

**WESTWOOD REGIONAL SCHOOL DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Washington Township, New Jersey**

**COMPREHENSIVE ANNUAL**

**FINANCIAL REPORT**

**of the**

**Westwood Regional School District**

**Washington Township, New Jersey**

**For The Fiscal Year Ended June 30, 2016**

**Prepared by**

**Business Office**

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**INTRODUCTORY SECTION**

**Westwood Regional Schools**  
**701 Ridgewood Road**  
**Township of Washington, New Jersey 07676**  
**Phone: (201) 664-0880**  
**Fax: (201) 664-7642**

*Raymond A. González, Ed.D.*  
*Superintendent of Schools*

*Keith A Rosado*  
*Business Administrator/Board Secretary*

October 28, 2016

Honorable President and Members of the Board of Education  
Westwood Regional School District  
701 Ridgewood Road  
Township of Washington, NJ 07676

Dear Board Members:

The Comprehensive Annual Financial Report of the Westwood Regional School District (hereafter the "District") for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge, 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 the results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Westwood Regional School District's MD&A can be found immediately following the "Independent Auditors' Report."

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the independent auditors' report, management's discussion and analysis (MD&A) and the basic financial statements including the district-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the basic financial statements, and required supplemental information (RSI). 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 and the U.S. Uniform Guidance, "Audits of State and Local Governments and Non Profit Organizations," and the New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the supplementary information section of this report.



## **1) REPORTING ENTITY AND ITS SERVICES**

The Westwood Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board as established by GASB No. 14. All funds of the District are included in this report. The Westwood Regional Board of Education and all of its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-Kindergarten through Grade 12. These include regular, as well as special education for handicapped students. In the 2015-16 fiscal year, the District's average daily enrollment was 2,734 students, which was 1 student less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years:

Fiscal Year	Average Daily Enrollment	Percent Change
2015-16	2,734	(.03%)
2014-15	2,735	1.75%
2013-14	2,688	.29%
2012-13	2,680	(.92%)
2011-12	2,705	(.73%)
2010-11	2,725	(.21%)
2009-10	2,731	.59%
2008-09	2,715	3.00%
2007-08	2,636	(.35%)
2006-07	2,645	.26%

## **2) ECONOMIC CONDITION AND OUTLOOK**

The District's administration is closely monitoring the cost of operations and continues to look for innovative ways to contain expenses and explore new funding sources in order to maintain the quality of educational services required by the students of the District.

The implementation of the statewide NJ Student Learning Standards requires that we review the need to expand or revise our program offerings which may require additional classroom space, curricular materials, and equipment. Westwood Regional School District does not have the capacity at present to accommodate all of these requirements, but efforts are being made as facilities/resources allow.

As part of the recently adopted 2016-2021 Strategic Plan, the District is moving forward with the long awaited Middle School expansion project. Over the years, the District has been able to generate Capital Reserves which will be used to offset the costs for this major project. Additionally, the District was able to use allocated Capital Reserve Funds and ROD grant funds for Phase II of the Jr./Sr. High School roof replacement project. ROD grant funds matched 40% of the total expense of the project.

## **3) INTERNAL ACCOUNTING CONTROLS**

Management of the district is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

### **3) INTERNAL ACCOUNTING CONTROLS (Continued)**

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 a 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.

### **4) BUDGETARY CONTROLS:**

In addition to the 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 from 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, 2016. These are reappropriated automatically into the following fiscal year, and as a result, increase the approved budget.

### **5) ACCOUNTING SYSTEM AND REPORTS**

The District's financial statements are presented in conformity with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and these funds are explained in "Notes to the Basic Financial Statements."

### **6) CASH MANAGEMENT**

The investment policy of the district is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements". The district has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUPDA 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.

### **7) RISK MANAGEMENT**

The District carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property, contents and fidelity bonds. The District also operates a self-insured workers compensation program, with an excess insurance policy, New Jersey School Boards Association Insurance Group, a third party claims administrator. Coverage under the workers compensation program is maintained at the statutory levels.

## **8) INDEPENDENT AUDIT**

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci, & Higgins, LLP, CPA's was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act and the related U.S. Uniform Guidance and State Treasury Circular Letter 15-08 OMB. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

## **9) ACKNOWLEDGEMENTS**

The administration wishes to express its appreciation to the entire business office staff, whose continued efforts and tenacity to ensure the implementation of GAAP and the Board of Education's business policies and regulations make the efficient operation of the district possible. The Business office staff thanks the school district auditors for technical expertise and patience in providing guidance in accounting in general, and this report in particular.

Respectfully submitted,



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Raymond A. González, Ed.D.  
Superintendent



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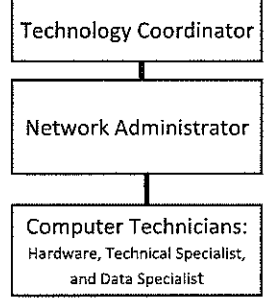
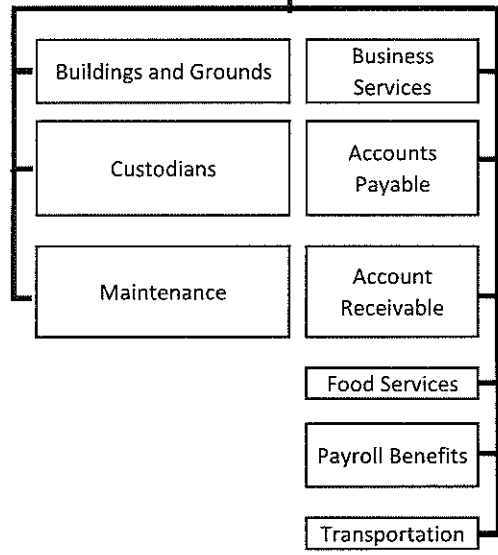
Keith A. Rosado  
Business Administrator/Board Secretary

Board of Education

Superintendent of Schools

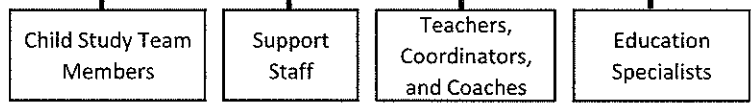
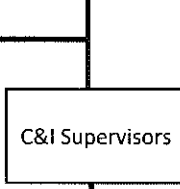
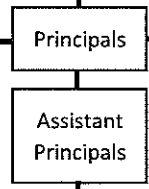
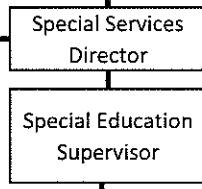
Business Administrator / Board Secretary  
Operations

Assistant Superintendent  
Curriculum, Instruction, & Programs



Human Resources

Safety & Security



# WESTWOOD REGIONAL SCHOOL DISTRICT

## ROSTER OF OFFICIALS as of June 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Darlene Mandeville, President	2017
Roberta Hanlon, Vice-President	2016
Joseph Blundo	2016
Stephen Kalish	2017
Charles Koch	2016
Paul Liddy	2018
Russell Miller	2018
Maria Straight	2018
Susan Swietkowski	2017

### Other Officials

Raymond Gonzalez, Superintendent

Jill Mortimer, Assistant Superintendent

Keith A. Rosado, Business Administrator/Board Secretary

Deborah Carpino, Treasurer

Rodney T. Hara, Esq., Legal Counsel

**WESTWOOD REGIONAL SCHOOL DISTRICT**

**CONSULTANTS AND ADVISORS  
as of June 30, 2016**

*Audit Firm*

Lerch, Vinci & Higgins, LLP  
17-17 State Highway 208 North  
Fair Lawn, NJ 07410

*Attorney*

Fogarty & Hara  
21-00 Route 208 South  
Fair Lawn, NJ 07410

*Special Education Attorney*

Machado Law Group, LLC  
136 Central Avenue  
Clark, NJ 07066

*Architect*

FKA Architects  
306 Ramapo Valley Road  
Oakland, NJ 07436

*Official Depository*

Capital One Bank  
710 Route 46  
Fairfield, NJ 07004

**FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLOSI, CPA  
ROBERT AMPONSAH, CPA

## INDEPENDENT AUDITOR’S REPORT

Honorable President and Members  
of the Board of Trustees  
Westwood Regional School District  
Washington Township, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Westwood Regional School District, as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Board of Education’s basic financial statements as listed in the table of contents.

### ***Management’s Responsibility for the Financial Statements***

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

### ***Auditor’s Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the 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. 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Westwood Regional School District as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

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

### *Other Information*

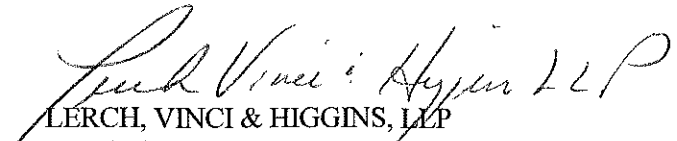
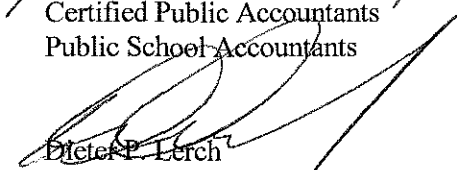
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Westwood Regional School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Westwood Regional School District.

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

The introductory section, financial schedules 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 *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated October 28, 2016 on our consideration of the Westwood Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Westwood Regional School District's internal control over financial reporting and compliance.

  
LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants  
  
Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
October 28, 2016

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**WESTWOOD REGIONAL SCHOOL DISTRICT  
WASHINGTON TOWNSHIP, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

This section of the Westwood Regional School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year (2015-2016) and the prior year (2014-2015) is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2015-2016 fiscal year include the following:

- The assets and deferred outflows of resources of the Westwood Regional School District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$25,392,741 (net position).
- Overall district-wide revenues were \$66,885,895. General revenues accounted for \$49,872,495 or 75% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$17,013,400 or 25% of total revenues.
- The school district had \$60,843,496 in expenses for governmental activities; only \$16,047,519 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$49,871,861 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$20,349,462.
- The General Fund fund balance at June 30, 2016 was \$19,715,543, an increase of \$4,773,667 when compared with the beginning balance at July 1, 2015.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
WASHINGTON TOWNSHIP, NEW JERSEY**

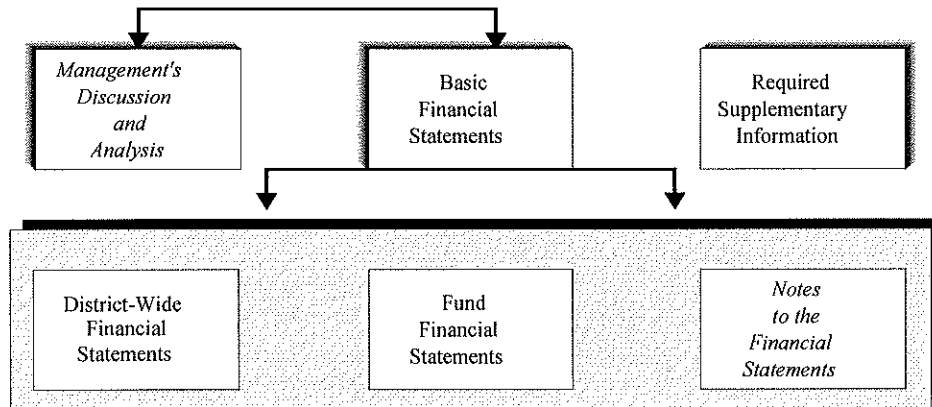
**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental 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 were financed in the *short term* as well as what remains for future spending.
  - *Proprietary funds* statements offer *short-term* and *long-term* financial information about the activities the district operated like *businesses*.
  - *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others to whom the resources belong.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. The chart below shows how the various parts of this annual report are arranged and related to one another.



**WESTWOOD REGIONAL SCHOOL DISTRICT  
WASHINGTON TOWNSHIP, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

The table below 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 the structure and contents of each of the statements.

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 regular and special education, building maintenance	Activities the district operates similar to private businesses: enterprise funds Food Service Summer Enrichment	Instances in which the district administers resources on behalf of someone else, such as Unemployment, Payroll Agency, and Student Activities
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenue, Expenses, and Changes in Fund Net Position Statement of Cash Flows	Statements of Fiduciary Net Position 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, deferred inflows/outflows of resources and liability information	All assets, deferred inflows/outflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred inflows/outflows of resources and liabilities, both financial and capital, and short-term and long-term	All assets, deferred inflows/outflows of resources and liabilities, both short-term and long-term funds do not currently contain capital assets.
Type of inflow/outflow 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 dedications during the year, regardless of when cash is received or paid.

**District-wide financial 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, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

**WESTWOOD REGIONAL SCHOOL DISTRICT  
WASHINGTON TOWNSHIP, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**District-wide financial statements (continued)**

- 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 overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration and plant operations and maintenance. Property taxes and state aids finance most of these activities.
- *Business type activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund and Summer Enrichment Program Fund are included under this category.

**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 bond covenants.
- The District uses other funds established in accordance with the State of New Jersey Uniform Chart of Accounts to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (federal and state 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 to 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, we provide additional information at the bottom of the governmental funds statements that explain 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.



**WESTWOOD REGIONAL SCHOOL DISTRICT  
WASHINGTON TOWNSHIP, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**Fund financial statements (continued)**

*Enterprise Funds* – This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has two enterprise funds, one fund accounts for the Food Service (cafeteria) and the other accounts for the Summer Enrichment Program activities.

- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for assets that belong to others. 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. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

**Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. The first part of required supplementary information is concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for these funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons.

The District also presents required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68. The required supplementary information can be found following the notes to the financial statements.

**DISTRICT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$25,392,741 as of June 30, 2016 and \$20,298,310 as of June 30, 2015.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
WASHINGTON TOWNSHIP, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Statement of Net Position  
As of June 30, 2016 and 2015**

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current Assets	\$ 21,455,907	\$ 20,765,972	\$ 249,629	\$ 208,895	\$ 21,705,536	\$ 20,974,867
Capital Assets	<u>30,390,209</u>	<u>28,345,850</u>	<u>70,157</u>	<u>82,203</u>	<u>30,460,366</u>	<u>28,428,053</u>
<b>Total Assets</b>	<u>51,846,116</u>	<u>49,111,822</u>	<u>319,786</u>	<u>291,098</u>	<u>52,165,902</u>	<u>49,402,920</u>
<b>Deferred Outflows of Resources</b>	<u>2,826,690</u>	<u>731,966</u>	<u>-</u>	<u>-</u>	<u>2,826,690</u>	<u>731,966</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>54,672,806</u>	<u>49,843,788</u>	<u>319,786</u>	<u>291,098</u>	<u>54,992,592</u>	<u>50,134,886</u>
Other Liabilities	1,254,628	3,433,704	82,720	72,779	1,337,348	3,506,483
Noncurrent Liabilities	<u>27,912,307</u>	<u>25,738,509</u>	<u>-</u>	<u>-</u>	<u>27,912,307</u>	<u>25,738,509</u>
<b>Total Liabilities</b>	<u>29,166,935</u>	<u>29,172,213</u>	<u>82,720</u>	<u>72,779</u>	<u>29,249,655</u>	<u>29,244,992</u>
<b>Deferred Inflows of Resources</b>	<u>348,254</u>	<u>589,842</u>	<u>1,942</u>	<u>1,742</u>	<u>350,196</u>	<u>591,584</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>29,515,189</u>	<u>29,762,055</u>	<u>84,662</u>	<u>74,521</u>	<u>29,599,851</u>	<u>29,836,576</u>
Net Position:						
Net Investment in Capital Assets	16,641,633	14,116,063	70,157	82,203	16,711,790	14,198,266
Restricted	16,155,316	13,926,269			16,155,316	13,926,269
Unrestricted	<u>(7,639,332)</u>	<u>(7,960,599)</u>	<u>164,967</u>	<u>134,374</u>	<u>(7,474,365)</u>	<u>(7,826,225)</u>
<b>Total Net Position</b>	<u>\$ 25,157,617</u>	<u>\$ 20,081,733</u>	<u>\$ 235,124</u>	<u>\$ 216,577</u>	<u>\$ 25,392,741</u>	<u>\$ 20,298,310</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT  
WASHINGTON TOWNSHIP, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**Changes in Net Position  
For the Fiscal Years Ended June 30, 2016 and 2015**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 70,213	\$ 97,499	\$ 769,245	\$ 711,775	\$ 839,458	\$ 809,274
Grants and Contributions	15,977,306	13,759,844	196,636	178,290	16,173,942	13,938,134
General Revenues						
Property Taxes	49,215,145	48,358,593			49,215,145	48,358,593
State and Federal Aid	237,477	226,461			237,477	226,461
Other	419,239	180,781	634	1,142	419,873	181,923
<b>Total Revenues</b>	<b>65,919,380</b>	<b>62,623,178</b>	<b>966,515</b>	<b>891,207</b>	<b>66,885,895</b>	<b>63,514,385</b>
<b>Expenses</b>						
Instruction						
Regular	24,441,641	22,866,004			24,441,641	22,866,004
Special Education	8,416,625	8,573,422			8,416,625	8,573,422
Other Instruction	1,490,307	1,530,383			1,490,307	1,530,383
School Sponsored Activities and Athletics	1,426,941	1,320,124			1,426,941	1,320,124
Support Services						
Student and Instruction Related Serv.	11,929,533	10,675,895			11,929,533	10,675,895
General Administrative Services	1,313,684	1,130,717			1,313,684	1,130,717
School Administrative Services	3,421,124	3,352,217			3,421,124	3,352,217
Plant Operations and Maintenance	5,355,556	5,127,740			5,355,556	5,127,740
Pupil Transportation	1,402,650	1,334,608			1,402,650	1,334,608
Business and Other Support Services	1,017,308	936,045			1,017,308	936,045
Interest on Long-Term Debt	628,127	597,394			628,127	597,394
Food Services			920,552	798,375	920,552	798,375
Summer Enrichment	-	-	27,416	29,276	27,416	29,276
<b>Total Expenses</b>	<b>60,843,496</b>	<b>57,444,549</b>	<b>947,968</b>	<b>827,651</b>	<b>61,791,464</b>	<b>58,272,200</b>
<b>Change in Net Position</b>	<b>\$ 5,075,884</b>	<b>\$ 5,178,629</b>	<b>\$ 18,547</b>	<b>\$ 63,556</b>	<b>\$ 5,094,431</b>	<b>\$ 5,242,185</b>

**WESTWOOD REGIONAL SCHOOL DISTRICT  
WASHINGTON TOWNSHIP, NEW JERSEY**

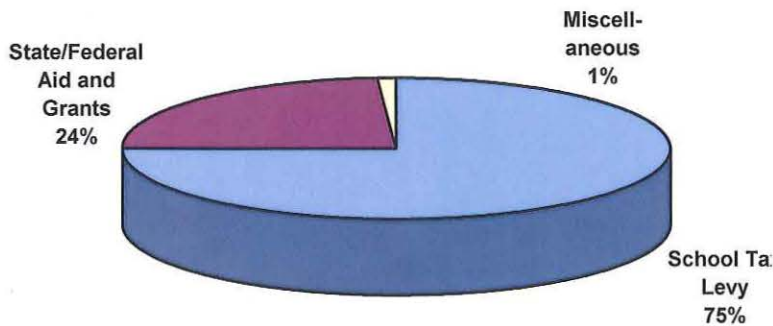
**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$65,919,380 for the year ended June 30, 2016 an increase of \$3,296,202 from the previous year. A large portion of this increase is attributable to the adjustment to the on-behalf TPAF contribution to recognize the actuarially determined amount that should have been contributed on-behalf of the District. Property taxes of \$49,215,145 represented 75% of revenues. Another significant portion of revenues came from State and Federal aid; total State, Federal and local aid was \$16,214,783. Another source of revenues is miscellaneous income which includes items such as interest earnings, prior year refunds, etc.

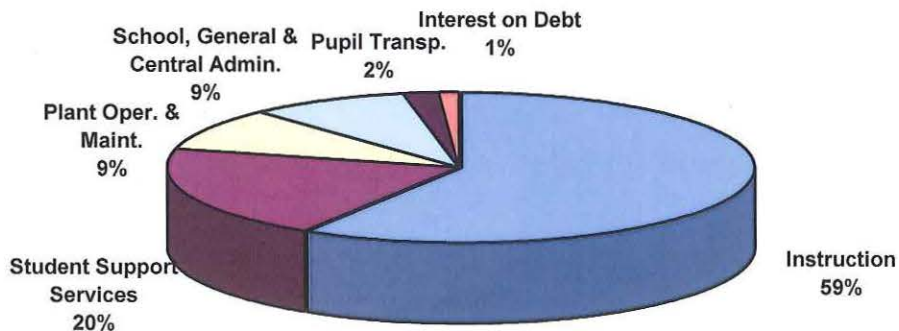
The total cost of all governmental activities programs and services was \$60,843,496. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$35,775,514 (59%) of total expenditures. Student support services, exclusive of interest on debt, total \$24,439,855 or (40%) of total expenditures.

Total governmental activities revenues surpassed expenses, increasing net position \$5,075,884 over the previous year.

Revenues by Source- Governmental Activities  
For Fiscal Year 2016



Expenditures by Type- Governmental Activities  
For Fiscal Year 2016



**WESTWOOD REGIONAL SCHOOL DISTRICT  
WASHINGTON TOWNSHIP, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**Total and Net Cost of Governmental Activities.** The District's total cost of services was \$60,843,496. After applying program revenues derived from: grants and contributions of \$15,977,306 and charges for services of \$70,213, the net cost of services of the District is \$44,795,977.

**Total and Net Cost of Governmental Activities  
For the Fiscal Years Ended June 30, 2016 and 2015**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Instruction				
Regular	\$ 24,441,641	\$ 22,866,004	\$ 17,416,217	\$ 17,158,298
Special Education	8,416,625	8,573,422	3,893,669	4,394,472
Other Instruction	1,490,307	1,530,383	1,030,105	1,135,541
School Sponsored Activities and Athletics	1,426,941	1,320,124	1,324,938	1,250,975
Support Services				
Student and Instruction Related Svcs.	11,929,533	10,675,895	10,323,435	9,442,183
General Administrative Services	1,313,684	1,130,717	1,091,853	959,254
School Administrative Services	3,421,124	3,352,217	2,653,545	2,699,725
Plant Operations and Maintenance	5,355,556	5,127,740	4,302,950	3,975,059
Pupil Transportation	1,402,650	1,334,608	1,278,351	1,209,869
Business and Other Support Services	1,017,308	936,045	1,017,308	936,045
Interest on Long-Term Debt	628,127	597,394	463,606	425,785
<b>Total</b>	<b><u>\$ 60,843,496</u></b>	<b><u>\$ 57,444,549</u></b>	<b><u>\$ 44,795,977</u></b>	<b><u>\$ 43,587,206</u></b>

**Business-Type Activities** – The District's total business-type activities revenues were \$966,515 for the year ended June 30, 2016. Charges for services accounted for 80% of total revenues. Operating grants and contributions accounted for 20% of total revenue for the year and interest income accounted for less than 1% of total revenue.

The total cost of all business-type activities programs and services was \$947,968. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District and to the District's summer enrichment program.

Total business-type activities revenues surpassed expenses, increasing net position by \$18,547 from the previous year which represents a 9 percent increase in net position of the District's business-type activities.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
WASHINGTON TOWNSHIP, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$20,349,462.

Revenues for the District's governmental funds were \$59,938,099, while total expenses were \$57,314,425.

**General Fund** - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students from kindergarten through grade 12 including pupil transportation activities and capital outlay projects.

The following schedule presents a summary of General Fund Revenues.

	<b>Fiscal Year Ended <u>June 30, 2016</u></b>	<b>Fiscal Year Ended <u>June 30, 2015</u></b>	<b>Amount of Increase (Decrease)</b>	<b>Percent Change</b>
Local Sources				
Property Tax Levy	\$ 48,430,869	\$ 47,481,245	\$ 949,624	2%
Interest	72,137	66,461	5,676	9%
Miscellaneous	417,315	211,819	205,496	97%
State/Federal Sources	<u>7,657,230</u>	<u>6,741,877</u>	<u>915,353</u>	<u>14%</u>
<b>Total General Fund Revenues</b>	<b><u>\$ 56,577,551</u></b>	<b><u>\$ 54,501,402</u></b>	<b><u>\$ 2,076,149</u></b>	<b><u>4%</u></b>

Total General Fund Revenues increased by \$2,076,149, or 4% from the previous year.

State/federal revenues increased \$915,353 or 14%. The increase in state aid is related to an increase in TPAF On-Behalf Pension Contributions made by the State of New Jersey on behalf of the District.

Local property taxes increased 2% over the previous year.

Miscellaneous income revenues increased by \$205,496 compared to the prior year primarily due to prior year accounts payable cancelled by the District during the 2015-2016 year.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
WASHINGTON TOWNSHIP, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

The following schedule presents a summary of General Fund expenditures.

	<u>Fiscal Year Ended June 30, 2016</u>	<u>Fiscal Year Ended June 30, 2015</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
Instruction	\$ 29,963,724	\$ 29,419,702	\$ 544,022	2%
Support Services	21,467,616	20,037,925	1,429,691	7%
Capital Outlay	<u>372,544</u>	<u>527,731</u>	<u>(155,187)</u>	-29%
Total Expenditures	<u>\$ 51,803,884</u>	<u>\$ 49,985,358</u>	<u>\$ 1,818,526</u>	<u>4%</u>

Total General Fund expenditures increased \$1,818,526 or 4% from the previous year.

In 2015-2016 General Fund revenues exceeded expenditures and other financing uses by \$4,773,667. As a result, total fund balance increased to \$19,715,543 at June 30, 2016. After deducting statutory restrictions and designations, the unassigned fund balance decreased from \$867,411 at June 30, 2015 to \$847,827 at June 30, 2016.

**Special Revenue Fund** - The Special Revenue Fund includes all restricted Federal, State and Local sources utilized in the operations of the district in providing educational services to students.

Revenues of the Special Revenue Fund were \$1,245,528 for the year ended June 30, 2016. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 81% of the total revenue for the year. State sources accounted for 15% and the balance of revenues of 4% were from local grants.

Total Special Revenue Fund revenues increased \$131,426 or 12% from the previous year.

Expenditures of the Special Revenue Fund were \$1,245,528. Instructional expenditures were \$1,090,311 or 88% and expenditures for the support services were \$155,217 or 12% of total expended for the year ended June 30, 2016.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
WASHINGTON TOWNSHIP, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**Proprietary Funds**

The District maintains Enterprise Funds to account for activities which are supported in part through user fees.

**Enterprise Fund** - The District uses Enterprise Funds to report activities related to the Food Services program and the Summer Enrichment program. The District's Enterprise Funds provide the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were for:

- Implementing budgets for specially funded projects, which include both federal and state grants and reinstating prior year purchase orders being carried over.

**CAPITAL ASSETS**

The District's investment in capital assets for its governmental and business type activities as of June 30, 2016 amounts to \$30,460,366 (net of accumulated depreciation). The capital assets consist of land improvements, buildings, building improvements, construction in progress, computers, specialized machinery and various other types of equipment. Depreciation charges for fiscal year 2015-2016 amounted to \$1,225,194 for governmental activities and \$12,046 for business-type activities.

**Capital Assets at June 30, 2016 and 2015  
(Net of Accumulated Depreciation)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Building and Building Improvements	\$ 27,425,421	\$ 24,205,451			\$ 27,425,421	\$ 24,205,451
Machinery and Equipment	2,820,025	2,952,811	\$ 70,157	\$ 82,203	2,890,182	3,035,014
Construction In Progress	<u>144,763</u>	<u>1,187,588</u>	<u>-</u>	<u>-</u>	<u>144,763</u>	<u>1,187,588</u>
<b>Total Capital Assets, Net</b>	<u>\$ 30,390,209</u>	<u>\$ 28,345,850</u>	<u>\$ 70,157</u>	<u>\$ 82,203</u>	<u>\$ 30,460,366</u>	<u>\$ 28,428,053</u>

Additional information on the District's capital assets are presented in the "Notes to the Financial Statements" of this report.



**WESTWOOD REGIONAL SCHOOL DISTRICT  
WASHINGTON TOWNSHIP, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**LONG TERM LIABILITIES**

At year end, the District's long-term liabilities consisted of compensated absences payable of \$1,469,971, net pension liability of \$11,639,209 and bonds payable of \$13,210,000.

Additional information of the District's long-term liabilities is presented in the "Notes to the Financial Statements" of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Currently, the District is in good financial condition. Everyone associated with Westwood Regional School District is grateful for the community support.

Many factors were considered by the District's administration during the process of developing the fiscal year 2016-2017 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Westwood Regional School District, 701 Ridgewood Road, Washington Township, NJ 07676.

**BASIC FINANCIAL STATEMENTS**

**WESTWOOD REGIONAL SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2016**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 18,063,930	\$ 211,823	\$ 18,275,753
Receivables, net	3,391,977	27,829	3,419,806
Inventories		9,977	9,977
Capital Assets Not Being Depreciated	144,763		144,763
Capital Assets, Net of Accumulated Depreciation	30,245,446	70,157	30,315,603
	<u>51,846,116</u>	<u>319,786</u>	<u>52,165,902</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding	955,667		955,667
Deferred Amount on Net Pension Liability	1,871,023	-	1,871,023
	<u>2,826,690</u>	<u>-</u>	<u>2,826,690</u>
Total Assets and Deferred Outflows of Resources	<u>54,672,806</u>	<u>319,786</u>	<u>54,992,592</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	708,012	31,811	739,823
Intergovernmental Payable	34,411		34,411
Unearned Revenue	364,022	50,909	414,931
Accrued Interest Payable	148,183		148,183
Noncurrent Liabilities			
Due Within One Year	771,300		771,300
Due Beyond One Year	27,141,007		27,141,007
	<u>29,166,935</u>	<u>82,720</u>	<u>29,249,655</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amount on Net Pension Liability	348,254		348,254
Deferred Commodities Revenue	-	1,942	1,942
	<u>348,254</u>	<u>1,942</u>	<u>350,196</u>
Total Liabilities and Deferred Inflows of Resources	<u>29,515,189</u>	<u>84,662</u>	<u>29,599,851</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	16,641,633	70,157	16,711,790
Restricted for:			
Capital Projects	16,154,963		16,154,963
Debt Service	353		353
Unrestricted	(7,639,332)	164,967	(7,474,365)
Total Net Position	<u>\$ 25,157,617</u>	<u>\$ 235,124</u>	<u>\$ 25,392,741</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Functions/Programs:	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 24,441,641	\$ 48,700	\$ 6,976,724		\$ (17,416,217)		\$ (17,416,217)
Special Education	8,416,625	21,513	4,501,443		(3,893,669)		(3,893,669)
Other Instruction	1,490,307		460,202		(1,030,105)		(1,030,105)
School Sponsored Activities and Athletics	1,426,941		102,003		(1,324,938)		(1,324,938)
Support Services							
Student and Instruction Related Svcs.	11,929,533		1,606,098		(10,323,435)		(10,323,435)
General Administrative Services	1,313,684		221,831		(1,091,855)		(1,091,855)
School Administrative Services	3,421,124		767,579		(2,653,545)		(2,653,545)
Plant Operations and Maintenance	5,355,556		67,130	\$ 985,476	(4,302,950)		(4,302,950)
Pupil Transportation	1,402,650		124,299		(1,278,351)		(1,278,351)
Business Services	1,017,308				(1,017,308)		(1,017,308)
Interest on Long-Term Debt	628,127		164,521		(463,606)		(463,606)
Total Governmental Activities	60,843,496	70,213	14,991,830	985,476	(44,795,977)	-	(44,795,977)
Business-Type Activities							
Food Service	920,552	740,990	196,636			\$ 17,074	17,074
Summer Enrichment	27,416	28,255	-	-		839	839
Total Business-Type Activities	947,968	769,245	196,636	-	-	17,913	17,913
Total Primary Government	\$ 61,791,464	\$ 839,458	\$ 15,188,466	\$ 985,476	(44,795,977)	17,913	(44,778,064)
General Revenues:							
Property Taxes, Levied for General Purposes					48,430,869		48,430,869
Property Taxes, Levied for Debt Service					784,276		784,276
State Aid Unrestricted					56,730		56,730
State Aid Restricted for Debt Service Principal					180,747		180,747
Investment Earnings					72,137	634	72,771
Miscellaneous Income					347,102		347,102
Total General Revenues					49,871,861	634	49,872,495
Change in Net Position					5,075,884	18,547	5,094,431
Net Position, Beginning of Year					20,081,733	216,577	20,298,310
Net Position, End of Year					\$ 25,157,617	\$ 235,124	\$ 25,392,741

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**FUND FINANCIAL STATEMENTS**

**WESTWOOD REGIONAL SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2016**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash	\$ 18,063,577			\$ 353	\$ 18,063,930
Receivables, Net					
Receivables From Other Governments	107,188	\$ 837,473	\$ 2,287,832		3,232,493
Other Receivables		3,707			3,707
Due from Other Funds	<u>2,234,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,234,357</u>
Total Assets	<u>\$ 20,405,122</u>	<u>\$ 841,180</u>	<u>\$ 2,287,832</u>	<u>\$ 353</u>	<u>\$ 23,534,487</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 632,485	\$ 16,039	\$ 2,394		\$ 650,918
Due to Other Funds		738,988	1,339,592		2,078,580
Intergovernmental Payables		34,411			34,411
Compensated Absences Payable	57,094				57,094
Unearned Revenue	<u>-</u>	<u>51,742</u>	<u>312,280</u>	<u>-</u>	<u>364,022</u>
Total Liabilities	<u>689,579</u>	<u>841,180</u>	<u>1,654,266</u>	<u>-</u>	<u>3,185,025</u>
Fund Balances					
Restricted Fund Balance:					
Capital Reserve	15,620,281				15,620,281
Excess Surplus-Designated for Subsequent Year's Expenditures	750,000				750,000
Excess Surplus	750,000				750,000
Capital Projects Fund			633,566		633,566
Debt Service Fund				\$ 353	353
Assigned Fund Balance					
Designated for Subsequent Year's Expenditures	719,979				719,979
Year-End Encumbrances	1,027,456				1,027,456
Unassigned Fund Balance	<u>847,827</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>847,827</u>
Total Fund Balances	<u>19,715,543</u>	<u>-</u>	<u>633,566</u>	<u>353</u>	<u>20,349,462</u>
Total Liabilities and Fund Balances	<u>\$ 20,405,122</u>	<u>\$ 841,180</u>	<u>\$ 2,287,832</u>	<u>\$ 353</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$49,718,201 and the accumulated depreciation is \$19,327,992. 30,390,209

The District has financed capital assets through the issuance of general obligation bonds. The accrued interest at year end is: (148,183)

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.

Serial Bonds Payable	\$ (14,803,127)
Net Pension Liability	(11,639,209)
Add: Deferred Inflows of Resources	2,826,690
Less: Deferred Outflows of Resources	(348,254)
Compensated Absences Payable	<u>(1,469,971)</u>
	<u>(25,433,871)</u>

Net Position of Governmental Activities \$ 25,157,617

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**WESTWOOD REGIONAL SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Local Property Tax Levy	\$ 48,430,869			\$ 784,276	\$ 49,215,145
Tuition	48,700				48,700
Rentals	21,513				21,513
Interest	39,953				39,953
Interest on Capital Reserve	32,184				32,184
Miscellaneous	347,102	\$ 57,109	-	-	404,211
Total - Local Sources	48,920,321	57,109		784,276	49,761,706
State Sources	7,648,398	184,270	\$ 985,476	345,268	9,163,412
Federal Sources	8,832	1,004,149	-	-	1,012,981
Total Revenues	<u>56,577,551</u>	<u>1,245,528</u>	<u>985,476</u>	<u>1,129,544</u>	<u>59,938,099</u>
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular Instruction	20,564,245	266,037			20,830,282
Special Education Instruction	6,839,347	767,165			7,606,512
Other Instruction	1,218,669	57,109			1,275,778
School Sponsored Activities and Athletics	1,341,463				1,341,463
Support Services					
Student and Instruction Related Services	10,762,913	136,366			10,899,279
General Administrative Services	1,150,211				1,150,211
School Administrative Services	2,971,662				2,971,662
Plant Operations and Maintenance	4,231,703	18,851			4,250,554
Pupil Transportation	1,367,436				1,367,436
Central Services	983,691				983,691
Debt Service					
Principal				640,000	640,000
Interest and Other Charges				582,544	582,544
Costs of Issuance				145,460	145,460
Capital Outlay	372,544		2,897,009		3,269,553
Total Expenditures	<u>51,803,884</u>	<u>1,245,528</u>	<u>2,897,009</u>	<u>1,368,004</u>	<u>57,314,425</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>4,773,667</u>	<u>-</u>	<u>(1,911,533)</u>	<u>(238,460)</u>	<u>2,623,674</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Refunding Bond Proceeds				11,125,000	11,125,000
Original Issue Premium				1,593,127	1,593,127
Payment to Refunded Bond Escrow Agent				(12,572,667)	(12,572,667)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,460</u>	<u>145,460</u>
Net Change in Fund Balances	4,773,667	-	(1,911,533)	(93,000)	2,769,134
Fund Balance, Beginning of Year	14,941,876	-	2,545,099	93,353	17,580,328
Fund Balance, End of Year	<u>\$ 19,715,543</u>	<u>\$ -</u>	<u>\$ 633,566</u>	<u>\$ 353</u>	<u>\$ 20,349,462</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** \$ 2,769,134

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.

Capital Outlays	\$ 3,269,553	
Depreciation Expense	<u>(1,225,194)</u>	
		2,044,359

In the statement of activities, certain operating expenses are measured by the amounts during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Net Increase in Net Pension Liability	(360,982)	
Net Decrease in Compensated Absences Payable	<u>28,956</u>	
		(332,026)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long term debt and related items.

Debt Issued		
Refunding Bonds	(11,125,000)	
Original Issue Premium	(1,593,127)	
Payment to Escrow Agent for Refunding	12,572,667	
Principal Repayments	<u>640,000</u>	
		494,540

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Decrease in Accrued Interest		<u>99,877</u>
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**Change in Net Position of Governmental Activities** \$ 5,075,884



**WESTWOOD REGIONAL SCHOOL DISTRICT  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2016**

	<b>Business-Type Activities - Enterprise Fund</b>		
	<b>Food Service</b>	<b>Other Non-Major</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 147,605	\$ 64,218	\$ 211,823
Intergovernmental Accounts Receivable	27,750		27,750
Accounts Receivable	79		79
Inventories	9,977	-	9,977
Total Current Assets	<u>185,411</u>	<u>64,218</u>	<u>249,629</u>
Capital Assets			
Furniture, Machinery and Equipment	213,898		213,898
Less Accumulated Depreciation	<u>(143,741)</u>	<u>-</u>	<u>(143,741)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>70,157</u>	<u>-</u>	<u>70,157</u>
Total Assets	<u>255,568</u>	<u>64,218</u>	<u>319,786</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	31,467	344	31,811
Unearned Revenue	<u>11,414</u>	<u>39,495</u>	<u>50,909</u>
Total Liabilities	<u>42,881</u>	<u>39,839</u>	<u>82,720</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenue	<u>1,942</u>		<u>1,942</u>
Total Deferred Inflows of Resources	<u>1,942</u>	<u>-</u>	<u>1,942</u>
Total Liabilities and Deferred Inflows of Resources	<u>44,823</u>	<u>39,839</u>	<u>84,662</u>
<b>NET POSITION</b>			
Investment in Capital Assets	70,157		70,157
Unrestricted	<u>140,588</u>	<u>24,379</u>	<u>164,967</u>
Total Net Position	<u>\$ 210,745</u>	<u>\$ 24,379</u>	<u>\$ 235,124</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN FUND NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Business-Type Activities - Enterprise Fund</b>		
	<b>Food Service</b>	<b>Other Non-Major</b>	<b>Total</b>
Operating Revenues			
Charges for Services			
Daily Sales - Reimbursable Programs	\$ 301,748		\$ 301,748
Daily Sales - Non-Reimbursable Programs	436,809		436,809
Special Functions	2,433		2,433
Program Fees		\$ 28,255	28,255
Total Operating Revenues	<u>740,990</u>	<u>28,255</u>	<u>769,245</u>
Operating Expenses			
Cost of Sales - Reimbursable Programs	293,401		293,401
Cost of Sales - Non-Reimbursable Programs	158,567		158,567
Salaries and Wages	293,109	26,184	319,293
Employee Benefits	34,877		34,877
Management Fee	38,750		38,750
Repairs and Maintenance	6,278		6,278
Other Expenses	39,577		39,577
Supplies and Materials	40,767	977	41,744
Miscellaneous	3,180	255	3,435
Depreciation	12,046		12,046
Total Operating Expenses	<u>920,552</u>	<u>27,416</u>	<u>947,968</u>
Operating Income/(Loss)	<u>(179,562)</u>	<u>839</u>	<u>(178,723)</u>
Nonoperating Revenues			
State Sources			
State School Lunch Program	6,756		6,756
Federal Sources			
School Breakfast Program	804		804
National School Lunch Program	148,908		148,908
USDA Commodities	40,168		40,168
Interest and Investment Revenue	634	-	634
Total Nonoperating Revenues	<u>197,270</u>	<u>-</u>	<u>197,270</u>
Change in Net Position	17,708	839	18,547
Net Position, Beginning of Year (Restated)	<u>193,037</u>	<u>23,540</u>	<u>216,577</u>
Net Position, End of Year	<u>\$ 210,745</u>	<u>\$ 24,379</u>	<u>\$ 235,124</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
PROPRIETARY FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Business-Type Activities - Enterprise Fund</b>		
	<b>Food Service</b>	<b>Other Non-Major</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 740,911	\$ 42,425	\$ 783,336
Payments for Employees	(327,986)	(26,184)	(354,170)
Payments to Suppliers/Refunds	(547,567)	(1,297)	(548,864)
Net Cash Provided (Used) by Operating Activities	<u>(134,642)</u>	<u>14,944</u>	<u>(119,698)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Receipts from State and Federal Sources	<u>137,768</u>	<u>-</u>	<u>137,768</u>
Net Cash Provided By Non-Capital Financing Activities	<u>137,768</u>	<u>-</u>	<u>137,768</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received	<u>634</u>	<u>-</u>	<u>634</u>
Net Cash Provided By Investing Activities	<u>634</u>	<u>-</u>	<u>634</u>
Net Increase in Cash and Cash Equivalents	3,760	14,944	18,704
Cash and Cash Equivalents—Beginning of Year	<u>143,845</u>	<u>49,274</u>	<u>193,119</u>
Cash and Cash Equivalents—End of Year	<u>\$ 147,605</u>	<u>\$ 64,218</u>	<u>\$ 211,823</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (179,562)	\$ 839	\$ (178,723)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation	12,046		12,046
Food Distribution Program (USDA Commodities) National School Lunch Program	40,168		40,168
Changes in Assets, Liabilities and Deferred Inflows of Resources			
(Increase) Decrease in Accounts Receivable	(79)		(79)
(Increase) Decrease in Inventories	(3,251)		(3,251)
Increase (Decrease) in Accounts Payable	(2,355)	(65)	(2,420)
Increase (Decrease) in Unearned Revenue	(1,809)	14,170	12,361
Increase (Decrease) in Deferred Inflows of Resources	200		200
Total Adjustments	<u>44,920</u>	<u>14,105</u>	<u>59,025</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (134,642)</u>	<u>\$ 14,944</u>	<u>\$ (119,698)</u>
<b>Non Cash Investing, Capital and Financing Activities</b>			
Fair Value of Food Distribution Program- National School Lunch Program	\$ 40,368		\$ 40,368

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2016**

	<u>Private Purpose Scholarship Trust Funds</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash	\$ 4,503	\$ 596,097	\$ 484,481
Due from Other Funds		-	6,579
Total Assets	<u>4,503</u>	<u>596,097</u>	<u>\$ 491,060</u>
<b>LIABILITIES</b>			
Intergovernmental Payable		2,711	
Due to Other Funds		6,579	\$ 155,777
Payable To Student Groups			212,418
Payroll Deductions and Withholdings			122,865
Total Liabilities	<u>-</u>	<u>9,290</u>	<u>\$ 491,060</u>
<b>NET POSITION</b>			
Held In Trust For Unemployment Claims and Other Purposes	<u>\$ 4,503</u>	<u>\$ 586,807</u>	

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Private Purpose Trust Funds</u>	<u>Unemployment Compensation Trust Fund</u>
<b>ADDITIONS</b>		
Contributions		
Employees		\$ 45,016
Other	\$ 6,364	-
Total Contributions	<u>6,364</u>	<u>45,016</u>
Investment Earnings		
Interest	<u>32</u>	<u>2,157</u>
Total Investment Earnings	<u>32</u>	<u>2,157</u>
Total Additions	<u>6,396</u>	<u>47,173</u>
<b>DEDUCTIONS</b>		
Scholarships	9,475	
Unemployment Claims and Contributions	<u>-</u>	<u>106,067</u>
Total Deductions	<u>9,475</u>	<u>106,067</u>
Change in Net Position	(3,079)	(58,894)
Net Position, Beginning of Year	<u>7,582</u>	<u>645,701</u>
Net Position, End of Year	<u>\$ 4,503</u>	<u>\$ 586,807</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**NOTES TO THE FINANCIAL STATEMENTS**

**WESTWOOD REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Westwood Regional School District (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Westwood Regional School District this includes general operations, food service, summer enrichment and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

**B. New Accounting Standards**

During fiscal year 2016, the District adopted the following GASB statements:

- GASB No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement applies to donated capital assets, donated works of art, donated historical treasures, and also to similar assets and capital assets received in a service concession arrangement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2018. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2018. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB No. 77, *Tax Abatement Disclosures*, will be effective beginning with the fiscal year ending June 30, 2017. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.
- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No.67, No.68, and No.73*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pension*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

**C. Basis of Presentation - Financial Statements**

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.



**WESTWOOD REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**District-Wide Financial Statements**

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid, and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Fund Financial Statements**

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and food service enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

The District reports the following major proprietary fund which is organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

The District also reports the following non-major proprietary fund which is organized to be self-supporting through user charges:

The *summer enrichment program fund* accounts for the activities of the District's summer enrichment program.

Additionally, the government reports the following fund types:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, for private donations for scholarship awards, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

**Reclassifications**

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable 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 indicates the timing of transactions or events for recognition in the financial statements.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources as they are needed.

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

***1. Cash, Cash Equivalents and Investments***

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

***2. Receivables***

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**3. Inventories**

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as deferred inflows of resources.

**4. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	45
Building Improvements	45
Site Improvements	20
Furniture, Fixtures and Equipment	5-20

**WESTWOOD REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

***5. Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refundings result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amount on net pension liability. Deferred amount on net pension liability is reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. This amount is deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items which arise only under the accrual basis of accounting that qualify for reporting in this category. Accordingly, one item, the deferred commodities revenue is reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed. The other item that qualifies for reporting in this category is the deferred amount on net pension liability. Deferred amount on net pension liability is reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. This amount is deferred and amortized over future years.

***6. Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

***7. Pensions***

In the district-wide financial statements 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 retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. 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.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**8. *Long-Term Obligations***

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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

**9. *Net Position/Fund Balance***

**District-Wide Statements**

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

**Governmental Fund Statements**

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**9. *Net Position/Fund Balance (Continued)***

**Governmental Fund Statements (Continued)**

**Restricted Fund Balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

*Capital Reserve* – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2.)

*Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that was appropriated in the 2016/2017 original budget certified for taxes.

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2016 audited excess surplus that is required to be appropriated in the 2017/2018 original budget certified for taxes.

*Capital Projects* – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

*Debt Service* – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

**Assigned Fund Balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

*Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2016/2017 District budget certified for taxes.

*Year-End Encumbrances* – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

**Unassigned Fund Balance** – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses (Continued)**

**2. *Property Taxes***

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1<sup>st</sup> in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

**3. *Tuition Revenues and Expenditures***

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2014-2015 and 2015-2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**4. *Proprietary Funds, Operating and Non-Operating Revenues and Expenses***

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service and summer enrichment enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.



**WESTWOOD REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Information (Continued)**

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2013/2014 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2013/2014 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On February 16, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account 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. The Board approved several budget transfers during 2015/2016. Also, during 2015/2016 the Board increased the original general fund budget by \$416,724. The increase was funded by the reappropriation of prior year general fund encumbrances. During 2015/2016 the Board increased the original special revenue budget by \$317,828 which was funded by additional grant awards.

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. 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 committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

**B. Capital Reserve**

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). 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 or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. 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 the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Capital Reserve (Continued)**

The activity of the capital reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, July 1, 2015		\$ 11,400,030
Increased by:		
Interest Earnings	\$ 32,184	
Deposits Approved by Board Resolution	<u>4,188,067</u>	
Total Increases		<u>4,220,251</u>
Balance, June 30, 2016		<u>\$ 15,620,281</u>

The Long Range Facilities Plan has not been updated to support the local share of capital projects.

**C. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved 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 in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2016 is \$1,500,000. Of this amount, \$750,000 was designated and appropriated in the 2016/2017 original budget certified for taxes and the remaining amount of \$750,000 will be appropriated in the 2017/2018 original budget certified for taxes.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Cash Deposits (Continued)**

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2016, the book value of the Board's deposits were \$19,360,834 and bank and brokerage firm balances of the Board's deposits amounted to \$22,130,293. The Board's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

**Depository Account**

Insured	\$ <u>22,130,293</u>
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Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2016 the Board's bank balances were not exposed to custodial credit risk.

**Investments**

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2016, the Board had no outstanding investments.

**B. Receivables**

Receivables as of June 30, 2016 for the district's individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Intergovernmental- Accounts		\$ 3,707		\$ 79	\$ 3,786
Intergovernmental Federal	\$ 4,010	837,473		26,582	868,065
State	<u>103,178</u>	<u>-</u>	<u>\$ 2,287,832</u>	<u>1,168</u>	<u>2,392,178</u>
Gross Receivables	107,188	841,180	2,287,832	27,829	3,264,029
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 107,188</u>	<u>\$ 841,180</u>	<u>\$ 2,287,832</u>	<u>\$ 27,829</u>	<u>\$ 3,264,029</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Unearned Revenue**

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

Special Revenue Fund	
Grant Draw downs Reserved for Encumbrances	\$ 7,784
Unencumbered Grant Draw Downs	43,958
Capital Projects Fund	
Unrealized School Facilities Grants	312,280
Total Unearned Revenue for Governmental Funds	<u>\$ 364,022</u>

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	<u>Balance,</u> <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance,</u> <u>June 30, 2016</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Construction In Progress	\$ 1,187,588	\$ 144,763	\$ (1,187,588)	\$ 144,763
Total Capital Assets, Not Being Depreciated	<u>1,187,588</u>	<u>144,763</u>	<u>(1,187,588)</u>	<u>144,763</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	40,540,456	4,084,597		44,625,053
Machinery and Equipment	4,761,469	227,781	(40,865)	4,948,385
Total Capital Assets Being Depreciated	<u>45,301,925</u>	<u>4,312,378</u>	<u>(40,865)</u>	<u>49,573,438</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(16,335,005)	(864,627)		(17,199,632)
Machinery and Equipment	(1,808,658)	(360,567)	40,865	(2,128,360)
Total Accumulated Depreciation	<u>(18,143,663)</u>	<u>(1,225,194)</u>	<u>40,865</u>	<u>(19,327,992)</u>
Total Capital Assets, Being Depreciated, Net	<u>27,158,262</u>	<u>3,087,184</u>	<u>-</u>	<u>30,245,446</u>
Governmental Activities Capital Assets, Net	<u>\$ 28,345,850</u>	<u>\$ 3,231,947</u>	<u>\$ (1,187,588)</u>	<u>\$ 30,390,209</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2016</u>
<b>Business-Type Activities:</b>				
Capital Assets, being depreciated:				
Machinery and Equipment	\$ 221,543	-	\$ (7,645)	\$ 213,898
Total Capital Assets being depreciated	<u>221,543</u>	<u>-</u>	<u>(7,645)</u>	<u>213,898</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(139,340)	\$ (12,046)	7,645	(143,741)
Total Accumulated Depreciation	<u>(139,340)</u>	<u>(12,046)</u>	<u>7,645</u>	<u>(143,741)</u>
Total Capital Assets, being depreciated, net	<u>82,203</u>	<u>(12,046)</u>	<u>-</u>	<u>70,157</u>
Business-Type Activities Capital Assets, net	<u>\$ 82,203</u>	<u>\$ (12,046)</u>	<u>\$ -</u>	<u>\$ 70,157</u>

Depreciation expense was charged to functions/programs of the District as follows:

<b>Governmental Activities:</b>	
Instruction	
Regular Instruction	\$ 39,857
Total Instruction	<u>39,857</u>
Support Services	
Student and Instruction Related Services	85,196
General Administrative Services	45,413
Plan Operations and Maintenance of Plant	1,014,891
School Administrative Services	15,250
Pupil Transportation	24,587
Total Support Services	<u>1,185,337</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,225,194</u>
<b>Business-Type Activities:</b>	
Food Service Fund	\$ 12,046
Total Depreciation Expense-Business-Type Activities	<u>\$ 12,046</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

**Construction Commitments**

The District has the following active construction projects as of June 30, 2016:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
High School Façade Replacement	\$ 3,468,425	\$ 155,465
High School Partial Roof Replacement	<u>2,119,646</u>	<u>640,506</u>
Total	<u>\$ 5,588,071</u>	<u>\$ 795,971</u>

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2016, is as follows:

**Due to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 738,988
General Fund	Capital Projects Fund	1,339,592
General Fund	Payroll Agency Fund	155,777
Payroll Agency Fund	Unemployment Compensation Trust Fund	<u>6,579</u>
		<u>\$ 2,240,936</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Long-Term Debt**

**General Obligation Bonds**

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2016 are comprised of the following issue:

\$16,672,000, 2008 Bonds, due in annual installments of \$665,000 to \$725,000 through August 1, 2018, interest at 4.00%	\$ 2,085,000
\$11,125,000, 2016 Refunding Bonds, due in annual installments of \$85,000 to \$1,150,000 through August 1, 2030, interest at 2.00% to 5.00%	<u>11,125,000</u>
	<u>\$13,210,000</u>

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

**Governmental Activities:**

Fiscal Year Ended <u>June 30,</u>	<u>General Obligation Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 750,000	\$ 437,444	\$ 1,187,444
2018	695,000	492,050	1,187,050
2019	725,000	463,650	1,188,650
2020	735,000	438,125	1,173,125
2021	755,000	415,775	1,170,775
2022-2026	4,290,000	1,607,850	5,897,850
2027-2030	<u>5,260,000</u>	<u>634,475</u>	<u>5,894,475</u>
Total	<u>\$ 13,210,000</u>	<u>\$ 4,489,369</u>	<u>\$ 17,699,369</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Long-Term Debt (Continued)**

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2016 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 145,208,313
Less: Net Debt	<u>13,210,075</u>
Remaining Borrowing Power	<u>\$ 131,998,238</u>

**Advance Refunding of Debt**

On April 7, 2016, the District issued \$11,125,000 in Refunding School Bonds having interest rates of 2.00% to 5.00%. These bonds were issued in order to advance refund certain principal maturities and certain interest payments of the 2008 School Bonds of the District. The total bond principal defeased was \$11,617,000 and the total interest payments defeased were \$4,675,147. The net proceeds of \$12,572,667 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$995,667. This amount has been reported as a Deferred Outflow of Resources on the financial statements and amortized over the remaining life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the current and next 15 years by \$805,287 and resulted in an economic gain of \$677,908.

**G. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2016, was as follows:

	Balance, July 1, 2015	Additions	Reductions	Balance, June 30, 2016	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable	\$ 14,342,000	\$ 11,125,000	\$ 12,257,000	\$ 13,210,000	\$ 750,000
Unamortized Premium	<u>-</u>	<u>1,593,127</u>	<u>-</u>	<u>1,593,127</u>	<u>-</u>
Total Bonds Payable	14,342,000	12,718,127	12,257,000	14,803,127	750,000
Compensated Absences	1,498,927		28,956	1,469,971	
Net Pension Liability	<u>9,897,582</u>	<u>2,187,395</u>	<u>445,768</u>	<u>11,639,209</u>	<u>21,300</u>
Governmental Activities Long-Term Liabilities	<u>\$ 25,738,509</u>	<u>\$ 14,905,522</u>	<u>\$ 12,731,724</u>	<u>\$ 27,912,307</u>	<u>\$ 771,300</u>

For the governmental activities, the liabilities for compensated absences and net pension liability are generally liquidated by the general fund.



**WESTWOOD REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the New Jersey School Boards Association Insurance Group (NJSBAIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims and various other types of coverages.

The relationship between the Board and the insurance fund is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the fund, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. Members have a contractual obligation to fund any deficit of the fund attributable to a membership year during which they were a member.

NJSBAIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the insurance fund is on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's fiduciary trust fund for the current and previous two years:

Fiscal Year Ended <u>June 30,</u>	District <u>Contributions</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2016		\$ 45,016	\$ 106,067	\$ 586,807
2015	\$ 50,000	43,273	51,394	645,701
2014		74,221	97,654	601,717

**B. Contingent Liabilities**

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**B. Contingent Liabilities (Continued)**

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2016, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2016, the District has not estimated its arbitrage earnings due to the IRS, if any.

**D. Employee Retirement Systems and Pension Plans**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

**Public Employees' Retirement System (PERS)** – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. PERS is a cost sharing multi-employer defined benefit pension plan.

**Teachers' Pension and Annuity Fund (TPAF)** – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. TPAF is a cost sharing plan with special funding situations.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Other Pension Funds**

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Basis of Accounting**

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

**Investment Valuation**

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at [www.state.nj.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest).

**Funding Status and Funding Progress**

As of July 1, 2014, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 35 percent with an unfunded actuarial accrued liability of \$86 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 28.71 percent and \$63.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 47.9 percent and \$22.4 billion, respectively.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans**

**Funding Status and Funding Progress (Continued)**

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2014 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 2.60-9.48 percent based on age for the PERS and varying percentages based on experience for TPAF.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.92% for PERS, 6.92% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2016 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2016, 2015 and 2014 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2016	\$ 445,768	\$ 1,637,098	\$ 18,585
2015	436,163	1,067,264	21,822
2014	378,683	849,616	30,634

For fiscal years 2015/2016 and 2014/2015, the state contributed \$1,637,098 and \$1,067,264, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2014/2015 the State did not contribute to the TPAF for accrued liability but did contribute \$849,616 for normal cost pension and NCGI premium.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans**

**Annual Pension Costs (APC) (Continued)**

The PERS contributions are recognized in the fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,629,391 during the fiscal year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

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

**Public Employees Retirement System (PERS)**

At June 30, 2016, the District reported in the statement of net position (accrual basis) a liability of \$11,639,209 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the District's proportionate share was .05184 percent, which was a decrease of .00102 percent from its proportionate share measured as of June 30, 2014 of .05286 percent.

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$806,750 for PERS. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference Between Expected and Actual Experience	\$ 277,671	
Changes of Assumptions	1,249,958	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 187,136
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>343,394</u>	<u>161,118</u>
Total	<u>\$ 1,871,023</u>	<u>\$ 348,254</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

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

Fiscal Year Ending <u>June 30,</u>		
2017	\$	286,601
2018		286,601
2019		286,601
2020		434,062
2021		<u>228,904</u>
	<u>\$</u>	<u>1,522,769</u>

***Actuarial Assumptions***

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15-4.40%
Thereafter	Based on Age 3.15-5.40%
Investment Rate of Return	Based on Age 7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

***Long-Term Expected Rate of Return***

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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
PERS	4.90%

**WESTWOOD REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

***Discount Rate (Continued)***

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit

Payments for which the Following  
Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2033

Municipal Bond Rate \* From July 1, 2033  
and Thereafter

\* The municipal bond return rate used is 3.80%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 4.90%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

	1% Decrease <u>(3.90%)</u>	Current Discount Rate <u>(4.90%)</u>	1% Increase <u>(5.90%)</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 14,466,113</u>	<u>\$ 11,639,209</u>	<u>\$ 9,269,153</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2015. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/trasury/pensions](http://www.state.nj.us/trasury/pensions).



**WESTWOOD REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
 Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF)**

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$7,618,379 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2016 the State's proportionate share of the net pension liability attributable to the District is \$124,770,765. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2015. At June 30, 2015, the state's share of the net pension liability attributable to the District was .19740 percent, which was a decrease of .00343 percent from its proportionate share measured as of June 30, 2014 of .20083 percent.

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2009 -
Study Upon Which Actuarial	June 30, 2012
Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

**Long-Term Expected Rate of Return**

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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

**WESTWOOD REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
 Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

***Discount Rate***

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.13%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2027
Municipal Bond Rate *	From July 1, 2027 and Thereafter

\* The municipal bond return rate used is 3.80%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.13%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

	<b>1% Decrease <u>(3.13%)</u></b>	<b>Current Discount Rate <u>(4.13%)</u></b>	<b>1% Increase <u>(5.13%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 148,285,390</u>	<u>\$ 124,770,765</u>	<u>\$ 104,511,508</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2015. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2015 was not provided by the pension system.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF)**

***Pension Plan Fiduciary Net Position***

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/trasury/pensions](http://www.state.nj.us/trasury/pensions).

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2015.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

**Health Benefits Program Fund (HBPf) – Local Education** (including Prescription Drug Program Fund) – The State of New Jersey provides paid coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides paid coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire 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. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for state paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**WESTWOOD REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Basis of Accounting**

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

**Significant Legislation**

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

**Funded Status and Funding Progress**

As of July 1, 2014, the most recent actuarial valuation date, the State had a \$65.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$24.4 billion for state active and retired members and \$40.6 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2014, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2015, there were 107,314, retirees receiving post-retirement medical benefits and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid 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. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2016, 2015 and 2014 were \$1,949,333, \$1,694,283 and \$1,393,052, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**REQUIRED SUPPLEMENTARY INFORMATION PART II**

**BUDGETARY COMPARISON SCHEDULES**



**WESTWOOD REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 48,430,869		\$ 48,430,869	\$ 48,430,869	
Tuition	50,000		50,000	48,700	\$ (1,300)
Rents and Royalties	21,000		21,000	21,513	513
Interest on Investments				39,953	39,953
Interest on Capital Reserve	1,000		1,000	32,184	31,184
Unrestricted Miscellaneous Revenue	61,701	-	61,701	347,102	285,401
<b>Total Local Sources</b>	<b>48,564,570</b>	<b>-</b>	<b>48,564,570</b>	<b>48,920,321</b>	<b>355,751</b>
State Sources					
Special Education Aid	1,503,177		1,503,177	1,503,177	
Transportation Aid	98,956		98,956	98,956	
Security Aid	48,069		48,069	48,069	
Additional Adjustment Aid	2,322		2,322	2,322	
PARCC Readiness Aid	27,080		27,080	27,080	
Per Pupil Growth Aid	27,080		27,080	27,080	
Extraordinary Aid				646,322	646,322
Additional Nonpublic Transportation Aid				24,909	24,909
TPAF Pension System Contribution (Normal Costs) (Non Budgeted)				1,559,418	1,559,418
TPAF Pension System Contribution (NCGI) (Non-Budgeted)				77,680	77,680
TPAF Pension System Contribution (Post- Retirement Medical Contribution) (Non-Budgeted)				1,949,333	1,949,333
TPAF Social Security Reimbursements (Non-Budget)	-	-	-	1,629,391	1,629,391
<b>Total State Sources</b>	<b>1,706,684</b>	<b>-</b>	<b>1,706,684</b>	<b>7,593,737</b>	<b>5,887,053</b>
Federal Sources					
Medicaid Reimbursement	18,299	-	18,299	8,832	(9,467)
<b>Total Federal Sources</b>	<b>18,299</b>	<b>-</b>	<b>18,299</b>	<b>8,832</b>	<b>(9,467)</b>
<b>Total Revenues</b>	<b>50,289,553</b>	<b>-</b>	<b>50,289,553</b>	<b>56,522,890</b>	<b>6,233,337</b>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	796,917	\$ (90,000)	706,917	696,553	10,364
Grades 1-5	4,668,541	(40,000)	4,628,541	4,591,535	37,006
Grades 6-8	3,468,105	(5,000)	3,463,105	3,438,221	24,884
Grades 9-12	4,462,281	215,000	4,677,281	4,635,373	41,908
Regular Programs - Home Instruction					
Salaries of Teachers	50,000	(10,000)	40,000	28,210	11,790
Purchased Professional/Educational Services	1,000	6,025	7,025	2,756	4,269
Regular Programs - Undistributed Instruction					
Purchased Professional/Educational Services		15,365	15,365	10,084	5,281
Purchased Technical Services	8,000	(5,000)	3,000	2,611	389
Other Purchased Services	238,000	(124,971)	113,029	104,870	8,159
General Supplies	344,998	122,706	467,704	425,579	42,125
Textbooks	259,550	(12,455)	247,095	167,345	79,750
Other Objects	13,100	(720)	12,380	9,581	2,799
<b>Total Regular Programs</b>	<b>14,310,492</b>	<b>70,950</b>	<b>14,381,442</b>	<b>14,112,718</b>	<b>268,724</b>
Learning and/or Language Disabilities					
Salaries of Teachers	469,485	(160,000)	309,485	292,663	16,822
Other Salaries for Instruction	33,000	-	33,000	33,000	33,000
Purchased Professional/Educational Services	20,000	-	20,000	1,011	18,989
General Supplies	33,000	-	33,000	5,654	27,346
Other Objects	1,000	-	1,000	120	880
<b>Total Learning and/or Language Disabilities</b>	<b>556,485</b>	<b>(160,000)</b>	<b>396,485</b>	<b>299,448</b>	<b>97,037</b>

**WESTWOOD REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Resource Room/Resource Center					
Salaries of Teachers	\$ 2,105,073	\$ 231,346	\$ 2,336,419	\$ 2,313,797	\$ 22,622
Other Salaries for Instruction	30,000	(15,000)	15,000		15,000
General Supplies	20,000	-	20,000	7,528	12,472
<b>Total Resource Room/Resource Center</b>	<b>2,155,073</b>	<b>216,346</b>	<b>2,371,419</b>	<b>2,321,325</b>	<b>50,094</b>
Autism					
Salaries of Teachers	111,261	5,000	116,261	114,552	1,709
Other Salaries for Instruction	125,000	(105,000)	20,000	116	19,884
Purchased Professional Educational Services	39,000	-	39,000	3,190	35,810
General Supplies	20,000	-	20,000	4,396	15,604
Other Objects	1,000	-	1,000	-	1,000
<b>Total Autism</b>	<b>296,261</b>	<b>(100,000)</b>	<b>196,261</b>	<b>122,254</b>	<b>74,007</b>
Preschool Disabilities - Part-Time					
Salaries of Teachers	161,969	(23,000)	138,969	138,852	117
Other Salaries for Instruction	96,000	(4,000)	92,000	147	91,853
Purchased Professional Educational Services	5,000	-	5,000	1,212	3,788
General Supplies	12,837	-	12,837	-	12,837
<b>Total Preschool Disabilities - Part-Time</b>	<b>275,806</b>	<b>(27,000)</b>	<b>248,806</b>	<b>140,211</b>	<b>108,595</b>
Preschool Disabilities - Full-Time					
Salaries of Teachers	171,867	53,000	224,867	177,352	47,515
Other Salaries for Instruction	217,000	(98,000)	119,000	291	118,709
Purchased Professional Educational Services	19,000	-	19,000	1,212	17,788
General Supplies	10,000	-	10,000	2,251	7,749
<b>Total Preschool Disabilities - Full-Time</b>	<b>417,867</b>	<b>(45,000)</b>	<b>372,867</b>	<b>181,106</b>	<b>191,761</b>
Home Instruction					
Purchased Professional Educational Services	49,613	6,507	56,120	8,492	47,628
<b>Total Home Instruction</b>	<b>49,613</b>	<b>6,507</b>	<b>56,120</b>	<b>8,492</b>	<b>47,628</b>
<b>Total Special Education</b>	<b>3,751,105</b>	<b>(109,147)</b>	<b>3,641,958</b>	<b>3,072,836</b>	<b>569,122</b>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	369,850	135,000	504,850	495,183	9,667
<b>Total Basic Skills/Remedial</b>	<b>369,850</b>	<b>135,000</b>	<b>504,850</b>	<b>495,183</b>	<b>9,667</b>
Bilingual Education - Instruction					
Salaries of Teachers	304,381	5,500	309,881	309,111	770
<b>Total Bilingual Education</b>	<b>304,381</b>	<b>5,500</b>	<b>309,881</b>	<b>309,111</b>	<b>770</b>
School Sponsored Co/Extra Curricular Activities - Instruction					
Salaries	192,000	15,200	207,200	203,526	3,674
Purchased Services	5,975	(20)	5,955	5,070	885
Supplies and Materials	4,825	(140)	4,685	3,145	1,540
<b>Total School Sponsored Co/Extra Curricular Activities</b>	<b>202,800</b>	<b>15,040</b>	<b>217,840</b>	<b>211,741</b>	<b>6,099</b>

**WESTWOOD REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
School Sponsored Athletics - Instruction					
Salaries	\$ 677,010	\$ (14,200)	\$ 662,810	\$ 609,759	\$ 53,051
Purchased Services	79,000	(7,600)	71,400	66,407	4,993
Supplies and Materials	103,500	1,668	105,168	102,008	3,160
Other Objects	47,045	(8,000)	39,045	29,728	9,317
<b>Total School Sponsored Athletics</b>	<b>906,555</b>	<b>(28,132)</b>	<b>878,423</b>	<b>807,902</b>	<b>70,521</b>
Instructional Alternative Education Program - Instruction					
Salaries	56,346	(56,346)			-
General Supplies	10,000	-	10,000		10,000
Other Objects	20,000	(18,612)	1,388	-	1,388
<b>Total Instructional Alternative Education Program</b>	<b>86,346</b>	<b>(74,958)</b>	<b>11,388</b>	<b>-</b>	<b>11,388</b>
<b>Total Instruction</b>	<b>19,931,529</b>	<b>14,253</b>	<b>19,945,782</b>	<b>19,009,491</b>	<b>936,291</b>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Regular		3,650	3,650	3,650	
Tuition to Other LEAs Within the State - Special	731,545	(66,958)	664,587	625,277	39,310
Tuition to Co. Voc. School Dist. - Reg.	313,594	(117,000)	196,594	195,660	934
Tuition to Co. Voc. School Dist. - Special	105,600	53,000	158,600	158,400	200
Tuition to CSSD and Regional Day Schools	785,420	(41,175)	744,245	702,242	42,003
Tuition to Priv. Sch. for the Disabled - State	1,370,548	136,305	1,506,853	862,198	644,655
Tuition to Priv. Sch. Disabled & Other LEAs - Out State	57,000	-	57,000		57,000
Tuition - Other	85,000	(28,400)	56,600	38,821	17,779
<b>Total Undistributed Expenditures - Instruction</b>	<b>3,448,707</b>	<b>(60,578)</b>	<b>3,388,129</b>	<b>2,586,248</b>	<b>801,881</b>
Attendance and Social Work					
Salaries	2,340	-	2,340	1,500	840
<b>Total Attendance and Social Work</b>	<b>2,340</b>	<b>-</b>	<b>2,340</b>	<b>1,500</b>	<b>840</b>
Health Services					
Salaries	616,407	3,000	619,407	613,841	5,566
Purchased Professional and Technical Services	20,000	(10,000)	10,000	10,000	
Other Purchased Services	1,325		1,325	131	1,194
Supplies and Materials	16,000	2,925	18,925	17,481	1,444
<b>Total Health Services</b>	<b>653,732</b>	<b>(4,075)</b>	<b>649,657</b>	<b>641,453</b>	<b>8,204</b>
Speech, OT, PT and Related Services					
Salaries	753,277	(68,000)	685,277	665,798	19,479
Purchased Prof. Ed. Services	1,014,127	(233,825)	780,302	360,465	419,837
Supplies and Materials	14,000	135	14,135	2,840	11,295
<b>Total Speech, OT, PT and Related Services</b>	<b>1,781,404</b>	<b>(301,690)</b>	<b>1,479,714</b>	<b>1,029,103</b>	<b>450,611</b>
Other Support Services - Students - Extraordinary Serv.					
Salaries	1,449,201	96,000	1,545,201	1,537,674	7,527
Purchased Prof. Ed. Services	923,300	171,605	1,094,905	833,838	261,067
Supplies and Materials	19,495	545	20,040	12,810	7,230
<b>Total Other Supp. Serv. Student - Extraordinary Serv.</b>	<b>2,391,996</b>	<b>268,150</b>	<b>2,660,146</b>	<b>2,384,322</b>	<b>275,824</b>

**WESTWOOD REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Guidance					
Salaries of Other Professional Staff	\$ 965,016	\$ (32,000)	\$ 933,016	\$ 923,887	\$ 9,129
Salaries of Secretarial & Clerical Assistants	104,577	2,000	106,577	106,230	347
Purchased Professional-Educational Services	2,635	1,565	4,200	2,097	2,103
Other Purchased Services	3,430	650	4,080	2,234	1,846
Supplies and Materials	13,760	(5,667)	8,093	7,618	475
<b>Total Guidance</b>	<b>1,089,418</b>	<b>(33,452)</b>	<b>1,055,966</b>	<b>1,042,066</b>	<b>13,900</b>
Child Study Teams					
Salaries of Other Professional Staff	803,520	39,300	842,820	840,561	2,259
Salaries of Secretarial & Clerical Assistants	203,139	(16,000)	187,139	185,393	1,746
Purchased Professional/Educational Services	225,000	(122,656)	102,344	50,810	51,534
Other Purchased Services	10,000	4,000	14,000	8,325	5,675
Supplies and Materials	32,445	130	32,575	20,985	11,590
Other Objects	5,789	-	5,789	180	5,609
<b>Total Child Study Teams</b>	<b>1,279,893</b>	<b>(95,226)</b>	<b>1,184,667</b>	<b>1,106,254</b>	<b>78,413</b>
Improvement of Instr. Services					
Salaries of Supervisors of Instruction	423,029	(5,720)	417,309	411,527	5,782
Salaries of Other Professional Staff	133,781	39,220	173,001	172,996	5
Other Salaries	20,000	(4,800)	15,200	15,117	83
Purchased Professional-Educational Services	13,000	300	13,300	13,263	37
Other Purchased Services	28,000	-	28,000	12,932	15,068
<b>Total Other Support Services - Impvnt. of Instructional Staff</b>	<b>617,810</b>	<b>29,000</b>	<b>646,810</b>	<b>625,835</b>	<b>20,975</b>
Educational Media/School Library					
Salaries	323,843	(20,601)	303,242	302,454	788
Salaries of Technology Coordinators	330,350	8,901	339,251	339,250	1
Purchased Professional and Technical Services	155,937	41,300	197,237	156,982	40,255
Other Purchased Services	9,500	2,800	12,300	6,087	6,213
Supplies and Materials	200,539	362,906	563,445	537,845	25,600
Other Objects	500	-	500	114	386
<b>Total Educational Media/School Library</b>	<b>1,020,669</b>	<b>395,306</b>	<b>1,415,975</b>	<b>1,342,732</b>	<b>73,243</b>
Instructional Staff Training Services					
Purchased Professional-Educational Services	8,000	3,300	11,300	795	10,505
Other Purchased Services	22,800	29,537	52,337	43,479	8,858
Supplies and Materials	1,000	(900)	100	98	2
<b>Total Instructional Staff Training Services</b>	<b>31,800</b>	<b>31,937</b>	<b>63,737</b>	<b>44,372</b>	<b>19,365</b>
Support Services General Administration					
Salaries	416,172	30,000	446,172	442,623	3,549
Legal Services	100,000	(18,000)	82,000	76,302	5,698
Audit Fees	30,000	3,115	33,115	33,115	-
Architectural/Engineering Services	50,000	9,110	59,110	47,864	11,246
Other Purchased Professional Services	25,000	62,344	87,344	75,554	11,790
Purchased Technical Services	25,000	(6,000)	19,000	18,502	498
Communications/Telephone	168,500	(50,303)	118,197	97,088	21,109
BOE Other Purchased Services	1,000	-	1,000	549	451
Miscellaneous Purchased Services	74,000	13,957	87,957	65,324	22,633
General Supplies	26,000	(13,642)	12,358	12,252	106
BOE In-House Training/Meeting Supplies	3,000	200	3,200	2,561	639
Judgments Against the School District		90,000	90,000	26,334	63,666
Miscellaneous Expenditures	23,000	1,830	24,830	23,282	1,548
BOE Membership Dues and Fees	24,500	-	24,500	23,342	1,158
<b>Total Support Services General Administration</b>	<b>966,172</b>	<b>122,611</b>	<b>1,088,783</b>	<b>944,692</b>	<b>144,091</b>

**WESTWOOD REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Support Services School Administration					
Salaries of Principals/Asst. Principals	\$ 1,199,510	\$ (50,000)	\$ 1,149,510	\$ 1,133,859	\$ 15,651
Salaries of Other Professional Staff	491,562	(76,500)	415,062	397,697	17,365
Salaries of Secretarial and Clerical Assistants	496,778	10,000	506,778	502,440	4,338
Other Purchased Services	40,000	(4,000)	36,000	16,624	19,376
Supplies and Materials	22,120	7,251	29,371	23,238	6,133
Other Objects	8,100	40	8,140	1,730	6,410
<b>Total Support Services School Administration</b>	<b>2,258,070</b>	<b>(113,209)</b>	<b>2,144,861</b>	<b>2,075,588</b>	<b>69,273</b>
Central Services					
Salaries	521,685	27,590	549,275	549,272	3
Purchased Professional Services	2,000	-	2,000		2,000
Purchased Technical Services	8,200	-	8,200	5,036	3,164
Misc. Purchased Services	12,000	-	12,000	3,854	8,146
Supplies and Materials	20,000	(2,548)	17,452	6,332	11,120
Miscellaneous Expenditures	5,000	-	5,000	972	4,028
<b>Total Central Services</b>	<b>568,885</b>	<b>25,042</b>	<b>593,927</b>	<b>565,466</b>	<b>28,461</b>
Admin Info. Tech.					
Salaries	105,981	3,000	108,981	107,892	1,089
Purchased Professional Services	23,800	(10,000)	13,800	5,400	8,400
Purchased Technical Services	49,149	10,000	59,149	58,064	1,085
Supplies and Materials	6,000	-	6,000	1,496	4,504
<b>Total Admin Info. Tech.</b>	<b>184,930</b>	<b>3,000</b>	<b>187,930</b>	<b>172,852</b>	<b>15,078</b>
Required Maintenance for School Facilities					
Salaries	368,900	-	368,900	328,982	39,918
Cleaning, Repair & Maintenance Services	195,000	86,775	281,775	266,046	15,729
General Supplies	152,500	37,525	190,025	160,536	29,489
<b>Total Allowable Maintenance for School Facilities</b>	<b>716,400</b>	<b>124,300</b>	<b>840,700</b>	<b>755,564</b>	<b>85,136</b>
Custodial Services					
Salaries	1,227,482	(6,800)	1,220,682	1,186,311	34,371
Salaries of Non-Instructional Aides	110,000	-	110,000	77,512	32,488
Cleaning, Repair and Maintenance Services	111,822	7,500	119,322	113,904	5,418
Other Purchased Property Services	66,500	(9,890)	56,610	46,428	10,182
Insurance	301,410	54,000	355,410	355,027	383
Misc. Purchased Services	2,000	-	2,000	1,840	160
General Supplies	90,500	103,220	193,720	184,087	9,633
Energy (Natural Gas)	276,000	29,760	305,760	148,717	157,043
Energy (Electricity)	730,000	11,384	741,384	463,141	278,243
Energy (Gasoline)	45,000	(10,571)	34,429	18,112	16,317
Other Objects	1,000	-	1,000	-	1,000
<b>Total Custodial Services</b>	<b>2,961,714</b>	<b>178,603</b>	<b>3,140,317</b>	<b>2,595,079</b>	<b>545,238</b>
Care and Upkeep of Grounds					
Salaries	142,760	-	142,760	140,229	2,531
Cleaning, Repair & Maintenance Svc.	5,500	11,250	16,750	11,832	4,918
General Supplies	20,000	847	20,847	12,627	8,220
<b>Total Care and Upkeep of Grounds</b>	<b>168,260</b>	<b>12,097</b>	<b>180,357</b>	<b>164,688</b>	<b>15,669</b>
Security					
Salaries	40,000	-	40,000	28,516	11,484
Cleaning, Repair & Maintenance Svc.	8,000	-	8,000	375	7,625
General Supplies	9,500	18,767	28,267	20,528	7,739
<b>Total Security</b>	<b>57,500</b>	<b>18,767</b>	<b>76,267</b>	<b>49,419</b>	<b>26,848</b>

**WESTWOOD REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Student Transportation Services					
Salaries of Non-Instructional Aides		\$ 68,000	\$ 68,000	\$ 54,990	\$ 13,010
Sal. For Pupil Trans (Between Home & Sch)-Reg.	\$ 30,000	3,700	33,700	33,656	44
Sal. For Pupil Trans (Between Home & Sch)-Spec. Ed	56,748	34,200	90,948	90,937	11
Sal. For Pupil Trans (Other than Between Home & Sch)	18,000	11,000	29,000	28,138	862
Cleaning, Repair & Maint. Services	15,000	(2,525)	12,475	1,862	10,613
Contracted Services (Between Home and School) - Vendors	412,454	(60,000)	352,454	330,391	22,063
Contracted Services (Other Than Between Home and School) - Vendors	149,674	-	149,674	48,786	100,888
Contracted Services (Special Ed. Students) - Vendors	1,181,439	(217,699)	963,740	618,213	345,527
Contracted Services - Aid In Lieu of Payments-Non Public	83,980	6,227	90,207	79,045	11,162
Other Objects	9,000	-	9,000	3,859	5,141
<b>Total Student Transportation Services</b>	<b>1,956,295</b>	<b>(157,097)</b>	<b>1,799,198</b>	<b>1,289,877</b>	<b>509,321</b>
Unallocated Benefits- Employee Benefits					
Group Insurance	18,000	-	18,000	12,816	5,184
Social Security Contributions	600,000	75,000	675,000	539,473	135,527
Other Retirement Contrib.- PERS	534,000	-	534,000	459,182	74,818
Other Retirement Contrib.- Regular	50,000	-	50,000	18,585	31,415
Unemployment Compensation	50,000	-	50,000	-	50,000
Workmen's Compensation	291,760	(52,000)	239,760	234,144	5,616
Health Benefits	7,692,109	(650,751)	7,041,358	6,382,631	658,727
Tuition Reimbursement	75,000	-	75,000	75,000	-
Other Employee Benefits	19,000	38,095	57,095	57,094	1
<b>Total Unallocated Benefits</b>	<b>9,329,869</b>	<b>(589,656)</b>	<b>8,740,213</b>	<b>7,778,925</b>	<b>961,288</b>
TPAF Pension System Contribution (Normal Costs) (Non-Budgeted)					
				1,559,418	(1,559,418)
TPAF Pension System Contribution (NCGI) (Non-Budgeted)					
				77,680	(77,680)
TPAF Pension Systems Contribution (Post Retirement Medical Contributions)(Non-Budgeted)					
				1,949,333	(1,949,333)
Reimbursed TPAF Social Security Reimbursements (Non-Budgeted)					
	-	-	-	1,629,391	(1,629,391)
<b>Total On-Behalf TPAF Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,215,822</b>	<b>(5,215,822)</b>
<b>Total Undistributed Expenditures</b>	<b>31,485,864</b>	<b>(146,170)</b>	<b>31,339,694</b>	<b>32,411,857</b>	<b>(1,072,163)</b>
<b>Total Current Expenditures</b>	<b>51,417,393</b>	<b>(131,917)</b>	<b>51,285,476</b>	<b>51,421,348</b>	<b>(135,872)</b>

**WESTWOOD REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
<b>CAPITAL OUTLAY</b>					
Equipment					
Undistributed Expenditures					
Instruction	\$ 3,500	\$ 97,927	\$ 101,427	\$ 58,438	\$ 42,989
School Sponsored and Other Instructional Programs		77,789	77,789	34,145	43,644
Supp. Serv. Students - Child Study Teams	71,550	(31,880)	39,670	25,098	14,572
Admin Info Tech	90,000	-	90,000	67,872	22,128
Required Maintenance for School Facilities	50,000	(34,771)	15,229	15,177	52
Security	50,000	95,974	145,974		145,974
Custodial		3,700	3,700	3,700	
Care and Upkeep		24,408	24,408	24,407	1
Non-Instructional Services	6,500	283,907	290,407	8,167	282,240
<b>Total Equipment</b>	<u>271,550</u>	<u>517,054</u>	<u>788,604</u>	<u>237,004</u>	<u>551,600</u>
Facilities Acquisition and Construction Serv.					
Architectural/Engineering Services		31,587	31,587	81	31,506
Construction Services	150,000	(12,150)	137,850	132,532	5,318
Land and Improvements		12,150	12,150	12,150	
Assessment for Debt Service on SDA Funding	769	-	769	769	-
<b>Total Facilities Acquisition and Construction Serv.</b>	<u>150,769</u>	<u>31,587</u>	<u>182,356</u>	<u>145,532</u>	<u>36,824</u>
<b>Total Capital Outlay</b>	<u>422,319</u>	<u>548,641</u>	<u>970,960</u>	<u>382,536</u>	<u>588,424</u>
<b>Total Expenditures</b>	<u>51,839,712</u>	<u>416,724</u>	<u>52,256,436</u>	<u>51,803,884</u>	<u>452,552</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(1,550,159)</u>	<u>(416,724)</u>	<u>(1,966,883)</u>	<u>4,719,006</u>	<u>6,685,889</u>
Other Financing Sources (Uses)					
Capital Reserve - Transfer to Capital Projects		-			-
Capital Outlay - Transfer to Capital Projects	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(1,550,159)</u>	<u>(416,724)</u>	<u>(1,966,883)</u>	<u>4,719,006</u>	<u>6,685,889</u>
Fund Balance, Beginning of Year	<u>15,751,702</u>	<u>-</u>	<u>15,751,702</u>	<u>15,751,702</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 14,201,543</u>	<u>\$ (416,724)</u>	<u>\$ 13,784,819</u>	<u>\$ 20,470,708</u>	<u>\$ 6,685,889</u>
<b>Recapitulation:</b>					
Restricted Fund Balance					
Capital Reserve				\$ 15,620,281	
Excess Surplus-Designated for Subsequent Year's Expenditures - 2016/2017				750,000	
Excess Surplus				750,000	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures - 2016/2017				719,979	
Year-End Encumbrances				1,027,456	
Unassigned Fund Balance				<u>1,602,992</u>	
				20,470,708	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
Less:					
2015/2016 Extraordinary Aid Not Recognized on a GAAP Basis			\$ (646,322)		
2015/2016 State Aid Not Recognized on a GAAP Basis			<u>(108,843)</u>		
				<u>(755,165)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 19,715,543</u>	

**WESTWOOD REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-2

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>REVENUES</b>					
State Sources	\$ 201,347	\$ 14,987	\$ 216,334	\$ 184,270	\$ (32,064)
Federal Sources	923,278	195,992	1,119,270	1,004,149	(115,121)
Local	-	106,849	106,849	64,893	(41,956)
<b>Total Revenues</b>	<u>1,124,625</u>	<u>317,828</u>	<u>1,442,453</u>	<u>1,253,312</u>	<u>(189,141)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	99,876	22,563	122,439	122,439	-
Purchased Prof./Educ. Svcs.	794,969	(621,856)	173,113	56,887	116,226
Tuition		736,680	736,680	736,468	212
General Supplies	80,399	117,784	198,183	135,439	62,744
Textbooks	-	43,396	43,396	41,574	1,822
<b>Total Instruction</b>	<u>975,244</u>	<u>298,567</u>	<u>1,273,811</u>	<u>1,092,807</u>	<u>181,004</u>
Support Services					
Other Salaries		14,020	14,020	14,020	-
Personal Services - Employee Benefits		24,675	24,675	24,675	-
Purchased Prof./Educ. Svcs.	149,381	(121,360)	28,021	23,146	4,875
Other Purchased Services		95,857	95,857	94,875	982
Supplies and Materials		2,669	2,669	389	2,280
Other Objects	-	3,400	3,400	3,400	-
<b>Total Support Services</b>	<u>149,381</u>	<u>19,261</u>	<u>168,642</u>	<u>160,505</u>	<u>8,137</u>
<b>Total Expenditures</b>	<u>1,124,625</u>	<u>317,828</u>	<u>1,442,453</u>	<u>1,253,312</u>	<u>189,141</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**REQUIRED SUPPLEMENTARY INFORMATION PART III**

**WESTWOOD REGIONAL SCHOOL DISTRICT  
GENERAL AND SPECIAL REVENUE FUNDS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule	(C-1) \$ 56,522,890	(C-2) \$ 1,253,312
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2016		(7,784)
Certain State Aid payments recognized for GAAP purposes, not recognized for budgetary statements. (2015/2016 State Aid)	(755,165)	
Certain State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2014/2015 State Aid)	<u>809,826</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>56,577,551</u>	\$ <u>1,245,528</u>
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule	(C-1) \$ 51,803,884	(C-2) \$ 1,253,312
Differences - 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		
Encumbrances, June 30, 2016	<u>-</u>	<u>(7,784)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>51,803,884</u>	(B-2) \$ <u>1,245,528</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Public Employees Retirement System**

**Last Three Fiscal Years\***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.05184%	0.05286%	0.05025%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 11,639,209	\$ 9,897,582	\$ 9,605,283
District's Covered-Employee Payroll	\$ 3,426,258	\$ 3,575,863	\$ 3,536,307
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	339%	277%	272%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.92%	52.08%	48.72%

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS**

**Public Employees Retirement System**

**Last Three Fiscal Years  
(Dollar amounts in thousands)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 445,768	\$ 436,163	\$ 378,683
Contributions in Relation to the Contractually Required Contribution	<u>445,768</u>	<u>436,163</u>	<u>376,683</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$3,426,258	\$3,575,863	\$ 3,536,307
Contributions as a Percentage of Covered-Employee Payroll	13.01%	12.20%	10.65%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Teachers Pension and Annuity Fund**

**Last Three Fiscal Years\***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$-0-	\$-0-	\$-0-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 124,770,765</u>	<u>\$ 107,340,110</u>	<u>\$ 101,325,234</u>
Total	<u>\$ 124,770,765</u>	<u>\$ 107,340,110</u>	<u>\$ 101,325,234</u>
District's Covered-Employee Payroll	\$ 20,151,772	\$ 20,246,792	\$ 19,700,425
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.74%	33.64%	33.76%

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Change of Benefit Terms:**                   None.

**Change of Assumptions:**               The discount rate changed from the District's rate as of June 30, 2015 to the District's rate as of June 30, 2016, in accordance with GASB Statement No. 67.

**SCHOOL LEVEL SCHEDULES**

**(General Fund)**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**



WESTWOOD REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	IDEA		NCLB				Local Grants	Character Education	Subtotal Page 2	Total
	Basic	Preschool	Title I	Title II-A	Title III	Title III Immigrant				
<b>REVENUES</b>										
Intergovernmental										
State								\$ 3,591	\$ 180,679	\$ 184,270
Federal	\$ 743,506	\$ 23,659	\$ 166,004	\$ 58,098	\$ 12,111	\$ 771				1,004,149
Local	-	-	-	-	-	-	\$ 64,893	-	-	64,893
<b>Total Revenues</b>	<b>\$ 743,506</b>	<b>\$ 23,659</b>	<b>\$ 166,004</b>	<b>\$ 58,098</b>	<b>\$ 12,111</b>	<b>\$ 771</b>	<b>\$ 64,893</b>	<b>\$ 3,591</b>	<b>\$ 180,679</b>	<b>\$ 1,253,312</b>
<b>EXPENDITURES</b>										
Instruction										
Salaries of Teachers			\$ 111,730		\$ 10,709					\$ 122,439
Purchased Professional-Educational Svs.	\$ 7,038		16,000					\$ 3,450	\$ 30,399	56,887
Tuition	736,468									736,468
General Supplies		\$ 23,659	7,934		583	\$ 71	\$ 64,893	141	38,158	135,439
Textbooks									41,574	41,574
Other Objects	-	-	-	-	-	-	-	-	-	-
<b>Total Instruction</b>	<b>743,506</b>	<b>23,659</b>	<b>135,664</b>	<b>-</b>	<b>11,292</b>	<b>71</b>	<b>64,893</b>	<b>3,591</b>	<b>110,131</b>	<b>1,092,807</b>
Support Services										
Other Salaries			7,020	\$ 7,000						14,020
Personal Services - Employee Benefits			23,320	556	819					24,675
Purchased Professional and Technical Services				22,446		700				23,146
Other Purchased Services				24,716					70,159	94,875
General Supplies									389	389
Other Objects	-	-	-	3,400	-	-	-	-	-	3,400
<b>Total Support Services</b>	<b>-</b>	<b>-</b>	<b>30,340</b>	<b>58,098</b>	<b>819</b>	<b>700</b>	<b>-</b>	<b>-</b>	<b>70,548</b>	<b>160,505</b>
<b>Total Expenditures</b>	<b>\$ 743,506</b>	<b>\$ 23,659</b>	<b>\$ 166,004</b>	<b>\$ 58,098</b>	<b>\$ 12,111</b>	<b>\$ 771</b>	<b>\$ 64,893</b>	<b>\$ 3,591</b>	<b>\$ 180,679</b>	<b>\$ 1,253,312</b>

WESTWOOD REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Chapter 192 Auxiliary Services		Chapter 193 Handicapped Services			NJ Nonpublic Aid				Subtotal Page 1
	Compensatory Education	ESL	Supplemental Instruction	Examination and Classification	Corrective Speech	Nursing	Textbooks	Technology	Security	
<b>REVENUES</b>										
Intergovernmental State	\$ -	\$ -	\$ 6,089	\$ 21,300	\$ 3,010	\$ 70,548	\$ 41,574	\$ 19,307	\$ 18,851	\$ 180,679
Total Revenues	\$ -	\$ -	\$ 6,089	\$ 21,300	\$ 3,010	\$ 70,548	\$ 41,574	\$ 19,307	\$ 18,851	\$ 180,679
<b>EXPENDITURES</b>										
Instruction										
Salaries of Teachers										
Purchased Professional Education Services	\$ -	\$ -	\$ 6,089	\$ 21,300	\$ 3,010			\$ 19,307	\$ 18,851	\$ 30,399
Supplies and Materials										38,158
Textbooks	-	-	-	-	-	-	\$ 41,574	-	-	41,574
Total Instruction	-	-	6,089	21,300	3,010	-	41,574	19,307	18,851	110,131
Support Services										
Other Purchased Services						\$ 70,159				70,159
Supplies and Materials						389				389
Total Support Services						70,548				70,548
Total Expenditures	\$ -	\$ -	\$ 6,089	\$ 21,300	\$ 3,010	\$ 70,548	\$ 41,574	\$ 19,307	\$ 18,851	\$ 180,679

**WESTWOOD REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION PROGRAM AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

**CAPITAL PROJECTS FUND**

**WESTWOOD REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Issue/Project Title</u>	<u>Expenditures to Date</u>			<u>Cancelled Prior Year Accounts Payable</u>	<u>Prior Year Transfers</u>	<u>Cancelled- Transfer to Debt Service Fund</u>	<u>Unexpended Balance, June 30, 2016</u>
	<u>Appropriation</u>	<u>Prior Years</u>	<u>Current Year</u>				
Numerous Physical Plant Renovations at Berkeley Elementary School, Brookside Elementary School, Jessie F. George Elementary School and Washington School; Physical Plant and Educational Renovations (Science Lab) at Westwood Jr./Sr. High School; and Physical Plant Renovations and Additions (New Cafeteria) and Educational Additions (Four New Classrooms) at Ketter Elementary School (2007 Referendum Project)	\$ 14,694,075	\$ 14,317,096	\$ 13,329		\$ (171,339)	\$ (93,352)	\$ 98,959
Elevators at High School	56,100	49,429					6,671
Athletic Field at High School	3,080,000	3,251,339			171,339		
High School Upper Gym Locker Room Renovations	1,201,800	1,188,156					13,644
High School Hurley Theater Stage Lights	237,600	232,600					5,000
Berkeley Boiler	214,700	204,672					10,028
High School Façade Replacement	3,623,890	1,187,588	2,280,837				155,465
High School Partial Roof Replacement	2,760,152	1,516,803	602,843				640,506
Middle School Partial Roof Replacement	171,400	162,102					9,298
Brookside Partial Roof Replacement	141,600	140,000					1,600
George School Partial Roof Replacement	216,425	211,675	-	-	-	-	4,750
	<u>\$ 26,397,742</u>	<u>\$ 22,461,460</u>	<u>\$ 2,897,009</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (93,352)</u>	<u>\$ 945,921</u>
Project Balance							\$ 945,921
Debt Authorized Not Issued							(75)
Fund Balance - Budgetary Basis							<u>\$ 945,846</u>
<b><u>Recapitulation of Fund Balance - Budgetary Basis:</u></b>							
Year End Encumbrances							\$ 408,450
Available for Capital Projects							<u>537,396</u>
Total Fund Balance (Budgetary Basis)- Restricted for Capital Projects							<u>\$ 945,846</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2016**

<b>Expenditures and Other Financing Uses</b>	
Purchased Professional and Technical Services	\$ 49,052
Construction Services	<u>2,847,957</u>
Total Expenditures and Other Financing Uses	<u>2,897,009</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,897,009)
Fund Balance - Beginning of Year	<u>3,842,855</u>
Fund Balance - End of Year	<u>\$ 945,846</u>
<b>Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:</b>	
Fund Balance, Budgetary Basis	\$ 945,846
Less: Unearned SDA Revenue	<u>(312,280)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 633,566</u>
<b><u>Recapitulation of Fund Balance:</u></b>	
Year End Encumbrances	\$ 408,450
Available for Capital Projects	<u>225,116</u>
Total Fund Balance - Restricted for Capital Projects	<u>\$ 633,566</u>

WESTWOOD REGIONAL SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
 BUDGETARY BASIS  
 2007 REFERENDUM - WESTWOOD JUNIOR/SENIOR HIGH SCHOOL REHABILITATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Prior Periods Transfer to Other Projects</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>					
Bond Proceeds	\$ 7,354,184	-	\$ (165,380)	\$ 7,188,804	\$ 7,188,804
Total Revenues	<u>7,354,184</u>	<u>-</u>	<u>(165,380)</u>	<u>7,188,804</u>	<u>7,188,804</u>
<b>Expenditures and Other Financing Uses</b>					
Purchased Professional and Technical Services	1,042,978	\$ 13,329		1,056,307	1,056,307
Construction Services	5,919,638			5,919,638	5,989,642
Supplies	142,855	-	-	142,855	142,855
Transfer to Debt Service Fund	48,568	-	-	48,568	-
Total Expenditures	<u>7,154,039</u>	<u>13,329</u>	<u>-</u>	<u>7,167,368</u>	<u>7,188,804</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 200,145</u>	<u>\$ (13,329)</u>	<u>\$ (165,380)</u>	<u>\$ 21,436</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	5755-050-07-2000
Grant Date	N/A
Bond Issue Date	9/15/08
Bonds Authorized	\$ 9,535,798
Bonds Issues	9,535,798
Original Authorized Cost	9,535,798
Adjustment	(2,346,994)
Revised Authorized Cost	7,188,804
Percentage Increase Over Original Authorized Cost	
Percentage Completion	99%
Original Target Completion Date	
Revised Target Completion Date	2014/15

**WESTWOOD REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
2007 REFERENDUM - BERKELEY AVENUE SCHOOL REHABILITATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Prior Periods Transfer to Other Projects</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>					
Bond Proceeds	\$ 523,745	-	\$ (5,959)	\$ 517,786	\$ 517,786
Total Revenues	<u>523,745</u>	<u>-</u>	<u>(5,959)</u>	<u>517,786</u>	<u>517,786</u>
<b>Expenditures and Other Financing Uses</b>					
Purchased Professional and Technical Services	71,054	-	-	71,054	71,054
Construction Services	443,102	-	-	443,102	446,732
Transfer to Debt Service Fund	3,630	-	-	3,630	-
Total Expenditures	<u>517,786</u>	<u>-</u>	<u>-</u>	<u>517,786</u>	<u>517,786</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 5,959</u>	<u>\$ -</u>	<u>\$ (5,959)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional Project Information:</b>					
Project Number	5755-060-07-2000				
Grant Date	N/A				
Bond Issue Date	9/15/08				
Bonds Authorized	\$ 512,710				
Bonds Issued	512,710				
Original Authorized Cost	512,710				
Adjustment	5,076				
Revised Authorized Cost	517,786				
Percentage Increase Over Original Authorized Cost	-				
Percentage Completion	100%				
Original Target Completion Date	-				
Revised Target Completion Date	2013/2014				



**WESTWOOD REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
2007 REFERENDUM - BROOKSIDE ELEMENTARY SCHOOL REHABILITATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 626,120	-	\$ 626,120	\$ 626,120
Total Revenues	<u>626,120</u>	<u>-</u>	<u>626,120</u>	<u>626,120</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	60,819		60,819	60,819
Construction Services	553,696		553,696	565,301
Transfer to Debt Service Fund	<u>11,605</u>	<u>-</u>	<u>11,605</u>	<u>-</u>
Total Expenditures	<u>626,120</u>	<u>-</u>	<u>626,120</u>	<u>626,120</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5755-062-07-2000			
Grant Date	N/A			
Bond Issue Date	9/15/08			
Bonds Authorized	\$ 555,325			
Bonds Issued	555,325			
Original Authorized Cost	555,325			
Adjustment	70,795			
Revised Authorized Cost	626,120			
Percentage Increase Over Original Authorized Cost	13%			
Percentage Completion	100%			
Original Target Completion Date				
Revised Target Completion Date	2013/2014			

WESTWOOD REGIONAL SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
 BUDGETARY BASIS  
 2007 REFERENDUM - JESSIE F. GEORGE ELEMENTARY SCHOOL REHABILITATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 289,048	-	\$ 289,048	\$ 289,048
Total Revenues	<u>289,048</u>	<u>-</u>	<u>289,048</u>	<u>289,048</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	31,703		31,703	32,000
Construction Services	253,972		253,972	257,048
Transfer to Debt Service Fund	<u>3,373</u>	<u>-</u>	<u>3,373</u>	<u>-</u>
Total Expenditures	<u>289,048</u>	<u>-</u>	<u>289,048</u>	<u>289,048</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5755-065-07-1000			
Grant Date	N/A			
Bond Issue Date	9/15/08			
Bonds Authorized	\$ 527,125			
Bonds Issued	527,125			
Original Authorized Cost	527,125			
Adjustment	(238,077)			
Revised Authorized Cost	289,048			
Percentage Increase Over Original Authorized Cost	-			
Percentage Completion	100%			
Original Target Completion Date				
Revised Target Completion Date	2013/2014			

**WESTWOOD REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
2007 REFERENDUM - KETLER ELEMENTARY SCHOOL ADDITION AND REHABILITATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 5,632,232	-	\$ 5,632,232	\$ 5,632,232
Total Revenues	<u>5,632,232</u>	<u>-</u>	<u>5,632,232</u>	<u>5,632,232</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	734,077		734,077	742,232
Construction Services	4,718,403		4,718,403	4,800,000
General Supplies	87,302		87,302	90,000
Transfer to Debt Service Fund	<u>15,002</u>	<u>-</u>	<u>15,002</u>	<u>-</u>
Total Expenditures	<u>5,554,784</u>	<u>-</u>	<u>5,554,784</u>	<u>5,632,232</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 77,448</u>	<u>\$ -</u>	<u>\$ 77,448</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5755-070-07-1000			
Grant Date	N/A			
Bond Issue Date	9/15/08			
Bonds Authorized	\$ 5,129,379			
Bonds Issued	5,129,379			
Original Authorized Cost	5,129,379			
Adjustment	502,853			
Revised Authorized Cost	5,632,232			
Percentage Increase Over Original Authorized Cost	10%			
Percentage Completion	98%			
Original Target Completion Date				
Revised Target Completion Date	2013/2014			

**WESTWOOD REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
2007 REFERENDUM - WASHINGTON ELEMENTARY SCHOOL REHABILITATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 268,671	-	\$ 268,671	\$ 268,671
Total Revenues	<u>268,671</u>	<u>-</u>	<u>268,671</u>	<u>268,671</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	32,655		32,655	32,655
Construction Services	224,842		224,842	236,016
Transfer to Debt Service Fund	<u>11,174</u>	<u>-</u>	<u>11,174</u>	<u>-</u>
Total Expenditures	<u>268,671</u>	<u>-</u>	<u>268,671</u>	<u>268,671</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5755-080-07-1000			
Grant Date	N/A			
Bond Issue Date	9/15/08			
Bonds Authorized	\$ 411,738			
Bonds Issued	411,663			
Original Authorized Cost	411,738			
Adjustment	(143,067)			
Revised Authorized Cost	268,671			
Percentage Increase Over Original Authorized Cost	-			
Percentage Completion	100%			
Original Target Completion Date				
Revised Target Completion Date	2013/2014			

**WESTWOOD REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
HIGH SCHOOL ELEVATOR  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfers from Capital Reserve/Capital Outlay	\$ 56,100	-	\$ 56,100	\$ 56,100
Total Revenues	<u>56,100</u>	<u>-</u>	<u>56,100</u>	<u>56,100</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	25,080	-	25,080	25,800
Construction Services	<u>24,349</u>	<u>-</u>	<u>24,349</u>	<u>30,300</u>
Total Expenditures	<u>49,429</u>	<u>-</u>	<u>49,429</u>	<u>56,100</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 6,671</u>	<u>\$ -</u>	<u>\$ 6,671</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number				
Grant Date				
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issues	N/A			
Original Authorized Cost	\$ 53,600			
Adjustment	2,500			
Revised Authorized Cost	56,100			
Percentage Increase Over Original Authorized Cost	5%			
Percentage Completion	88%			
Original Target Completion Date	2010/2011			
Revised Target Completion Date	2013/2014			

**WESTWOOD REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
ATHLETIC FIELD AT HIGH SCHOOL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Prior Periods Transfer from Other Projects</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>					
Transfer from Capital Reserve	\$ 1,102,000			\$ 1,102,000	\$ 1,102,000
Bond Proceeds	<u>1,978,000</u>	<u>-</u>	<u>\$ 171,339</u>	<u>2,149,339</u>	<u>2,149,339</u>
Total Revenues	<u>3,080,000</u>	<u>-</u>	<u>171,339</u>	<u>3,251,339</u>	<u>3,251,339</u>
<b>Expenditures and Other Financing Uses</b>					
Purchased Professional and Technical Services	<u>3,251,339</u>	<u>-</u>	<u>-</u>	<u>3,251,339</u>	<u>3,251,339</u>
Total Expenditures	<u>3,251,339</u>	<u>-</u>	<u>-</u>	<u>3,251,339</u>	<u>3,251,339</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (171,339)</u>	<u>\$ -</u>	<u>\$ 171,339</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional Project Information:</b>					
Project Number	5755-065-09-1002				
Grant Date	5/1/2009				
Bond Authorization Date					
Bonds Authorized					
Bonds Issues/Transfers	\$ 2,149,339				
Original Authorized Cost	3,080,000				
Adjustment	171,339				
Revised Authorized Cost	3,251,339				
Percentage Increase Over Original Authorized Cost	6%				
Percentage Completion	100%				
Original Target Completion Date	2011/2012				
Revised Target Completion Date	2012/2013				

**WESTWOOD REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
HIGH SCHOOL UPPER GYM LOCKER ROOM RENOVATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfers from Capital Reserve/Capital Outlay	\$ 1,201,800	-	\$ 1,201,800	\$ 1,201,800
Total Revenues	<u>1,201,800</u>	<u>-</u>	<u>1,201,800</u>	<u>1,201,800</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	4,960	-	4,960	10,000
Construction Services	<u>1,183,196</u>	<u>-</u>	<u>1,183,196</u>	<u>1,191,800</u>
Total Expenditures	<u>1,188,156</u>	<u>-</u>	<u>1,188,156</u>	<u>1,201,800</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 13,644</u>	<u>\$ -</u>	<u>\$ 13,644</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number				
Grant Date				
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issues	N/A			
Original Authorized Cost	\$ 1,201,800			
Adjustment				
Revised Authorized Cost	1,201,800			
Percentage Increase Over Original Authorized Cost	-			
Percentage Completion	99%			
Original Target Completion Date	2012/2013			
Revised Target Completion Date	2013/2014			

**WESTWOOD REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
HIGH SCHOOL HURLEY THEATER STAGE LIGHTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfers from Capital Reserve/Capital Outlay	\$ 237,600	-	\$ 237,600	\$ 237,600
Total Revenues	<u>237,600</u>	<u>-</u>	<u>237,600</u>	<u>237,600</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	14,135	-	14,135	30,600
Construction Services	<u>218,465</u>	<u>-</u>	<u>218,465</u>	<u>207,000</u>
Total Expenditures	<u>232,600</u>	<u>-</u>	<u>232,600</u>	<u>237,600</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number				
Grant Date				
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issues	N/A			
Original Authorized Cost	\$ 237,600			
Adjustment				
Revised Authorized Cost	237,600			
Percentage Increase Over Original Authorized Cost	-			
Percentage Completion	98%			
Original Target Completion Date	2012/2013			
Revised Target Completion Date	2013/2014			



**WESTWOOD REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
BERKELEY BOILER  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfers from Capital Reserve/Capital Outlay	\$ 214,700	-	\$ 214,700	\$ 214,700
Total Revenues	<u>214,700</u>	<u>-</u>	<u>214,700</u>	<u>214,700</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	53,277		53,277	54,700
Construction Services	<u>151,395</u>	<u>-</u>	<u>151,395</u>	<u>160,000</u>
Total Expenditures	<u>204,672</u>	<u>-</u>	<u>204,672</u>	<u>214,700</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 10,028</u>	<u>\$ -</u>	<u>\$ 10,028</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	
Grant Date	
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issues	N/A
Original Authorized Cost	\$ 139,850
Adjustment	74,850
Revised Authorized Cost	214,700
Percentage Increase Over Original Authorized Cost	54%
Percentage Completion	95%
Original Target Completion Date	2012/2013
Revised Target Completion Date	2013/2014

**WESTWOOD REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
HIGH SCHOOL FAÇADE REPLACEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfers from Capital Reserve	\$ 1,773,954		\$ 1,773,954	\$ 1,773,954
Transfers from Capital Outlay	667,300		667,300	667,300
SDA (Regular Operating District) Grant	<u>1,182,636</u>	<u>-</u>	<u>1,182,636</u>	<u>1,182,636</u>
Total Revenues	<u>3,623,890</u>	<u>-</u>	<u>3,623,890</u>	<u>3,623,890</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	188,010	\$ 20,880	208,890	208,890
Construction Services	<u>999,578</u>	<u>2,259,957</u>	<u>3,259,535</u>	<u>3,415,000</u>
Total Expenditures	<u>1,187,588</u>	<u>2,280,837</u>	<u>3,468,425</u>	<u>3,623,890</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,436,302</u>	<u>\$ (2,280,837)</u>	<u>\$ 155,465</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5755-050-14-1001			
Grant Date	1/6/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issues	N/A			
Original Authorized Cost	\$ 2,956,590			
Adjustment	667,300			
Revised Authorized Cost	3,623,890			
Percentage Increase Over Original Authorized Cost	23%			
Percentage Completion	96%			
Original Target Completion Date	2014/15			
Revised Target Completion Date	2016/17			

**WESTWOOD REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
HIGH SCHOOL PARTIAL ROOF REPLACEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfers from Capital Reserve	\$ 1,656,091		\$ 1,656,091	\$ 1,656,091
SDA (Regular Operating District) Grant	<u>1,104,061</u>	<u>-</u>	<u>1,104,061</u>	<u>1,104,061</u>
Total Revenues	<u>2,760,152</u>	<u>-</u>	<u>2,760,152</u>	<u>2,760,152</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	116,873	\$ 14,843	131,716	136,800
Construction Services	<u>1,399,930</u>	<u>588,000</u>	<u>1,987,930</u>	<u>2,623,352</u>
Total Expenditures	<u>1,516,803</u>	<u>602,843</u>	<u>2,119,646</u>	<u>2,760,152</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,243,349</u>	<u>\$ (602,843)</u>	<u>\$ 640,506</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5755-050-14-1002			
Grant Date	1/6/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issues	N/A			
Original Authorized Cost	\$ 2,760,152			
Adjustment				
Revised Authorized Cost	2,760,152			
Percentage Increase Over Original Authorized Cost	-			
Percentage Completion	77%			
Original Target Completion Date	2014/15			
Revised Target Completion Date	2016/17			

**WESTWOOD REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
MIDDLE SCHOOL PARTIAL ROOF REPLACEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfers from Capital Reserve	\$ 116,944		\$ 116,944	\$ 116,944
SDA (Regular Operating District) Grant	<u>54,456</u>	<u>-</u>	<u>54,456</u>	<u>54,456</u>
Total Revenues	<u>171,400</u>	<u>-</u>	<u>171,400</u>	<u>171,400</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	9,750		9,750	9,750
Construction Services	<u>152,352</u>	<u>-</u>	<u>152,352</u>	<u>161,650</u>
Total Expenditures	<u>162,102</u>	<u>-</u>	<u>162,102</u>	<u>171,400</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 9,298</u>	<u>\$ -</u>	<u>\$ 9,298</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5755-062-14-1003			
Grant Date	1/6/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issues	N/A			
Original Authorized Cost	\$ 171,400			
Adjustment				
Revised Authorized Cost	171,400			
Percentage Increase Over Original Authorized Cost	-			
Percentage Completion	95%			
Original Target Completion Date	2014/15			
Revised Target Completion Date	2014/15			

**WESTWOOD REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
BROOKSIDE PARTIAL ROOF REPLACEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfers from Capital Reserve	\$ 92,640		\$ 92,640	\$ 92,640
SDA (Regular Operating District) Grant	<u>48,960</u>	<u>-</u>	<u>48,960</u>	<u>48,960</u>
Total Revenues	<u>141,600</u>	<u>-</u>	<u>141,600</u>	<u>141,600</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	9,750		9,750	9,750
Construction Services	<u>130,250</u>	<u>-</u>	<u>130,250</u>	<u>131,850</u>
Total Expenditures	<u>140,000</u>	<u>-</u>	<u>140,000</u>	<u>141,600</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,600</u>	<u>\$ -</u>	<u>\$ 1,600</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5755-070-14-1005			
Grant Date	1/6/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issues	N/A			
Original Authorized Cost	\$ 141,600			
Adjustment				
Revised Authorized Cost	141,600			
Percentage Increase Over Original Authorized Cost	-			
Percentage Completion	99%			
Original Target Completion Date	2014/15			
Revised Target Completion Date	2014/15			

**WESTWOOD REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
GEORGE SCHOOL PARTIAL ROOF REPLACEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfers from Capital Reserve	\$ 132,793		\$ 132,793	\$ 132,793
SDA (Regular Operating District) Grant	<u>83,632</u>	<u>-</u>	<u>83,632</u>	<u>83,632</u>
Total Revenues	<u>216,425</u>	<u>-</u>	<u>216,425</u>	<u>216,425</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	16,575		16,575	16,575
Construction Services	<u>195,100</u>	<u>-</u>	<u>195,100</u>	<u>199,850</u>
Total Expenditures	<u>211,675</u>	<u>-</u>	<u>211,675</u>	<u>216,425</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 4,750</u>	<u>\$ -</u>	<u>\$ 4,750</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5755-065-14-1004			
Grant Date	1/6/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issues	N/A			
Original Authorized Cost	\$ 216,425			
Adjustment				
Revised Authorized Cost	216,425			
Percentage Increase Over Original Authorized Cost	-			
Percentage Completion	98%			
Original Target Completion Date	2014/15			
Revised Target Completion Date	2014/15			

**PROPRIETARY FUNDS**

**WESTWOOD REGIONAL SCHOOL DISTRICT  
 ENTERPRISE FUND - NON-MAJOR  
 STATEMENT OF NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Summer Enrichment <u>Program</u></b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ <u>64,218</u>
Total Assets	<u>64,218</u>
 <b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	344
Unearned Revenue	<u>39,495</u>
Total Current Liabilities	<u>39,839</u>
 <b>NET POSITION</b>	
Unrestricted	<u>24,379</u>
Total Net Position	<u>\$ 24,379</u>



**WESTWOOD REGIONAL SCHOOL DISTRICT  
 ENTERPRISE FUND - NON-MAJOR  
 STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b><u>Summer Enrichment Program</u></b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Program Fees	\$ 28,255
	28,255
Total Operating Revenues	
<b>OPERATING EXPENSES</b>	
Salaries and Wages	26,184
Supplies and Materials	977
Miscellaneous	255
	27,416
Total Operating Expenses	
Operating Income/Change in Net Position	839
Total Net Position, Beginning of Year	23,540
Total Net Position, End of Year	\$ 24,379

**WESTWOOD REGIONAL SCHOOL DISTRICT  
ENTERPRISE FUND - NON-MAJOR  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Summer Enrichment Program</b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 42,425
Cash Payments for Employees	
Salaries & Benefits	(26,184)
Cash Payments for Program Refunds	<u>(1,297)</u>
Net Cash Provided by Operating Activities	<u>14,944</u>
Net Increase in Cash and Cash Equivalents	14,944
Cash and Cash Equivalents, Beginning of Year	<u>49,274</u>
Cash and Cash Equivalents, End of Year	<u>\$ 64,218</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating Income	<u>\$ 839</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Increase/(Decrease) in Accounts Payable	(65)
Increase/(Decrease) in Unearned Revenue	<u>14,170</u>
Total Adjustments	<u>14,105</u>
Net Cash Provided by Operating Activities	<u>\$ 14,944</u>

**FIDUCIARY FUNDS**

**WESTWOOD REGIONAL SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES  
AS OF JUNE 30, 2016**

	<u>Agency</u>		
	<u>Student</u>		
	<u>Activity</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 212,418	\$ 272,063	\$ 484,481
Due from Other Funds	-	6,579	6,579
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 212,418</u>	<u>\$ 278,642</u>	<u>\$ 491,060</u>
<b>LIABILITIES</b>			
Due to Student Groups	\$ 212,418		\$ 212,418
Payroll Deductions and Withholdings		\$ 122,865	122,865
Due to Other Funds	-	155,777	155,777
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>\$ 212,418</u>	<u>\$ 278,642</u>	<u>\$ 491,060</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**WESTWOOD REGIONAL SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>School</u>	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2016</u>
<b>ELEMENTARY SCHOOLS</b>				
Berkeley Avenue	\$ 7,917	\$ 11,725	\$ 11,046	\$ 8,596
Brookside Elementary	4,431	22,980	18,644	8,767
Washington	12,030	15,947	21,420	6,557
Jessie F. George	15,066	16,070	13,298	17,838
<b>MIDDLE SCHOOL</b>	<b>50,735</b>	<b>61,223</b>	<b>63,504</b>	<b>48,454</b>
<b>Jr./SR. HIGH SCHOOL</b>				
Central	110,449	45,537	53,529	102,457
<b>ATHLETICS</b>				
Athletic Fund	<u>19,077</u>	<u>76,978</u>	<u>76,306</u>	<u>19,749</u>
<b>Total</b>	<u>\$ 219,705</u>	<u>\$ 250,460</u>	<u>\$ 257,747</u>	<u>\$ 212,418</u>

**PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Balance, July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2016</u>
Payroll Deductions and Withholdings	\$ 60,908	\$ 15,086,555	\$ 15,024,598	\$ 122,865
Accrued Salaries and Wages		17,906,067	17,906,067	
Accounts Receivable	(25,045)	25,045		
Due from/to Other Funds	<u>121,673</u>	<u>163,848</u>	<u>136,323</u>	<u>149,198</u>
	<u>\$ 157,536</u>	<u>\$ 33,181,515</u>	<u>\$ 33,066,988</u>	<u>\$ 272,063</u>

**LONG-TERM DEBT**

WESTWOOD REGIONAL SCHOOL DISTRICT  
 SCHEDULE OF BONDS PAYABLE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2016</u>
			<u>Date</u>	<u>Amount</u>					
2008 School Bonds	9/15/2008	\$ 16,672,000	8/1/2016	\$ 665,000	4.00%	\$ 14,342,000		\$ 12,257,000	\$ 2,085,000
			8/1/2017	695,000	4.00%				
			8/1/2018	725,000	4.00%				
2016 Refunding Bonds	4/7/2016	11,125,000	8/1/2016	85,000	2.000%				
			8/1/2019	735,000	3.000%				
			8/1/2020	755,000	3.000%				
			8/1/2021	785,000	4.000%				
			8/1/2022	820,000	4.000%				
			8/1/2023	860,000	4.000%				
			8/1/2024	895,000	4.000%				
			8/1/2025	930,000	4.000%				
			8/1/2026	965,000	4.000%				
			8/1/2027	1,005,000	4.000%				
			8/1/2028	1,045,000	4.000%				
			8/1/2029	1,095,000	5.000%				
			8/1/2030	1,150,000	5.000%				
					-	\$ 11,125,000	-	\$ 11,125,000	
					\$ 14,342,000	\$ 11,125,000	\$ 12,257,000	\$ 13,210,000	
							\$ 640,000		
							11,617,000		
							\$ 12,257,000		

Paid by Budget Appropriation  
 Refunded



**WESTWOOD REGIONAL SCHOOL DISTRICT  
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE AGREEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Purpose</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Original Amount of Lease</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2015</u>	<u>Retired</u>	<u>Balance, June 30, 2016</u>
			<u>Principal</u>	<u>Interest</u>				
			Not Applicable					

**WESTWOOD REGIONAL SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget with Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 784,276		\$ 784,276	\$ 784,276	
State Sources					
Debt Service Aid - Type II	345,268		345,268	345,268	-
Total Revenues	<u>1,129,544</u>	<u>-</u>	<u>1,129,544</u>	<u>1,129,544</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Debt Service:					
Redemption of Principal	640,000		640,000	640,000	
Interest	582,544	-	582,544	582,544	-
Total Regular Debt Service	<u>1,222,544</u>	<u>-</u>	<u>1,222,544</u>	<u>1,222,544</u>	<u>-</u>
Total Expenditures	<u>1,222,544</u>	<u>-</u>	<u>1,222,544</u>	<u>1,222,544</u>	<u>-</u>
Excess of Revenues Over Expenditures	(93,000)		(93,000)	(93,000)	-
Other Financing Sources					
Operating Transfer In	-	-	-	-	-
Excess of Revenues and Other Financing Sources Over Expenditures	(93,000)	-	(93,000)	(93,000)	-
Fund Balance, Beginning of Year	93,353		93,353	93,353	-
Fund Balance, End of Year	<u>\$ 353</u>	<u>\$ -</u>	<u>\$ 353</u>	<u>\$ 353</u>	<u>\$ -</u>
Restricted for Debt Service					
Designated for Subsequent Year's Expenditures Available for Debt Service Expenditures				<u>\$ 353</u>	
Total Fund Balance - Restricted for Debt Service				<u>\$ 353</u>	

## STATISTICAL SECTION

This part of the Westwood Regional School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### Contents

### Exhibits

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

#### **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**WESTWOOD REGIONAL SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
(Unaudited)  
*(accrual basis of accounting)*

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
					(Restated)	(Restated)	(Restated)	(Restated)		
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 4,419,908	\$ 4,882,067	\$ 5,364,169	\$ 5,970,208	\$ 7,766,635	\$ 8,180,923	\$ 9,080,545	\$ 11,757,643	\$ 14,116,063	\$ 16,641,633
Restricted	206,403	500,081	1,095,751	1,442,057	3,056,948	5,411,876	7,928,963	10,573,362	13,926,269	16,155,316
Unrestricted	59,741	411,328	714,217	308,971	1,178,506	2,780,044	2,550,117	(7,427,901)	(7,960,599)	(7,639,332)
<b>Total governmental activities net position</b>	<b>\$ 4,686,052</b>	<b>\$ 5,793,476</b>	<b>\$ 7,174,137</b>	<b>\$ 7,721,236</b>	<b>\$ 12,002,089</b>	<b>\$ 16,372,843</b>	<b>\$ 19,559,625</b>	<b>\$ 14,903,104</b>	<b>\$ 20,081,733</b>	<b>\$ 25,157,617</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 86,804	\$ 82,575	\$ 69,171	\$ 70,993	\$ 62,625	\$ 39,001	\$ 73,125	\$ 25,266	\$ 82,203	\$ 70,157
Restricted										
Unrestricted	70,087	101,997	118,039	62,633	65,140	86,531	97,871	127,755	134,374	164,967
<b>Total business-type activities net position</b>	<b>\$ 156,891</b>	<b>\$ 184,572</b>	<b>\$ 187,210</b>	<b>\$ 133,626</b>	<b>\$ 127,765</b>	<b>\$ 125,532</b>	<b>\$ 170,996</b>	<b>\$ 153,021</b>	<b>\$ 216,577</b>	<b>\$ 235,124</b>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 4,506,712	\$ 4,964,642	\$ 5,433,340	\$ 6,041,201	\$ 7,829,260	\$ 8,219,924	\$ 9,153,670	\$ 11,782,909	\$ 14,198,266	\$ 16,711,790
Restricted	206,403	500,081	1,095,751	1,442,057	3,056,948	5,411,876	7,928,963	10,573,362	13,926,269	16,155,316
Unrestricted	129,828	513,325	832,256	371,604	1,243,646	2,866,575	2,647,988	(7,300,146)	(7,826,225)	(7,474,365)
<b>Total district net position</b>	<b>\$ 4,842,943</b>	<b>\$ 5,978,048</b>	<b>\$ 7,361,347</b>	<b>\$ 7,854,862</b>	<b>\$ 12,129,854</b>	<b>\$ 16,498,375</b>	<b>\$ 19,730,621</b>	<b>\$ 15,056,125</b>	<b>\$ 20,298,310</b>	<b>\$ 25,392,741</b>

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

Note 2 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

Source: District's financial statements

**WESTWOOD REGIONAL SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(accrual basis of accounting)*

	2007	2008	2009	2010	2011	2012 (Restated)	2013	2014	2015	2016
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 16,593,136	\$ 17,261,433	\$ 16,050,029	\$ 17,462,694	\$ 18,029,788	\$ 18,860,854	\$ 19,917,888	\$ 19,192,579	\$ 22,866,004	\$ 24,441,641
Special Education	7,619,447	7,938,452	7,597,284	7,995,038	7,404,014	7,176,908	7,206,143	7,652,800	8,573,422	8,416,625
Other Instruction	1,763,598	1,211,527	1,405,145	1,186,270	1,087,521	1,104,763	1,303,308	1,533,324	1,530,383	1,490,307
School Sponsored Activities and Athletics	1,207,713	1,286,299	1,248,989	1,255,705	1,101,902	1,303,621	1,191,861	1,219,388	1,320,124	1,426,941
<b>Support Services:</b>										
Student & Instruction Related Services	7,372,587	7,893,713	7,809,467	8,609,157	8,810,924	9,632,234	10,469,502	9,996,396	10,675,895	11,929,533
School Administrative Services	2,340,331	2,239,968	2,349,947	2,692,596	2,994,751	2,869,580	3,008,414	2,997,858	3,352,217	3,421,124
General Administrative	792,241	983,686	1,052,314	1,079,243	1,058,664	895,101	994,148	883,832	1,130,717	1,313,684
Plant Operations and Maintenance	4,327,980	4,393,428	4,795,051	4,454,804	4,169,055	4,297,045	4,341,530	4,980,108	5,127,740	5,355,556
Pupil Transportation	2,303,722	2,381,688	2,274,442	2,070,655	1,603,920	1,400,947	1,458,013	1,449,545	1,334,608	1,402,650
Other Support Services	578,301	708,290	1,307,801	1,074,406	1,037,502	1,055,595	1,129,302	924,881	936,045	1,017,308
Interest on Long-Term Debt	144,605	260,699	508,678	785,479	756,321	676,550	649,226	621,983	597,394	628,127
Loss on Disposal of Capital Assets	199	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities Expenses</b>	<b>45,043,860</b>	<b>46,559,183</b>	<b>46,399,147</b>	<b>48,666,047</b>	<b>48,054,362</b>	<b>49,273,198</b>	<b>51,669,335</b>	<b>51,452,694</b>	<b>57,444,549</b>	<b>60,843,496</b>
<b>Business-Type Activities:</b>										
Food Service	787,088	792,027	783,754	861,154	795,126	847,148	817,588	855,312	798,375	920,552
Summer Enrichment	-	4,830	16,630	50,706	23,753	29,913	29,660	29,276	29,276	27,416
<b>Total Business-Type Activities Expense</b>	<b>787,088</b>	<b>796,857</b>	<b>800,384</b>	<b>911,860</b>	<b>818,879</b>	<b>877,061</b>	<b>847,248</b>	<b>884,588</b>	<b>827,651</b>	<b>947,968</b>
<b>Total District Expenses</b>	<b>\$ 45,830,948</b>	<b>\$ 47,356,040</b>	<b>\$ 47,199,531</b>	<b>\$ 49,577,907</b>	<b>\$ 48,873,241</b>	<b>\$ 50,150,259</b>	<b>\$ 52,516,583</b>	<b>\$ 52,337,282</b>	<b>\$ 58,272,200</b>	<b>\$ 61,791,464</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services:</b>										
Instruction (Tuition)	-	\$ 39,777	\$ 55,258	\$ 132,491	\$ 63,826	\$ 59,486	\$ 49,020	\$ 49,400	\$ 68,939	\$ 48,700
Rentals	-	-	-	25,929	26,867	28,235	23,318	18,994	28,560	21,513
Operating Grants and Contributions	\$ 7,551,612	7,577,125	6,479,155	6,162,329	6,133,493	6,986,985	8,048,356	7,747,818	12,683,456	14,991,830
Capital Grants and Contributions	18,198	15,758	-	-	-	-	-	324,225	1,076,388	985,476
<b>Total Governmental Activities Program Revenues</b>	<b>7,569,810</b>	<b>7,632,660</b>	<b>6,534,413</b>	<b>6,320,749</b>	<b>6,224,186</b>	<b>7,074,706</b>	<b>8,120,694</b>	<b>8,140,437</b>	<b>13,857,343</b>	<b>16,047,519</b>
<b>Business-Type Activities:</b>										
<b>Charges for Services</b>										
Food Service	694,956	724,122	685,355	700,781	652,930	695,456	662,380	683,450	683,450	740,990
Summer Enrichment	-	12,625	21,725	38,300	22,875	38,975	37,870	28,325	28,325	28,255
Operating Grants and Contributions	81,283	85,147	94,627	117,520	138,205	139,793	146,338	178,290	178,290	196,636
<b>Total Business Type Activities Program Revenues</b>	<b>776,239</b>	<b>821,894</b>	<b>801,707</b>	<b>856,601</b>	<b>812,010</b>	<b>874,224</b>	<b>846,588</b>	<b>890,065</b>	<b>890,065</b>	<b>965,881</b>
<b>Total District Program Revenues</b>	<b>\$ 8,346,049</b>	<b>\$ 8,454,554</b>	<b>\$ 7,336,120</b>	<b>\$ 7,177,350</b>	<b>\$ 7,036,196</b>	<b>\$ 7,948,930</b>	<b>\$ 8,967,282</b>	<b>\$ 9,030,502</b>	<b>\$ 14,747,408</b>	<b>\$ 17,013,400</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (37,474,050)	\$ (38,926,523)	\$ (39,864,734)	\$ (42,345,298)	\$ (41,830,176)	\$ (42,198,492)	\$ (43,548,641)	\$ (43,312,257)	\$ (43,587,206)	\$ (44,795,977)
Business-Type Activities	(10,849)	25,037	1,323	(55,259)	(6,869)	(2,837)	(660)	5,477	62,414	17,913
<b>Total District-Wide Net Expense</b>	<b>\$ (37,484,899)</b>	<b>\$ (38,901,486)</b>	<b>\$ (39,863,411)</b>	<b>\$ (42,400,557)</b>	<b>\$ (41,837,045)</b>	<b>\$ (42,201,329)</b>	<b>\$ (43,549,301)</b>	<b>\$ (43,306,780)</b>	<b>\$ (43,524,792)</b>	<b>\$ (44,778,064)</b>

**WESTWOOD REGIONAL SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
						(Restated)				
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, net	\$ 36,722,248	\$ 38,393,714	\$ 39,929,463	\$ 41,526,230	\$ 44,780,055	\$ 45,674,917	\$ 46,314,222	\$ 46,550,241	\$ 47,481,245	\$ 48,430,869
Taxes Levied for Debt Service	642,002	640,324	836,202	994,675	1,097,169	1,223,912	882,294	880,072	877,348	784,276
Unrestricted Grants and Contributions	520,552	599,277	108,722	285,855	147,699	-	-	2,180	52,774	56,730
Federal and State Aid - Restricted	15,904			151,724	28,245	54,915	160,505	166,195	173,687	180,747
Investment Earnings	333,896	346,919	265,921	112,508	103,223	89,397	69,207	77,701	66,461	72,137
Miscellaneous Income	3,857	173,492	129,913	364,065	99,908	-	234,674	80,836	114,320	347,102
Transfers	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	<u>38,238,459</u>	<u>40,153,726</u>	<u>41,270,221</u>	<u>43,435,057</u>	<u>46,256,299</u>	<u>47,043,141</u>	<u>47,660,902</u>	<u>47,757,225</u>	<u>48,765,835</u>	<u>49,871,861</u>
Business-Type Activities:										
Investment Earnings	1,629	2,644	1,315	1,675	1,008	604	940	1,142	1,142	634
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	<u>1,629</u>	<u>2,644</u>	<u>1,315</u>	<u>1,675</u>	<u>1,008</u>	<u>604</u>	<u>940</u>	<u>1,142</u>	<u>1,142</u>	<u>634</u>
Total District-Wide	<u>\$ 38,240,088</u>	<u>\$ 40,156,370</u>	<u>\$ 41,271,536</u>	<u>\$ 43,436,732</u>	<u>\$ 46,257,307</u>	<u>\$ 47,043,745</u>	<u>\$ 47,661,842</u>	<u>\$ 47,758,367</u>	<u>\$ 48,766,977</u>	<u>\$ 49,872,495</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 764,409	\$ 1,227,203	\$ 1,405,487	\$ 1,089,759	\$ 4,426,123	\$ 4,844,649	\$ 4,112,261	\$ 4,444,968	\$ 5,178,629	\$ 5,075,884
Business-Type Activities	(9,220)	27,681	2,638	(53,584)	(5,861)	(2,233)	280	6,619	63,556	18,547
Total District	<u>\$ 755,189</u>	<u>\$ 1,254,884</u>	<u>\$ 1,408,125</u>	<u>\$ 1,036,175</u>	<u>\$ 4,420,262</u>	<u>\$ 4,842,416</u>	<u>\$ 4,112,541</u>	<u>\$ 4,451,587</u>	<u>\$ 5,242,185</u>	<u>\$ 5,094,431</u>

Source: District's financial statements

**WESTWOOD REGIONAL SCHOOL DISTRICT  
FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Unaudited)  
(modified accrual basis of accounting)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 521,695	\$ 1,240,221	\$ 3,137,743	\$ 3,261,960						
Unreserved										
Nonspendable										
Restricted					\$ 4,074,003	\$ 7,661,874	\$ 9,087,899	\$ 10,328,254	\$ 12,900,030	\$ 17,120,281
Committed					30,000	57,950	-	-	-	-
Assigned					748,848	1,063,932	917,968	1,345,035	1,174,435	1,747,435
Unassigned	1,273,758	1,446,960	415,744	319,739	913,300	853,466	877,374	868,900	867,411	847,827
<b>Total General Fund</b>	<b>\$ 1,795,453</b>	<b>\$ 2,687,181</b>	<b>\$ 3,553,487</b>	<b>\$ 3,581,699</b>	<b>\$ 5,766,151</b>	<b>\$ 9,637,222</b>	<b>\$ 10,883,241</b>	<b>\$ 12,542,189</b>	<b>\$ 14,941,876</b>	<b>\$ 19,715,543</b>
All Other Governmental Funds										
Reserved		\$ 3,500,071	\$ 3,936,538	\$ 2,309,957						
Restricted					\$ 2,418,309	\$ 186,479	\$ 1,282,130	\$ 1,935,988	\$ 2,638,452	\$ 633,919
Unreserved	\$ 4,350	(4,299,685)	4,763,721	2,622,449	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 4,350</b>	<b>\$ (799,614)</b>	<b>\$ 8,700,259</b>	<b>\$ 4,932,386</b>	<b>\$ 2,418,309</b>	<b>\$ 186,479</b>	<b>\$ 1,282,130</b>	<b>\$ 1,935,988</b>	<b>\$ 2,638,452</b>	<b>\$ 633,919</b>

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

Source: District's financial statements

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Property Tax Levy	\$ 37,364,250	\$ 39,034,038	\$ 40,765,665	\$ 42,520,905	\$ 45,877,224	\$ 46,555,200	\$ 47,196,516	\$ 47,430,313	\$ 48,358,593	\$ 49,215,145
Tuition Charges	-	39,777	55,258	132,491	63,826	59,486	49,020	49,400	68,939	48,700
Interest Earnings	333,896	346,919	265,921	112,508	103,223	54,915	69,207	77,701	66,461	72,137
Miscellaneous	26,470	195,936	248,460	472,175	244,998	250,846	480,686	281,665	180,552	425,724
State Sources	7,213,836	7,391,372	5,607,762	5,563,522	4,638,198	6,035,906	7,069,175	7,131,039	8,339,140	9,163,412
Federal Sources	869,817	778,344	861,502	954,205	1,553,016	1,161,494	916,992	927,544	900,851	1,012,981
<b>Total Revenue</b>	<b>45,808,269</b>	<b>47,786,386</b>	<b>47,804,568</b>	<b>49,755,806</b>	<b>52,480,485</b>	<b>54,117,847</b>	<b>55,781,596</b>	<b>55,897,662</b>	<b>57,914,536</b>	<b>59,938,099</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	16,640,081	17,245,017	16,129,931	17,489,711	18,272,983	18,879,067	19,850,236	19,141,564	19,882,991	20,830,282
Special Education Instruction	7,619,447	7,273,518	7,617,100	7,995,038	7,404,014	7,176,908	7,200,000	7,647,425	7,921,041	7,606,512
Other Special Instruction										
Vocational Education	938,170	1,051,033	579,717	360,842	262,093	279,335				
Other Instruction	855,294	945,207	855,504	1,012,208	921,032	1,299,324	1,432,111	1,531,793	1,335,505	1,275,778
School Sponsored Activities and Athletics	1,207,713	1,286,299	1,248,989	1,255,705	1,101,902	1,303,621	1,189,877	1,217,979	1,265,374	1,341,463
<b>Support Services:</b>										
Tuition										
Student & Inst. Related Services	7,178,825	7,730,433	7,681,622	8,445,877	8,647,644	9,146,205	10,023,099	9,914,369	9,903,309	10,899,279
General Administration	761,065	973,483	1,044,870	1,071,146	1,044,411	866,112	969,298	833,739	989,865	1,150,211
School Administrative Services	2,347,742	2,239,968	2,357,755	2,695,593	2,990,676	2,895,553	3,002,684	2,989,391	2,977,795	2,971,662
Plant Operations and Maintenance	4,000,644	4,046,342	4,449,155	4,111,478	4,074,182	3,947,646	4,033,195	4,102,985	4,067,711	4,250,554
Pupil Transportation	2,303,722	2,381,688	2,274,442	2,070,655	1,603,920	1,400,947	1,457,767	1,434,256	1,310,234	1,367,436
Other Support Services	576,577	708,151	1,298,553	1,073,237	1,057,995	1,049,647	1,119,203	923,704	917,904	983,691
Employee Benefits										
Capital Outlay	519,140	1,031,318	7,551,539	4,602,969	4,210,289	2,766,696	1,865,901	2,622,619	3,018,012	3,269,553
<b>Debt Service:</b>										
Principal	773,797	712,835	787,938	823,214	704,266	781,550	637,027	593,155	615,000	640,000
Interest and Other Charges	95,595	73,330	376,330	727,964	706,461	685,995	659,528	631,877	607,644	728,004
<b>Total Expenditures</b>	<b>45,817,812</b>	<b>47,698,622</b>	<b>54,253,445</b>	<b>53,735,637</b>	<b>53,001,868</b>	<b>52,478,606</b>	<b>53,439,926</b>	<b>53,584,856</b>	<b>54,812,385</b>	<b>57,314,425</b>
Excess (Deficiency) of Revenues over (under) Expenditures	(9,543)	87,764	(6,448,877)	(3,979,831)	(521,383)	1,639,241	2,341,670	2,312,806	3,102,151	2,623,674
<b>Other Financing Sources (Uses)</b>										
Refunding Bond Proceeds										11,125,000
Original Issue Premium										1,593,127
Payment to Refunded Bond Escrow Agent										(12,572,667)
Transfers In	-	-	-	-	-	-	2,470,469	2,421,165	2,209,709	-
Transfers Out	-	-	-	-	-	-	(2,470,469)	(2,421,165)	(2,209,709)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>145,460</b>
<b>Net Change in Fund Balances</b>	<b>\$ (9,543)</b>	<b>\$ 87,764</b>	<b>\$ (6,448,877)</b>	<b>\$ (3,979,831)</b>	<b>\$ (521,383)</b>	<b>\$ 1,639,241</b>	<b>\$ 2,341,670</b>	<b>\$ 2,312,806</b>	<b>\$ 3,102,151</b>	<b>\$ 2,769,134</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>1.92%</b>	<b>1.68%</b>	<b>2.49%</b>	<b>3.16%</b>	<b>2.89%</b>	<b>2.95%</b>	<b>2.51%</b>	<b>2.40%</b>	<b>2.36%</b>	<b>2.53%</b>

\* Noncapital expenditures are total expenditures less capital outlay.

Source: District's financial statements



**WESTWOOD REGIONAL SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN YEARS  
(Unaudited)**

<u>Fiscal Year Ended June 30,</u>	<u>Interest Earned</u>	<u>Rentals</u>	<u>Insurance Prior Year Refunds</u>	<u>Book Fines</u>	<u>Cancelled Prior Year Accounts Payable</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2007	\$ 333,896						\$ 3,857	\$ 337,753
2008	346,919	\$ 19,990				\$ 39,777	153,502	560,188
2009	166,828	19,780		\$ 2,170		55,258	107,897	351,933
2010	112,508	25,929	\$ 334,574	3,898		132,491	25,593	634,993
2011	103,223	26,867				63,826	99,908	293,824
2012	54,915	28,235				59,486	89,397	232,033
2013	69,207	23,318	128,196			49,020	106,478	376,219
2014	77,701	18,994				49,400	80,836	226,931
2015	66,461	28,560		1,341		68,939	112,979	278,280
2016	72,137	21,513			\$ 312,416	48,700	34,686	489,452

Source: District financial records

**WESTWOOD REGIONAL SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
(Unaudited)**

**BOROUGH OF WESTWOOD**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Equalized Valuation	Total Direct School Tax Rate <sup>a</sup>
2007	\$ 11,763,500	\$ 1,208,785,300			\$ 243,428,200	\$ 39,439,400	\$ 111,716,200	\$ 1,615,132,600	\$ 1,435,015	\$ 1,616,567,615	\$ 1,866,316,140	\$ 1.168
2008	11,385,500	1,224,665,600			247,613,678	39,287,500	107,092,700	1,630,044,978	1,649,120	1,631,694,098	1,966,428,211	1.200
2009	11,565,500	1,229,428,500			311,143,380	38,991,900	104,667,600	1,695,796,880	1,752,128	1,697,549,008	2,023,382,508	1.221
2010	10,880,000	1,232,816,900			314,576,280	38,991,900	104,298,500	1,701,563,580	2,333,089	1,703,896,669	2,046,498,851	1.315
2011	9,876,000	1,236,137,200			314,819,280	38,888,600	133,085,500	1,732,806,580	1,826,242	1,734,632,822	2,081,699,399	1.384
2012	10,442,600	1,235,415,800			311,164,000	38,838,600	133,184,200	1,729,045,200	1,785,435	1,730,830,635	2,135,623,100	1.448
2013	9,140,100	1,232,798,300			300,907,300	37,991,100	132,292,400	1,713,129,200	-	1,713,129,200	1,950,950,119	1.481
2014	7,757,300	1,198,836,400			348,075,100	39,282,700	147,777,500	1,741,729,000	-	1,741,729,000	1,841,735,328	1.458
2015	7,368,600	1,200,032,600			348,573,600	39,265,100	147,134,400	1,742,374,300	-	1,742,374,300	1,944,636,496	1.475
2016	7,147,900	1,205,065,900			350,549,500	38,708,500	147,279,400	1,748,751,200	-	1,748,751,200	1,959,278,249	1.505

**TOWNSHIP OF WASHINGTON**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Equalized Valuation	Total Direct School Tax Rate <sup>a</sup>
2007	\$ 11,024,900	\$ 1,845,384,000			\$ 50,977,200			\$ 1,907,386,100	\$ 716,201	\$ 1,908,102,301	\$ 1,937,648,990	\$ 1.012
2008	12,251,900	1,849,271,300			51,005,600			1,912,528,800	1,007,175	1,913,535,975	1,999,545,948	1.062
2009	12,545,200	1,853,955,900			48,170,700			1,914,671,800	1,007,175	1,915,678,975	1,915,851,475	1.093
2010	11,594,900	1,855,390,700			48,170,700			1,915,156,300	1,614,967	1,916,771,267	1,830,275,618	1.137
2011	11,932,700	1,832,645,300			47,089,100			1,891,667,100	1,242,846	1,892,909,946	1,808,844,172	1.172
2012	10,923,300	1,823,303,100			46,926,800			1,881,153,200	1,197,357	1,882,350,557	1,795,740,588	1.159
2013	11,238,500	1,804,248,500			46,740,400			1,862,227,400	1,141,098	1,863,368,498	1,722,211,597	1.178
2014	8,392,400	1,564,076,500			48,794,300			1,621,263,200	1,004,352	1,622,267,552	1,989,272,914	1.387
2015	8,224,800	1,560,619,000			48,794,300			1,617,638,100	1,032,412	1,618,670,512	1,704,758,853	1.426
2016	8,167,400	1,559,767,100			48,744,900			1,616,679,400	972,363	1,617,651,763	1,740,908,053	1.467

Source: County Abstract of Ratables

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

**WESTWOOD REGIONAL SCHOOL DISTRICT  
TOWNSHIP OF WASHINGTON  
PROPERTY TAX RATES  
PER \$100 OF ASSESSED VALUATION  
LAST TEN YEARS  
(Unaudited)**

<u>Calendar Year</u>	<u>Total</u>	<u>Westwood Regional School District</u>	<u>Township of Washington</u>	<u>County</u>
2016	\$ 2.270	\$ 1.470	\$ 0.540	\$ 0.260
2015	2.232	1.426	0.555	0.251
2014	2.212	1.387	0.587	0.238
2013	1.89	1.18	0.50	0.21
2012	1.87	1.16	0.50	0.21
2011	1.86	1.17	0.49	0.20
2010	1.81	1.14	0.48	0.20
2009	1.75	1.09	0.46	0.20
2008	1.70	1.06	0.44	0.19
2007	1.62	1.01	0.42	0.18

Note (1) - The Borough underwent a revaluation of real property, effective January 1, 2006.

Source: Abstract of Ratables, County Board of Taxation.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
BOROUGH OF WESTWOOD  
PROPERTY TAX RATES  
PER \$100 OF ASSESSED VALUATION  
LAST TEN YEARS  
(Unaudited)**

<u>Calendar Year</u>	<u>Total</u>	<u>Westwood Regional School District</u>	<u>Borough of Westwood</u>	<u>County</u>
2016	\$ 2.627	\$ 1.505	\$ 0.847	\$ 0.275
2015	2.544	1.475	0.817	0.252
2014	2.492	1.458	0.787	0.247
2013	2.463	1.481	0.721	0.261
2012	2.411	1.448	0.698	0.265
2011	2.325	1.384	0.689	0.252
2010	2.231	1.315	0.681	0.235
2009	2.133	1.221	0.675	0.237
2008	2.093	1.200	0.669	0.224
2007	2.03	1.17	0.65	0.21

Note (1) - The Borough underwent a revaluation of real property, effective January 1, 2004.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
BOROUGH OF WESTWOOD  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Borough of Westwood		2016		2007	
		Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value
Hackensack UMC at Pascack Valley	\$ 87,238,900	5.0%	Cenrose Westwood, LLC	35,132,400	2.17%
CPF Westwood, LLC	48,765,000	2.8%	First Real Estate Investment Trust of NJ	27,000,000	1.67%
Westwood Hills, LLC	30,946,000	1.8%	Westwood Hills, LLC	21,232,400	1.31%
First Real Estate Investment Trust of NJ	27,100,000	1.5%	Coventry Square, Inc	9,476,600	0.59%
Westwood Coventry, LLC	12,852,000	0.7%	Millenium Healthcare, Inc.	8,072,200	0.50%
Westwood Stanford, LLC	9,618,000	0.5%	Stanford Court, Inc.	6,930,100	0.43%
WVA, LLC	8,332,000	0.5%	Pottstown Partners	6,500,000	0.40%
Westwood Madison, LLC	7,881,000	0.5%	WVA, LLC	5,597,700	0.35%
Millennium Healthcare Centers, LLC	7,309,000	0.4%	Rockland Coaches, Inc.	5,451,200	0.34%
PVP Westwood, LLC	7,200,000	0.4%	Jefferson Realty Group	5,424,300	0.34%
	<u>\$ 247,241,900</u>	<u>14.14%</u>	Total	<u>\$ 130,816,900</u>	<u>8.35%</u>

Source: Municipal Tax Assessor

**WESTWOOD REGIONAL SCHOOL DISTRICT  
TOWNSHIP OF WASHINGTON  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Washington Township Taxpayer	2016		Taxpayer	2007	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Washington Town Center, LLC	\$ 10,139,200	0.63%	Washington Town Center LLC	\$ 9,830,800	0.52%
Washington Town Center, LLC	5,988,300	0.37%	Binghamton/Washington Tennis Club	7,081,600	0.37%
Binghamton/Washington Tennis Club	5,798,500	0.36%	Washington Town Centre	6,033,600	0.32%
TJ Realty, LLC	5,465,000	0.34%	TIG Inc. (A Seasons Rest.)	6,000,700	0.31%
Ormon, LLC	3,539,000	0.22%	Ormon, LLC	3,635,800	0.19%
Washington Town Center, LLC	2,638,800	0.16%	Washington Town Centre	2,934,400	0.15%
Washington Town Center, LLC	2,617,700	0.16%	Individual Taxpayer 1	2,355,700	0.12%
Grove City, LLC	2,049,700	0.13%	Grove City LLC (Bacari's Rest)	2,107,900	0.11%
Individual Taxpayer #1	1,974,400	0.12%	Individual Taxpayer 2	1,994,700	0.10%
Individual Taxpayer #2	1,369,800	0.08%	Individual Taxpayer 3	1,526,400	0.08%
	<u>\$ 41,580,400</u>	<u>2.57%</u>	Total	<u>\$ 43,501,600</u>	<u>2.94%</u>

Source: Municipal Tax Assessor

**WESTWOOD REGIONAL SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 37,364,250	\$ 37,364,250	100.00%	N/A
2008	39,034,038	39,034,038	100.00%	N/A
2009	40,765,665	40,765,665	100.00%	N/A
2010	42,520,905	42,520,905	100.00%	N/A
2011	45,877,224	45,877,224	100.00%	N/A
2012	46,555,200	46,555,200	100.00%	N/A
2013	47,196,516	47,196,516	100.00%	N/A
2014	47,430,313	47,430,313	100.00%	N/A
2015	48,358,593	48,358,593	100.00%	N/A
2016	49,215,145	49,215,145	100.00%	N/A

N/A - Not Applicable

Source: District records

**WESTWOOD REGIONAL SCHOOL DISTRICT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year Ended June 30,	Governmental Activities				Total District	Westwood Population	Washington Township Population	Total per Capita (Both Towns)
	General Obligation Bonds	Capital Leases	Loans					
2007	\$ 2,385,000	\$ 321,510	\$ 43,557	\$ 2,750,067	10,677	9,474	\$ 136	
2008	1,795,000	204,306	37,926	2,037,232	10,664	9,501	101	
2009	17,877,000	155,172	32,112	18,064,284	10,701	9,543	892	
2010	17,277,000	178,128	26,112	17,481,240	10,940	9,108	872	
2011	16,647,000	301,819	19,913	16,968,732	11,023	9,173	840	
2012	16,107,000	66,678	13,504	16,187,182	11,075	9,222	798	
2013	15,542,000	1,286	6,869	15,550,155	11,130	9,275	762	
2014	14,957,000			14,957,000	11,187	9,327	729	
2015	14,342,000			14,342,000	11,247	9,375	695	
2016	13,210,000			13,210,000	11,247 *	9,375 *	641	

Source: District records

\* Estimated



**WESTWOOD REGIONAL SCHOOL DISTRICT**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Borough of Westwood	Township of Washington	Total per Capita (both towns) <sup>b</sup>	
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property (1)		Percentage of Actual Taxable Value <sup>a</sup> of Property (1)
2007	\$ 2,385,000		\$ 2,385,000	0.15%	0.12%	\$ 118
2008	1,795,000		1,795,000	0.11%	0.09%	89
2009	17,877,000		17,877,000	1.05%	0.93%	883
2010	17,277,000		17,277,000	1.01%	0.90%	862
2011	16,647,000		16,647,000	0.96%	0.88%	824
2012	16,107,000		16,107,000	0.93%	0.86%	794
2013	15,542,000		15,542,000	0.91%	0.83%	762
2014	14,957,000		14,957,000	0.86%	0.92%	729
2015	14,342,000		14,342,000	0.82%	0.89%	695
2016	13,210,000		13,210,000	0.76%	0.82%	641

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-10 for population data.

(1) Based on percentage of valuations apportioned to each municipality

**WESTWOOD REGIONAL SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
DECEMBER 31, 2015  
(Unaudited)**

	<u>Gross Debt</u>
Municipal Debt: (1)	
Regional High School - Washington Township's Share	\$ 6,478,880
Township of Washington	<u>6,897,284</u>
	<u>\$ 13,376,164</u>
 Municipal Debt: (1)	
Regional High School - Westwood's Share	\$ 7,223,155
Borough of Westwood	<u>17,553,550</u>
	<u>\$ 24,776,705</u>
 Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen- Washington Township's Share (A)	9,994,856
County of Bergen- Westwood's Share (A)	11,075,027
Bergen County Utilities Authority - Water Pollution (B)-Washington Township's Share	2,088,952
Bergen County Utilities Authority -Water Pollution (B)- Westwood's Share	<u>2,764,168</u>
	<u>25,923,003</u>
 Total Direct and Overlapping Debt	 <u>\$ 50,699,708</u>

Source:

(1) Township/Borough's 2015 Annual Debt Statement

(A) The debt for this entity was apportioned to Washington Township and Westwood by dividing the municipality's 2015 equalized value by the total 2015 equalized value for County of Bergen.

(B) The debt was computed based upon usage.

**WESTWOOD REGIONAL SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

**Legal Debt Margin Calculation for Fiscal Year 2016**

	Borough of Westwood	Township of Washington
2015	\$ 1,944,636,496	\$ 1,740,893,349
2014	1,881,953,117	1,707,491,522
2013	1,914,538,668	1,701,130,355
<b>Equalized Valuation Basis</b>	<b>\$ 5,741,108,281</b>	<b>\$ 5,149,515,226</b>
<b>Average Equalized Valuation of Taxable Property</b>	<b>\$ 1,913,702,760</b>	<b>\$ 1,716,505,075</b>
<b>Debt Limit (4 % of average equalization value)</b>	76,548,110	68,660,203
<b>Total Net Debt Applicable to Limit</b>	<b>6,963,031</b>	<b>6,247,044</b>
<b>Legal Debt Margin</b>	<b>\$ 69,585,079</b>	<b>\$ 62,413,159</b>

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 129,002,856	\$ 148,268,282	\$ 155,961,148	\$ 158,254,773	\$ 157,512,802	\$ 156,847,825	\$ 153,522,662	\$ 150,093,897	\$ 145,518,448	\$ 145,208,313
Total net debt applicable to limit	2,385,000	1,795,000	17,909,112	17,303,187	16,666,988	16,120,579	15,548,944	14,957,000	14,342,075	13,210,075
Legal debt margin	\$ 126,617,856	\$ 146,473,282	\$ 138,052,036	\$ 140,951,586	\$ 140,845,814	\$ 140,727,246	\$ 137,973,718	\$ 135,136,897	\$ 131,176,373	\$ 131,998,238
Total net debt applicable to the limit as a percentage of debt limit	1.83%	1.21%	11.48%	10.93%	10.58%	10.28%	10.13%	9.97%	9.86%	9.10%

Source: Annual Debt Statements

**WESTWOOD REGIONAL SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

**Township of Washington**

Year	Population	Per Capita Personal Income <sup>c</sup>	Unemployment Rate
2007	9,474	\$ 68,147	3.40%
2008	9,501	68,548	4.50%
2009	9,543	64,571	8.00%
2010	9,108	65,275	8.20%
2011	9,173	68,244	8.10%
2012	9,222	71,380	8.20%
2013	9,275	70,498	7.40%
2014	9,327	73,536	5.00%
2015	9,375	N/A	4.30%
2016	9,375 (E)	N/A	N/A

**Borough of Westwood**

2007	10,677	\$ 68,147	2.00%
2008	10,664	68,548	2.60%
2009	10,701	64,571	4.80%
2010	10,940	65,275	4.90%
2011	11,023	68,244	4.80%
2012	11,075	71,380	4.90%
2013	11,130	70,498	7.60%
2014	11,187	73,536	5.00%
2015	11,247	N/A	4.30%
2016	11,247 (E)	N/A	N/A

Source: New Jersey State Department of Education

(E) Estimated

**WESTWOOD REGIONAL SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

**INFORMATION NOT AVAILABLE**

**WESTWOOD REGIONAL SCHOOL DISTRICT  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS  
 (Unaudited)**

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	211	219	245	217	185	190	190	190	190	186
Special Education	-				57	52	56	57	61	68
Support Services:										
Student & instruction Related Services	65	48	54	64	96	96	107	112	112	118
General Administration	4	3	4	3	4	4	4	5	5	5
School Administrative Services	16	19	20	23	21	21	21	16	17	17
Central Services	4	6	10	10	10	10	10	9	8	7
Plant Operations and Maintenance *	28	29	32	31	72	76	34	34	35	36
Other Support Services	25	66	1	2	2	2	2	2	2	2
<b>Total</b>	<u>352</u>	<u>390</u>	<u>366</u>	<u>350</u>	<u>446</u>	<u>450</u>	<u>424</u>	<u>425</u>	<u>428</u>	<u>439</u>

\* - Lunch Aides reclassified as Student and Instruction Related Services; Summer help removed from FTE count.

Source: District records

WESTWOOD REGIONAL SCHOOL DISTRICT  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS  
 (Unaudited)

Teacher/Pupil Ratio

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff			Junior/Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Elementary	Middle						
2007	2,641.0	\$ 44,429,280	\$ 16,823	9.57%	210.5	11.86	17.81	11.95	2,644.7	2,543.6	-0.28%	96.18%
2008	2,646.0	45,881,139	17,340	3.07%	218.8	13.09	10.61	9.98	2,636.0	2,534.0	-0.33%	96.13%
2009	2,712.0	45,506,478	16,780	-3.23%	233.5	12.98	12.14	10.34	2,715.0	2,607.7	3.00%	96.05%
2010	2,722.0	47,581,490	17,480	4.18%	242.4	13.37	10.72	10.6	2,730.6	2,616.1	0.57%	95.81%
2011	2,730.0	46,093,840	16,884	-3.41%	230.5	14.13	10.12	10.13	2,724.8	2,605.3	-0.21%	95.61%
2012	2,758.5	48,244,365	17,489	3.58%	212.5	14.52	13.67	10.57	2,705.2	2,596.7	-0.72%	95.99%
2013	2,734.5	50,277,470	18,386	5.13%	246.0	12.47	11.11	9.71	2,680.3	2,569.9	-0.92%	95.88%
2014	2,723.0	49,737,205	18,266	-0.65%	247.0	11.9	9.2	10.52	2,688.1	2,575.1	0.29%	95.79%
2015	2,752.5	50,571,729	18,373	0.59%	251.0	11.7	10.41	10.19	2,736.0	2,620.4	1.78%	95.78%
2016	2,762.5	52,676,868	19,069	3.79%	254.0	11.24	10.28	10.73	2,733.9	2,620.8	-0.08%	95.86%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
  - b Operating expenditures equal total expenditures less debt service and capital outlay.
  - c Cost per pupil represents operating expenditures divided by enrollment.

WESTWOOD REGIONAL SCHOOL DISTRICT  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS  
 (Unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Washington										
Square Feet	-	-	48,765	48,765	48,765	48,765	48,765	48,765	48,765	48,765
Capacity (Students)	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	286	253	257	258	315	303	305	311	298	292
Jessie George										
Square Feet	-	-	30,604	30,604	30,604	30,604	30,604	30,604	30,604	30,604
Capacity (Students)	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment <sup>a</sup>	277	331	327	315	353	270	253	250	250	247
Ketler										
Square Feet	-	-	39,183	47,400	47,400	47,400	47,400	47,400	47,400	47,400
Capacity (Students)	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	338	337	315	313	379	381	376	369	382	389
Berkeley										
Square Feet	-	-	39,590	39,590	39,590	39,590	39,590	39,590	39,590	39,590
Capacity (Students)	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	212	204	237	251	294	272	294	309	288	295
<b><u>Middle School</u></b>										
Square Feet	-	-	48,920	48,920	48,920	48,920	48,920	48,920	48,920	48,920
Capacity (Students)	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	411	417	449	419	414	451	464	431	433	430
<b><u>Jr/Sr High School</u></b>										
Square Feet	-	-	196,595	196,595	196,595	196,595	196,595	196,595	196,595	196,595
Capacity (Students)	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	1,081	1,104	1,127	1,178	966	1,021	931	1,020	1,068	1,080

Number of Schools at June 30, 2016

- Elementary = 4
- Middle School = 1
- Senior High School = 1

Source: District Records

N/A - Not Available



WESTWOOD REGIONAL SCHOOL DISTRICT  
 GENERAL FUND  
 SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES  
 LAST TEN YEARS  
 (Unaudited)

<u>School Facilities</u>	<u>Project #'s</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Berkeley Elementary	60	\$ 67,458	\$ 62,551	\$ 66,534	\$ 63,740	\$ 70,650	\$ 72,109	\$ 62,750	\$ 67,255	\$ 77,469	\$ 71,052
George Elementary	65	48,814	56,042	55,433	57,107	63,298	64,605	56,220	60,256	69,407	63,658
Washington Elementary	80	71,091	73,105	74,496	74,494	82,570	84,275	73,337	78,602	90,539	83,039
Brookside Elementary	62	73,717	70,685	79,219	72,028	79,837	81,486	70,910	76,000	87,543	80,292
Middle School	70	68,177	70,060	82,611	71,392	79,132	80,766	70,284	75,329	86,769	79,582
Westwood Junior/Senior High School	50	<u>374,626</u>	<u>332,723</u>	<u>391,611</u>	<u>339,047</u>	<u>375,804</u>	<u>383,564</u>	<u>333,784</u>	<u>357,742</u>	<u>412,075</u>	<u>377,942</u>
Grand Total		<u>\$ 703,883</u>	<u>\$ 665,166</u>	<u>\$ 749,904</u>	<u>\$ 677,808</u>	<u>\$ 751,291</u>	<u>\$ 766,805</u>	<u>\$ 667,285</u>	<u>\$ 715,184</u>	<u>\$ 823,802</u>	<u>\$ 755,564</u>

Source: District Records

**WESTWOOD REGIONAL SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2016**  
**(Unaudited)**

**Article I - Property**

Coverage

Blanket Real and Personal Property	\$	400,000,000	per occurrence
Blanket Extra Expense		50,000,000	per occurrence
Blanket Valuable Papers and Records		10,000,000	per occurrence
Demolition and Increased Cost of Construction		25,000,000	per occurrence
Fire Department Service Charge		10,000	per occurrence
Arson Reward		10,000	per occurrence
Pollutant Cleanup and Removal		250,000	per occurrence
Sublimits: Flood Zones			per occurrence
		20,000,000	NJSIG annual aggregate
All Flood Zones		75,000,000	per occurrence/NJSIG annual aggregate
Earthquake		50,000,000	per occurrence
			NJSIG annual aggregate
Terrorism		1,000,000	per occurrence
			NJSIG annual aggregate
Deductibles:			
Real & Personal		5,000	per occurrence
Extra Expense		5,000	per occurrence
Valuable Papers		5,000	per occurrence
Special Flood Hazard Area Flood Deductibles			
		500,000	per building
		500,000	per building contents
All Other Flood Zones		10,000	per member/per occurrence

**Article II - Electronic Data Processing**

Blanket Hardware/Software	\$	2,000,000	per occurrence
Blanket Extra Expense		Included	
Coverage Extensions;			
Transit		25,000	
Loss of Income		10,000	
Terrorism		Included in Property	
Deductible		1,000	per occurrence
Flood Deductibles:			
Zones A & V		500,000	per building content
All Other Flood Zones		10,000	per member/per occurrence

**WESTWOOD REGIONAL SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2016**  
**(Unaudited)**

**Article III - Equipment Breakdown**

Combined Single Limit per Accident for Property Damage and Business Income	\$	100,000,000
Sublimits:		
Property Damage		Included
Off Premises Property Damage		100,000
Business Income		Included
Extra Expense		10,000,000
Service Interruption		10,000,000
Perishable Goods		500,000
Data Restoration		100,000
Contingent Business Income		100,000
Demolition		1,000,000
Ordinance or Law		1,000,000
Expediting Expenses		500,000
Hazardous Substances		500,000
Newly Acquired Locations (120 days notice)		250,000
Terrorism		Included
Deductibles:		
\$5,000 per Accident for Property Damage		
12 Hours for Indirect Coverages		
Service Interruption Waiting Period - 24 Hours		

**Article IV - Crime**

	<u>Limits</u>	<u>Deductibles</u>
Public Employee Dishonesty with Faithful Performance	\$ 250,000	1,000
Theft, Disappearance and Destruction - Loss of Money & Securities On or Off Premises	50,000	1,000
Theft, Disappearance and Destruction - Money Orders & Counterfeit Paper Currency	50,000	1,000
Forgery or Alteration	250,000	1,000
Computer Fraud	250,000	1,000
Public Officials Bond:		
Board Secretary	100,000	1,000
Treasurer	300,000	1,000

**Article V - Comprehensive General Liability**

Bodily Injury and Property Damage	31,000,000	per occurrence
Products and Completed Operations	31,000,000	annual aggregate
Sexual Abuse	17,000,000	annual NJSIG aggregate
	17,000,000	annual NJSIG aggregate
Personal Injury and Advertising Injury	31,000,000	per occurrence
	31,000,000	annual aggregate
Employee Benefits Liability	31,000,000	per occurrence/annual aggregate
Employee Benefits Liability Deductible	1,000	each claim
Premises Medical Payments	10,000	per accident
	5,000	limit per person
Terrorism	1,000,000	per occurrence/annual NJSIG aggregate

Source: District Records

\*Note: The District is part of the New Jersey School Boards Insurance Group. The above coverage represents the combined amounts for all of the school districts under master policies with insurance companies.

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
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ROBERT AMPONSAH, CPA

**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 Trustees  
Westwood Regional School District  
Washington Township, New Jersey

We have audited, in accordance with the 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 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 Westwood Regional School District as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Westwood Regional School District's basic financial statements and have issued our report thereon dated October 28, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Westwood Regional 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 opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Westwood Regional School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Westwood Regional 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.

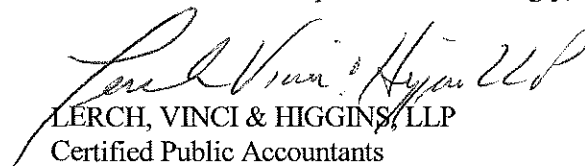
### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Westwood Regional School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

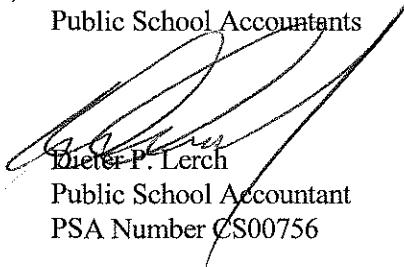
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Westwood Regional School District in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated October 28, 2016.

### 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 Westwood Regional School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Westwood Regional School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
October 28, 2016



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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ROBERT AMPONSAH, CPA

**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 REQUIRED BY  
U.S. OMB CIRCULAR A-133 AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL  
ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Trustees  
Westwood Regional School District  
Washington Township, New Jersey

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

We have audited the Westwood Regional School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Westwood Regional School District's major federal and state programs for the fiscal year ended June 30, 2016. The Westwood Regional 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 requirements of federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Westwood Regional 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; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular 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 or state program occurred. An audit includes examining, on a test basis, evidence about the Westwood Regional 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 of the Westwood Regional School District's compliance.

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

In our opinion, the Westwood Regional 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 fiscal year ended June 30, 2016.

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

Management of the Westwood Regional 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 Westwood Regional 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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Westwood Regional 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 material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

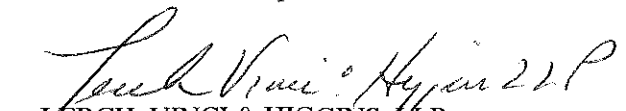
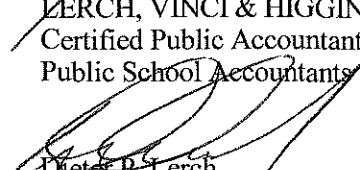
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



**Report on Schedule of Expenditures of Federal Awards Required by U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Westwood Regional School District, as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated October 28, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

  
LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants  
  
Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
October 28, 2016

WESTWOOD REGIONAL SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal/Grantor/Pass-Through Grant Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2015		Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment-Carryover Receivables	Adjustments	Balance, June 30, 2016			MEMO GAAP Receivable
						Accounts Receivable	Unearned Revenue						(Accounts Receivable)	Unearned Revenue	Due to Grantor	
<b>U.S. Department of Education</b>																
Passed-through State Department of Education																
<b>Special Revenue Fund:</b>																
IDEA Part B Basic	84.027A	H027A150100	IDEA575515	7/1/2015-6/30/2016	\$ 765,050		\$ 60,542		\$ 743,506	\$ (60,542)			\$ (825,592)	\$ 82,086		\$ 743,506
IDEA Part B Basic	84.027A		IDEA575515	7/1/2014-6/30/2015	741,343	\$ (375,783)	\$ 60,542	(60,542)	\$ 315,241	60,542						
IDEA Preschool	84.173	H173A150114	IDEA575515	7/1/2015-6/30/2016	35,241		6,159		23,659	(6,159)			(41,400)	17,741		23,659
IDEA Preschool	84.173		IDEA575515	7/1/2014-6/30/2015	34,463	(34,157)	6,966	(6,159)	27,998	-	6,159	\$ 319	-	1,126	-	-
Special Education Cluster Total						(409,940)	67,508	-	343,239	767,165	-	319	(866,992)	100,953	-	767,165
NCLB Title I	84.010A	S010A150030	NCLB5755-15	7/1/2015-6/30/2016	178,663				115,287	166,004			(63,376)	12,659		50,717
NCLB Title I	84.010A		NCLB5755-15	7/1/2014-6/30/2015	85,556	(66,733)			66,733							
NCLB Title IIA	84.367	S367A150029	NCLB5755-15	7/1/2015-6/30/2016	47,479		13,254	13,254	39,929	58,098	(13,254)		(20,804)	2,635		18,169
NCLB Title IIA	84.367		NCLB5755-15	7/1/2014-6/30/2015	47,596	(29,441)	13,254	(13,254)	16,187		13,254	876		876		
NCLB Title III	84.365	S365A150030	NCLB5755-15	7/1/2015-6/30/2016	11,528		583	583	10,690	12,111	(583)		(1,421)			1,421
NCLB Title III	84.365		NCLB5755-15	7/1/2014-6/30/2015	14,320	(2,270)	583	(583)	1,687		583					
NCLB Title III-Immigrant	84.365	S365A150030	NCLB5755-15	7/1/2015-6/30/2016	771				770	771			(1)			1
<b>Total Special Revenue Fund</b>						(508,384)	81,345	-	594,522	1,004,149	-	1,195	(952,594)	117,123	-	837,473
<b>U.S. Department of Health and Human Services</b>																
Passed-through State Department of Education																
General Fund																
Medical Assistance Program	93.778	1605NJ5MAP		7/1/2015-6/30/2016	8,832	-	-	-	4,822	8,832	-	-	(4,010)	-	-	4,010
<b>U.S. Department of Agriculture</b>																
Passed-through State Department of Education																
<b>Enterprise Fund:</b>																
School Breakfast Program	10.553	16161NJ304N1099		7/1/2015-6/30/2016	804				756	804			(48)			48
School Breakfast Program	10.553			7/1/2014-6/30/2015	613	(50)			50							
National School Lunch Program	10.555			7/1/2015-6/30/2016	40,368				40,368	38,426				1,942		
Non-Cash Assistance				7/1/2014-6/30/2015	35,965		1,742		1,742							
Cash Assistance		16161NJ304N1099		7/1/2015-6/30/2016	148,908				122,374	148,908			(26,534)			26,534
Cash Assistance				7/1/2014-6/30/2015	136,524	(8,430)	-	-	8,430	-	-	-	-	-	-	-
<b>Total Enterprise Fund / Child Nutrition Cluster</b>						(8,480)	1,742	-	171,978	189,880	-	-	(26,582)	1,942	-	26,582
<b>Total Federal Awards</b>						\$ (516,864)	\$ 83,087	\$ -	\$ 771,322	\$ 1,202,861	\$ -	\$ 1,195	\$ (983,186)	\$ 119,065	\$ -	\$ 864,055



**WESTWOOD REGIONAL SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal and state financial assistance programs of the Westwood Regional School District. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using 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 basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$54,661 for the general fund and a decrease of \$7,784 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 8,832	\$ 7,648,938	\$ 7,657,770
Special Revenue Fund	1,004,149	184,270	1,188,419
Capital Projects Fund		985,476	985,476
Debt Service Fund		345,268	345,268
Food Service Fund	189,880	6,756	196,636
	<u>1,202,861</u>	<u>9,170,708</u>	<u>10,373,569</u>
Total Financial Assistance	<u>\$ 1,202,861</u>	<u>\$ 9,170,708</u>	<u>\$ 10,373,569</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

**NOTE 5 OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$1,629,391 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2016. The amount reported as TPAF Pension System Contributions in the amount of \$1,637,098 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,949,333 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2016.

**NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

WESTWOOD REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

2) Were significant deficiencies identified that were not considered to be material weakness(es)            yes     X     no

Noncompliance material to basic financial statements noted?            yes     X     no

Federal Awards Section

Internal Control over compliance:

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

2) Were significant deficiencies identified that were not considered to be material weakness(es)            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 U.S. Uniform Guidance            yes     X     no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027A</u>	<u>IDEA Part B, Basic</u>
<u>84.173</u>	<u>IDEA Preschool</u>
<u>          </u>	<u>          </u>
<u>          </u>	<u>          </u>

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

Auditee qualified as low-risk auditee?     X     yes            no

WESTWOOD REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over compliance:

- 1) Material weakness(es) identified?    \_\_\_\_\_ yes                      X   no
- 2) Were significant deficiencies identified that  
are not considered to be material weakness(es)    \_\_\_\_\_ yes                      X   no

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

Any audit findings disclosed that are required to be reported  
in accordance with N.J. OMB Circular 15-08, as amended?    \_\_\_\_\_ yes                      X   no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>16-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>16-495-034-5120-084</u>	<u>Security Aid</u>
<u>16-495-034-5120-085</u>	<u>Additional Adjustment Aid</u>
<u>16-495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>16-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>16-495-034-5120-075</u>	<u>Debt Service Aid</u>

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

Auditee qualified as low-risk auditee?      X   yes                    \_\_\_\_\_ no

**WESTWOOD REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

There are none.



WESTWOOD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

*Part 3 – Schedule of Federal and State Award 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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

There are none.

**CURRENT YEAR STATE AWARDS**

There are none.

**WESTWOOD SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 04-04.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2015-001:**

The District did not maintain the required level of effort with respect to Special Education expenditures related to the federal IDEA grant program.

**Current Status:**

Corrective action has been taken.