 748 | 777 | 724 | 759 | 767 | 828 | 826 | 808 | 811 |
| 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 | 721 | 712 | 756 | 774 | 780 | 739 | 731 | 717 | 731 | 729 |
| 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 | 1,770 | 1,782 | 1,780 | 1,788 | 1,799 | 1,844 | 1,838 | 1,844 | 1,853 | 1,852 |
| OTHER | | | | | | | | | | |
| ADMINISTRATION [1914] | | | | | | | | | | |
| SQUARE FEET | 29,410 | 29,410 | 29,410 | 29,410 | 29,410 | 29,410 | 29,410 | 29,410 | 29,410 | 29,410 |

SOURCE: DISTRICT RECORDS

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

NOTE: LINCOLN SCHOOL RENOVATED TO EARLY CHILDHOOD CENTER. ALL KINDERGARTEN STUDENTS RELOCATED FROM ELEMENTARY SCHOOLS TO LINCOLN FOR SEPTEMBER 2008.

NOTE: PRE-SCHOOL DISABLED STUDENTS RELOCATED FROM EDISON SCHOOL TO LINCOLN SCHOOL FOR SEPTEMBER 2008.

**WESTFIELD BOARD OF EDUCATION
 GENERAL FUND
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 LAST TEN FISCAL YEARS
 UNAUDITED**

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

| School Facilities | Project # (s) | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|-------------------------------|---------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| FRANKLIN ELEMENTARY SCHOOL | N/A | \$ 61,842 | \$ 80,717 | \$ 84,358 | \$ 92,283 | \$ 82,291 | \$ 86,730 | \$ 112,585 | \$ 69,067 | \$ 86,791 | \$ 80,920 |
| JEFFERSON ELEMENTARY SCHOOL | N/A | 60,897 | 58,685 | 61,332 | 64,611 | 57,615 | 61,984 | 81,243 | 61,250 | 65,177 | 69,988 |
| LINCOLN ELEMENTARY SCHOOL | N/A | 28,914 | 33,089 | 34,582 | 29,298 | 26,126 | 30,782 | 34,711 | - | 26,582 | 35,710 |
| MCKINLEY ELEMENTARY SCHOOL | N/A | 69,884 | 74,986 | 78,366 | 94,148 | 83,954 | 78,026 | 98,216 | 66,772 | 83,162 | 73,710 |
| TAMAQUES ELEMENTARY SCHOOL | N/A | 55,876 | 59,299 | 61,973 | 74,817 | 66,716 | 61,099 | 64,206 | 46,628 | 54,873 | 67,348 |
| WASHINGTON ELEMENTARY SCHOOL | N/A | 38,447 | 45,010 | 47,041 | 71,123 | 63,422 | 47,234 | 59,841 | 39,050 | 48,077 | 47,002 |
| WILSON ELEMENTARY SCHOOL | N/A | 49,754 | 55,921 | 58,443 | 79,118 | 70,551 | 67,173 | 89,165 | 53,397 | 74,356 | 53,952 |
| EDISON INTERMEDIATE SCHOOL | N/A | 119,879 | 153,305 | 160,218 | 134,436 | 119,879 | 148,111 | 197,184 | 185,834 | 197,060 | 142,979 |
| ROOSEVELT INTERMEDIATE SCHOOL | N/A | 111,004 | 138,453 | 144,698 | 146,200 | 130,370 | 158,919 | 175,527 | 171,297 | 177,539 | 121,758 |
| WESTFIELD HIGH SCHOOL | N/A | 380,985 | 400,056 | 362,503 | 577,055 | 514,572 | 363,350 | 473,885 | 371,331 | 396,744 | 361,432 |
| ADMINITSTRATION BUILDING | N/A | 36,936 | | | | | | | | | |
| GRAND TOTAL | | \$ 1,014,418 | \$ 1,099,521 | \$ 1,093,514 | \$ 1,363,090 | \$ 1,215,496 | \$ 1,103,408 | \$ 1,386,563 | \$ 1,064,626 | \$ 1,210,361 | \$ 1,054,799 |

SOURCE: DISTRICT RECORDS.

**WESTFIELD BOARD OF EDUCATION
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

Exhibit J-20

| DESCRIPTION | COVERAGE | DEDUCTIBLE |
|------------------------------------------------------------|-----------------|-------------------|
| School Property Policy - NJSBA Insurance Group | | |
| Property | | |
| Building & Contents | 400,000,000.00 | 5,000.00 |
| Extra Expense - Per Loss | 50,000,000.00 | 5,000.00 |
| Valuable Papers | 10,000,000.00 | 5,000.00 |
| Limited Builders Risk - Per Occurrence | 5,000,000.00 | |
| All Flood Zones - Per Occurrence | 75,000,000.00 | 10,000.00 |
| Special Flood Hazard Area Flood Zones | 20,000,000.00 | 500,000.00 |
| Earthquake Per Occurrence | 50,000,000.00 | |
| Terrorism - Per Occurrence/Annual | 1,000,000.00 | |
| General Liability - NJSBA Insurance Group | | |
| Bodily Injury & Property Damage | | |
| General Aggregate | 11,000,000.00 | |
| Products/Completed Operations | 11,000,000.00 | |
| Personal/Advertising Injury | 11,000,000.00 | |
| Employee Benefits Liability | 11,000,000.00 | |
| Sexual Abuse | 17,000,000.00 | |
| Terrorism - Per Occurrence/Annual | 1,000,000.00 | |
| Crime | | |
| Public Employee Dishonesty | 1,000,000.00 | 1,000.00 |
| Depositors Forgery | 1,000,000.00 | 1,000.00 |
| Money & Securities | 50,000.00 | 500.00 |
| Computer Fraud | 100,000.00 | 1,000.00 |
| Automobile Policy - NJSBA Insurance Group | | |
| Bodily Injury & Property Damage | | |
| Liability | 11,000,000.00 | |
| Uninsured Motorists | 1,000,000.00 | |
| Medical Payments - Private Passenger Vehicle | 10,000.00 | |
| Medical Payments - All Other Vehicles | 5,000.00 | |
| Medical Payments - Per Occurrence/Annual | 1,000,000.00 | |
| P.I.P. | 250,000.00 | |
| Collision / Comprehensive Deductible | | 1,000/1,000 |
| Equipment Breakdown | | |
| Equipment - Combine Single Limit Per Accident | 100,000,000.00 | |
| Extra Exoense | 10,000,000.00 | |
| Service Interruption | 10,000,000.00 | |
| Workers Compensation - NJSBA Insurance Group | | |
| Employer's Liability | Statutory | |
| Bodily Injury - Accident | 2,000,000.00 | |
| Bodily Injury - Disease Policy Limit | 2,000,000.00 | |
| Bodily Injury - Disease Each Employee | 2,000,000.00 | |
| Board of Education Legal Liability - NJSBA Insurance Group | 11,000,000.00 | 20,000.00 |
| Student Accident Policy - McCoskey | 1,000,000.00 | |
| Public Official Bonds - Selective Insurance | | |
| School Business Administrator | 404,500.00 | |

Source: District Records.

SINGLE AUDIT SECTION

SECTION – K

HODULIK & MORRISON, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
PUBLIC SCHOOL ACCOUNTANTS
1102 RARITAN AVENUE, P.O. BOX 1450
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ANDREW G. HODULIK, CPA, RMA, PSA
ROBERT S. MORRISON, CPA, RMA, PSA

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

JO ANN BOOS, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Westfield School District, in the County of Union, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Westfield School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We also noted other matters that we reported to the Board of Education of the Westfield School District in a separate report entitled, Auditors Management Report on Administrative Findings dated November 30, 2015.

Purpose of this Report

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



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

Highland Park, New Jersey
November 30, 2015

HODULIK & MORRISON, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
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ANDREW G. HODULIK, CPA, RMA, PSA
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REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

JO ANN BOOS, CPA, PSA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Westfield School District, County of Union, New Jersey compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" and the New Jersey Compliance Manual "State Grant Compliance Supplement" that could have a direct and material effect on each of the Westfield School District's major federal and state programs for the year ended June 30, 2015. The Westfield School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirement of laws, regulations, contracts and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Westfield School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants and State Aid. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that

could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Westfield School District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Westfield School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Westfield School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Westfield School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Westfield School District's internal control over compliance.

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and NJ OMB Circular 04-04. Accordingly, this report is not suitable for any other purposes.

Hodulik & Morrison, P.A.

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

Highland Park, New Jersey
November 30, 2015

WESTFIELD SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| Federal Grantor/Pass-Through Grantor/ Program Title | Federal CFDA Number | Grant or State Project Number | Grant Period | | Program or Award Amount | Balance at Balance at June 30, 2014 | | Cash Received | Budgetary Expenditures | Adjustments | Repayment of Balances | Balance at June 30, 2015 | |
|--------------------------------------------------------|---------------------------|----------------------------------|--------------|---------|-------------------------------|--------------------------------------------------|-------------------|-------------------|---------------------------|-------------|-----------------------------|--------------------------|---------------------|
| | | | From | To | | Deferred Revenue/ (Accounts Receivable) | Due to Grantor | | | | | (Accounts Receivable) | Deferred Revenue |
| Enterprise Fund: | | | | | | | | | | | | | |
| U.S. Department of Agriculture | | | | | | | | | | | | | |
| Passed through State Department of Education: | | | | | | | | | | | | | |
| Child Nutrition Cluster: | | | | | | | | | | | | | |
| Federal Food Distribution Program | 10.555 | N/A | 7/1/14 | 6/30/15 | \$ 19,874 | \$ 1,538.58 | \$ 19,874.37 | \$ (21,412.95) | \$ | \$ | \$ | \$ | \$ |
| National School Lunch Program | 10.555 | N/A | 7/1/14 | 6/30/15 | 55,604 | | 50,508.36 | (55,603.82) | | | | (5,095.46) | |
| National School Lunch Program | 10.555 | N/A | 7/1/13 | 6/30/14 | | | 4,354.82 | | | | | | |
| | | | | | | | (4,354.82) | | | | | | |
| Total Child Nutrition Cluster | | | | | | | 74,737.55 | (77,016.77) | | | | (5,095.46) | |
| Total Enterprise Fund | | | | | | | 74,737.55 | (77,016.77) | | | | (5,095.46) | |
| General Fund: | | | | | | | | | | | | | |
| U.S. Department of Education | | | | | | | | | | | | | |
| Passed through State Department of Education: | | | | | | | | | | | | | |
| Medical Assistance Program (SEMI) | 93.778 | N/A | 7/1/14 | 6/30/15 | 36,162 | | 36,162.11 | (36,162.11) | | | | | |
| Total General Fund | | | | | | | 36,162.11 | (36,162.11) | | | | | |
| Special Revenue Fund: | | | | | | | | | | | | | |
| U.S. Department of Education | | | | | | | | | | | | | |
| Passed through State Department of Education: | | | | | | | | | | | | | |
| Special Education Cluster: | | | | | | | | | | | | | |
| I.D.E.A. - Part B, Basic Regular | 84.027 | IDEA-5730-14 | 9/1/14 | 8/31/15 | 1,407,910 | (1,172,424.33) | 1,167,754.00 | (1,683,790.17) | 4,670.33 | | | (1,683,790.17) | |
| I.D.E.A. - Part B, Preschool | 84.173 | IDEA-5730-14 | 9/1/14 | 8/31/15 | 55,202 | (66,433.00) | 66,433.00 | (68,266.00) | | | | (68,266.00) | |
| Total Special Education Cluster | | | | | | | 1,234,187.00 | (1,752,056.17) | 4,670.33 | | | (1,752,056.17) | |
| No Child Left Behind (NCLB): | | | | | | | | | | | | | |
| Title I, Part A | 84.010A | NCLB-5730-14 | 9/1/14 | 8/31/15 | 146,272 | (33,134.37) | 36,677.00 | (150,272.41) | (3,542.63) | | | (150,272.41) | |
| Title II, Part A | 84.367A | NCLB-5730-12 | 9/1/14 | 8/31/15 | 78,236 | (17,195.07) | 17,195.00 | (86,646.98) | | | | (86,647.05) | |
| Title III | 84.365A | NCLB-5730-13 | 9/1/14 | 8/31/15 | | (2,091.23) | 2,091.00 | (11,796.50) | 0.23 | | | (11,796.50) | |
| Title III - Immigrant | 84.365A | NCLB-5730-12 | 9/1/14 | 8/31/15 | 7,251 | | | (5,769.33) | | | | (5,769.33) | |
| Total Special Revenue Fund | | | | | | | 1,290,150.00 | (2,006,541.39) | 1,127.93 | | | (2,006,541.46) | |
| TOTAL FEDERAL AWARDS | | | | | | \$ (1,294,094.24) | \$ 1,401,049.66 | \$ (2,119,720.27) | \$ 1,127.93 | \$ | \$ | \$ (2,011,636.92) | \$ |

Footnote(s):
N/A - Not Available

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

WESTFIELD SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| STATE GRANTOR/PROGRAM TITLE | GRANT OR STATE PROJECT NO. | AWARD AMOUNT | GRANT PERIOD | BALANCE AT JUNE 30, 2014 | | | | ADJUSTMENTS/ REPAY OF PR. YRS. BALANCES | MEMO | | | |
|--------------------------------------------|----------------------------|--------------|----------------|--------------------------|---------------------|-------------------------|---------------------------|--------------------------------------------------|------------------------|-----------------------|--------------------------|-------------------------------|
| | | | | DEF REV/ (ACCTS.REC.) | DUE TO GRANTOR | CASH RECEIVED | BUDGETARY EXPENDITURES | | (ACCTS.REC.) | DUE TO GRANTOR | BUDGETARY RECEIVABLE | CUMULATIVE TOTAL EXPENDITURES |
| General Fund | | | | | | | | | | | | |
| State Department of Education: | | | | | | | | | | | | |
| Special Education Categorical Aid | 1-495-034-5120-089 | 2,614,018 | 7/1/14-6/30/15 | \$ | \$ | 2,361,254.72 | \$ (2,614,018.00) | \$ | \$ | \$ (252,763.28) | \$ 2,614,018.00 | |
| Special Education Categorical Aid | 14-495-034-5120-089 | | 7/1/13-6/30/14 | (244,603.16) | | 244,603.16 | | | | | | |
| Transportation Aid | 15-495-034-5120-014 | 121,554 | 7/1/14-6/30/15 | | | 110,064.76 | (121,554.00) | | | (11,489.24) | 121,554.00 | |
| Transportation Aid | 14-495-034-5120-014 | | 7/1/13-6/30/14 | (10,634.92) | | 10,634.92 | | | | | | |
| Security Aid | 15-495-034-5120-084 | 96,745 | 7/1/14-6/30/15 | | | 88,128.07 | (96,745.00) | | | (8,616.93) | 96,745.00 | |
| Security Aid | 14-495-034-5120-084 | | 7/1/13-6/30/14 | (10,634.92) | | 10,634.92 | | | | | | |
| Extraordinary Aid | 15-100-034-5120-473 | 1,274,723 | 7/1/14-6/30/15 | | | 10,251.00 | (1,274,723.00) | | | (1,264,472.00) | 1,274,723.00 | |
| Extraordinary Aid | 14-100-034-5120-473 | | 7/1/13-6/30/14 | (981,765.00) | | 981,765.00 | | | | | | |
| Non-Public Transportation | 15-495-034-5120-014 | 63,567 | 7/1/14-6/30/15 | | | | (63,567.00) | (63,567.00) | | | 63,567.00 | |
| Non-Public Transportation | 14-495-034-5120-014 | | 7/1/13-6/30/14 | (74,452.00) | | 74,452.00 | | | | | | |
| Per Pupil Growth Aid | 15-498-034-5120-097 | 62,000 | 7/1/14-6/30/15 | | | 54,819.22 | (62,000.00) | | | (7,180.78) | 62,000.00 | |
| PARCC Readiness | 15-498-034-5120-098 | 62,000 | 7/1/14-6/30/15 | | | 54,819.23 | (62,000.00) | | | (7,180.77) | 62,000.00 | |
| T.P.A.F. Social Security Aid | 15-495-034-5095-002 | 3,375,949 | 7/1/14-6/30/15 | | | 3,209,635.12 | (3,375,948.52) | (166,313.40) | | | 3,375,948.52 | |
| On-behalf T.P.A.F. Pension Contribution | 15-495-034-5095-006 | 2,470,489 | 7/1/14-6/30/15 | | | 2,470,489.00 | (2,470,489.00) | | | | 2,470,489.00 | |
| On-behalf T.P.A.F. Post Retirement Medical | 15-495-034-5095-001 | 3,921,904 | 7/1/14-6/30/15 | | | 3,921,904.00 | (3,921,904.00) | | | | 3,921,904.00 | |
| Total General Fund | | | | (1,322,090.00) | | 13,603,455.12 | (14,062,948.52) | | (229,880.40) | (1,551,703.00) | 14,062,948.52 | |
| Special Revenue Fund | | | | | | | | | | | | |
| State Department of Education: | | | | | | | | | | | | |
| N.J. Nonpublic Aid: | | | | | | | | | | | | |
| Textbook Aid | 15-100-034-5120-064 | 30,743 | 7/1/14-6/30/15 | | | 30,743.00 | (28,363.30) | | | 2,379.70 | | |
| Textbook Aid | 14-100-034-5120-064 | | 7/1/13-6/30/14 | | 595.00 | | | (595.00) | | | | |
| Auxiliary Services: | | | | | | | | | | | | |
| Compensatory Education | 15-100-034-5120-067 | 33,145 | 7/1/14-6/30/15 | | | 33,145.00 | (24,567.20) | | | 8,577.80 | | |
| Compensatory Education | 14-100-034-5120-067 | | 7/1/13-6/30/14 | | 4,279.70 | | | (4,279.70) | | | | |
| English as a Second Language | 15-100-034-5120-067 | 914 | 7/1/14-6/30/15 | | | 914.00 | (914.00) | | | | | |
| English as a Second Language | 14-100-034-5120-067 | | 7/1/13-6/30/14 | | 1,746.10 | | | (1,746.10) | | | | |
| Transportation | 15-100-034-5120-067 | 5,354 | 7/1/14-6/30/15 | | | 5,354.00 | (4,818.60) | | | 535.40 | | |
| Handicapped Services: | | | | | | | | | | | | |
| Supplementary Instruction | 15-100-034-5120-066 | 23,541 | 7/1/14-6/30/15 | | | 23,541.00 | (16,512.44) | | | 7,028.56 | | |
| Examination & Classification | 15-100-034-5120-066 | 6,137 | 7/1/14-6/30/15 | | | 6,137.00 | (6,137.00) | | | | | |
| Examination & Classification | 14-100-034-5120-066 | | 7/1/13-6/30/14 | | 0.40 | | | (0.40) | | | | |
| Corrective Speech | 14-100-034-5120-066 | 37,107 | 7/1/14-6/30/15 | | | 37,107.00 | (37,107.00) | | | | | |
| Corrective Speech | 12-100-034-5120-066 | | 7/1/13-6/30/14 | | 1,562.40 | | | (1,562.40) | | | | |
| Initial Exam & Classification | 15-100-034-5120-066 | 23,937 | 7/1/14-6/30/15 | | | 23,937.00 | (23,937.00) | | | | | |
| Initial Exam & Classification | 14-100-034-5120-066 | | 7/1/13-6/30/14 | | 2,227.96 | | | (2,227.96) | | | | |
| Nursing Services | 15-100-034-5120-070 | 48,944 | 7/1/14-6/30/15 | | | 48,944.00 | (47,675.53) | | | 1,268.47 | | |
| Nursing Services | 14-100-034-5120-070 | | 7/1/13-6/30/14 | | 6,668.30 | | | (6,668.30) | | | | |
| Technology Initiative | 15-100-034-5120-373 | 16,512 | 7/1/14-6/30/15 | | | 16,512.00 | (15,740.13) | | | 771.87 | | |
| Technology Initiative | 14-100-034-5120-373 | | 7/1/13-6/30/14 | | 847.80 | | | (847.80) | | | | |
| Total Special Revenue Fund | | | | | 17,927.66 | 226,334.00 | (205,772.20) | | (17,927.66) | 20,561.80 | | |
| Debt Service Fund | | | | | | | | | | | | |
| State Department of Education: | | | | | | | | | | | | |
| Debt Service Aid | 15-495-034-5120-075 | 306,218 | 7/1/13-6/30/14 | | | 306,218.00 | (306,218.00) | | | | 306,218.00 | |
| Total Debt Service Fund | | | | | | 306,218.00 | (306,218.00) | | | | 306,218.00 | |
| Enterprise Fund | | | | | | | | | | | | |
| State Department of Education: | | | | | | | | | | | | |
| National School Lunch Prog. (State Share) | 15-100-010-3350-023 | 3,751 | 7/1/14-6/30/15 | | | 3,424.89 | (3,751.15) | (326.26) | | | 3,751.15 | |
| National School Lunch Prog. (State Share) | 14-100-010-3350-023 | | 7/1/13-6/30/14 | (237.25) | | 237.25 | | | | | | |
| Total Enterprise Fund | | | | (237.25) | | 3,662.14 | (3,751.15) | | (326.26) | | 3,751.15 | |
| Total State Financial Assistance | | | | \$ (1,322,327.25) | \$ 17,927.66 | \$ 14,139,669.26 | \$ (14,578,689.87) | \$ (17,927.66) | \$ (230,206.66) | \$ 20,561.80 | \$ (1,551,703.00) | \$ 14,372,917.67 |

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 04-04.

Reconciliation:

| | |
|--------------------------------------|------------------|
| Budgetary Expenditures | \$ 14,578,689.87 |
| Less: | |
| T.P.A.F. - Post Retirement Medical | (3,921,904.00) |
| T.P.A.F. Pension Contributions | (2,470,489.00) |
| Amount subject to State Single Audit | \$ 8,186,296.87 |

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

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**TOWN OF WESTFIELD SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2015**

NOTE 1. GENERAL

The accompanying schedules of expenditures of awards and financial assistance include federal and state award activity of the Board of Education, Town of Westfield School District. All federal and state awards received directly from federal and state agencies, as well as federal awards and state assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) and 1(D) to the Board's general-purpose financial statements (GASB 34 – Model - basic financial statements). The information in this schedule is presented in accordance with the requirements of OMB circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

See Note 1(D) for a reconciliation of the budgetary basis to the GAAP basis of accounting for the special revenue fund. Award and financial assistance revenues are reported in the Board's general-purpose financial statements on a GAAP basis as presented on the following page:

**TOWN OF WESTFIELD SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2015**

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|-----------------------|-----------------------|-----------------------|------------------------|
| General Fund | \$190,315.38 | \$13,758,883.52 | \$13,949,198.90 |
| Special Revenue Fund | 2,006,541.46 | 205,772.20 | 2,212,313.66 |
| Capital Projects Fund | 0.00 | 0.00 | 0.00 |
| Debt Service Fund | 0.00 | 306,218.00 | 306,218.00 |
| Food Service Fund | <u>77,016.77</u> | <u>3,751.15</u> | <u>80,767.92</u> |
| Total Assistance | <u>\$2,273,873.61</u> | <u>\$14,24,624.87</u> | <u>\$16,548,498.48</u> |

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Pensions Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. 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, 2015.

**WESTFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Section 1 – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal Control over financial reporting:

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

2) Significant Deficiency(s) identified that are not considered to be material weaknesses? _____ Yes X No

Noncompliance material to the 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.510(a) of Circular A-133? _____ Yes X No

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|-------------------------------------------|
| <u>84.027</u> | <u>Special Education Cluster (IDEA):</u> |
| <u>84.173</u> | <u>I.D.E.A. Part B, Regular</u> |
| | <u>I.D.E.A Part B, Preschool</u> |

WESTFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)

Section 1 – Summary of Auditor’s Results (cont’d.)

Federal Awards (cont’d.)

Dollar threshold used to distinguish between type A and B programs: \$300,000.00

Auditee qualified as low-risk auditee? X Yes No

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? Yes X 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 04-04? Yes X No

Identification of major programs:

| <u>GMIS Number(s)</u> | <u>Name of State Program</u> |
|----------------------------|------------------------------------------|
| <u>15-495-034-5095-089</u> | <u>State Aid Cluster:</u> |
| <u>15-495-034-5120-085</u> | <u>Special Education Categorical Aid</u> |
| <u>15-495-034-5120-097</u> | <u>Security Aid</u> |
| <u>15-495-034-5120-098</u> | <u>Per Pupil Growth Aid</u> |
| | <u>PARCC Readiness</u> |

WESTFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)

Section II – Financial Statement Finding(s)

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

Significant Deficiency(s)

Current Fiscal Year - NONE

Non-Compliance:

Current Fiscal Year – NONE

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB circular A-133 and New Jersey OMB's circular 04-04.

Significant Deficiency(s):

Current Fiscal Year - NONE

Non-Compliance:

Current Fiscal Year – NONE

**WESTFIELD SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Status of Prior Year Findings

There were no findings for the fiscal year ended June 30, 2014.