

WESTWOOD REGIONAL SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, 2017

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*

December 4, 2017

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, 2017, 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 2016-17 fiscal year, the District's average daily enrollment was 2,778 students, which is an increase of 44 students 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
2016-17	2,778	1.60%
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%)

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. The District has a Bond Referendum vote scheduled for December 12, 2017 for the Middle School Expansion project. The Bond Referendum amount is \$23,891,520 of that the District has been able to allocate \$13,100,000 of capital reserve and approximately \$4,000,000 from State Aid.

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, 2017. 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.

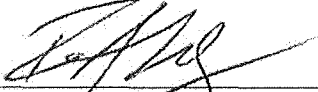
8) INDEPENDENT AUDIT

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.

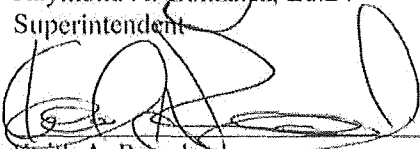
9) ACKNOWLEDGEMENTS

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,



Raymond A. González, Ed.D.
Superintendent



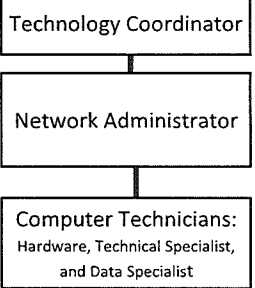
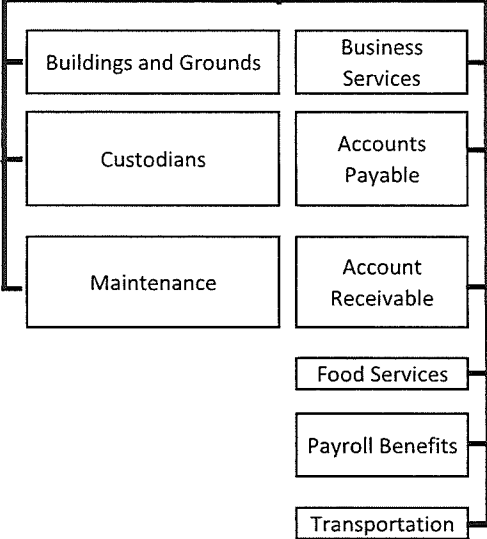
Keith A. Rosado
Business Administrator/Board Secretary

Board of Education

Superintendent of Schools

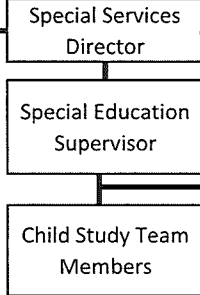
Business Administrator / Board Secretary
Operations

Assistant Superintendent
Curriculum, Instruction, & Programs



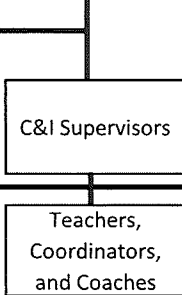
Human Resources

Safety & Security



Principals

Assistant Principals



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WESTWOOD REGIONAL SCHOOL DISTRICT

ROSTER OF OFFICIALS as of June 30, 2017

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Darlene Mandeville, President	2017
Roberta Hanlon	2019
Joseph Blundo	2019
Stephen Kalish	2017
Paul Liddy	2018
Joseph McCallister	2019
Russell Miller	2018
Maria Straight	2018
Susan Swietkowski, Vice President	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, 2017**

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

Oritani Bank
370 Pascack Road
Washington Twsp., NJ 07676

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, PSA

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, 2017 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2017, 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

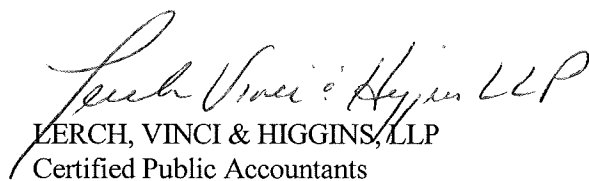
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Westwood Regional School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, financial schedules, statistical 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.

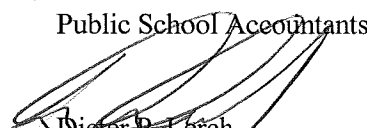
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 5, 2017 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 the effectiveness of the Westwood Regional School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the 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
December 5, 2017

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, 2017**

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, 2017. 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 (2016-2017) and the prior year (2015-2016) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2016-2017 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 \$28,788,697 (net position).
- Overall district-wide revenues were \$72,104,819. General revenues accounted for \$51,655,726 or 72% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$20,449,093 or 28% of total revenues.
- The school district had \$67,749,323 in expenses for governmental activities; only \$19,432,381 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$51,653,883 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 \$23,621,856.
- The General Fund fund balance at June 30, 2017 was \$22,957,691, an increase of \$3,242,148 when compared with the beginning balance at July 1, 2016.

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

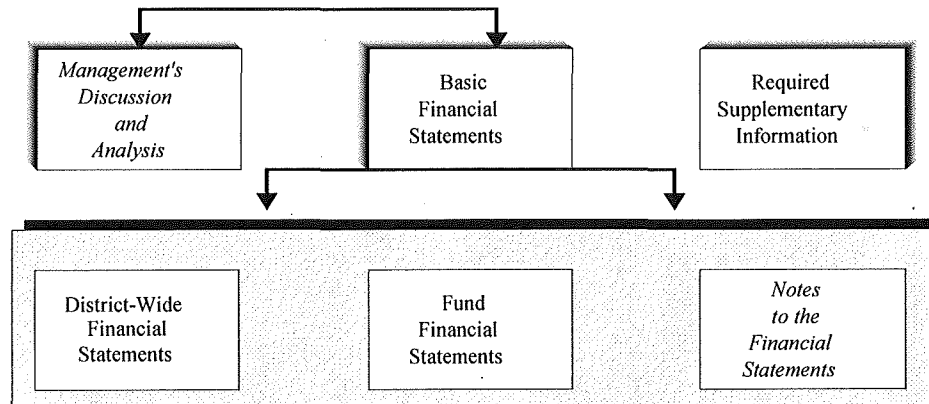
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

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, 2017**

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 that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred inflows of resources and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term funds do not currently contain capital assets.
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, 2017**

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, 2017**

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 \$28,788,697 as of June 30, 2017 and \$25,392,741 as of June 30, 2016.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

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, 2017 and 2016**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$ 24,910,241	\$ 21,455,907	\$ 291,551	\$ 249,629	\$ 25,201,792	\$ 21,705,536
Capital Assets	<u>30,532,025</u>	<u>30,390,209</u>	<u>79,730</u>	<u>70,157</u>	<u>30,611,755</u>	<u>30,460,366</u>
Total Assets	<u>55,442,266</u>	<u>51,846,116</u>	<u>371,281</u>	<u>319,786</u>	<u>55,813,547</u>	<u>52,165,902</u>
Deferred Outflows of Resources	<u>4,990,302</u>	<u>2,826,690</u>	<u>-</u>	<u>-</u>	<u>4,990,302</u>	<u>2,826,690</u>
Total Assets and Deferred Outflows of Resources	<u>60,432,568</u>	<u>54,672,806</u>	<u>371,281</u>	<u>319,786</u>	<u>60,803,849</u>	<u>54,992,592</u>
Other Liabilities	1,493,406	1,254,628	76,883	82,720	1,570,289	1,337,348
Noncurrent Liabilities	<u>29,891,012</u>	<u>27,912,307</u>	<u>-</u>	<u>-</u>	<u>29,891,012</u>	<u>27,912,307</u>
Total Liabilities	<u>31,384,418</u>	<u>29,166,935</u>	<u>76,883</u>	<u>82,720</u>	<u>31,461,301</u>	<u>29,249,655</u>
Deferred Inflows of Resources	<u>553,592</u>	<u>348,254</u>	<u>259</u>	<u>1,942</u>	<u>553,851</u>	<u>350,196</u>
Total Liabilities and Deferred Inflows of Resources	<u>31,938,010</u>	<u>29,515,189</u>	<u>77,142</u>	<u>84,662</u>	<u>32,015,152</u>	<u>29,599,851</u>
Net Position:						
Net Investment in Capital Assets	17,586,138	16,641,633	79,730	70,157	17,665,868	16,711,790
Restricted	19,719,192	16,155,316			19,719,192	16,155,316
Unrestricted	<u>(8,810,772)</u>	<u>(7,639,332)</u>	<u>214,409</u>	<u>164,967</u>	<u>(8,596,363)</u>	<u>(7,474,365)</u>
Total Net Position	<u>\$ 28,494,558</u>	<u>\$ 25,157,617</u>	<u>\$ 294,139</u>	<u>\$ 235,124</u>	<u>\$ 28,788,697</u>	<u>\$ 25,392,741</u>

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

**Changes in Net Position
For the Fiscal Years Ended June 30, 2017 and 2016**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues						
Program Revenues						
Charges for Services	\$ 74,101	\$ 70,213	\$ 810,141	\$ 769,245	\$ 884,242	\$ 839,458
Grants and Contributions	19,358,280	15,977,306	206,571	196,636	19,564,851	16,173,942
General Revenues						
Property Taxes	50,863,213	49,215,145			50,863,213	49,215,145
State and Federal Aid	300,078	237,477			300,078	237,477
Other	490,592	419,239	1,843	634	492,435	419,873
<u>Total Revenues</u>	<u>71,086,264</u>	<u>65,919,380</u>	<u>1,018,555</u>	<u>966,515</u>	<u>72,104,819</u>	<u>66,885,895</u>
Expenses						
Instruction						
Regular	28,300,446	24,441,641			28,300,446	24,441,641
Special Education	10,232,995	8,416,625			10,232,995	8,416,625
Other Instruction	1,468,680	1,490,307			1,468,680	1,490,307
School Sponsored Activities and Athletics	1,465,923	1,426,941			1,465,923	1,426,941
Support Services						
Student and Instruction Related Serv.	12,326,470	11,929,533			12,326,470	11,929,533
General Administrative Services	1,390,777	1,313,684			1,390,777	1,313,684
School Administrative Services	3,986,266	3,421,124			3,986,266	3,421,124
Plant Operations and Maintenance	5,704,717	5,355,556			5,704,717	5,355,556
Pupil Transportation	1,453,690	1,402,650			1,453,690	1,402,650
Business and Other Support Services	977,767	1,017,308			977,767	1,017,308
Interest on Long-Term Debt	441,592	628,127			441,592	628,127
Food Services			930,915	920,552	930,915	920,552
Summer Enrichment	-	-	28,625	27,416	28,625	27,416
<u>Total Expenses</u>	<u>67,749,323</u>	<u>60,843,496</u>	<u>959,540</u>	<u>947,968</u>	<u>68,708,863</u>	<u>61,791,464</u>
Change in Net Position	<u>\$ 3,336,941</u>	<u>\$ 5,075,884</u>	<u>\$ 59,015</u>	<u>\$ 18,547</u>	<u>\$ 3,395,956</u>	<u>\$ 5,094,431</u>

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

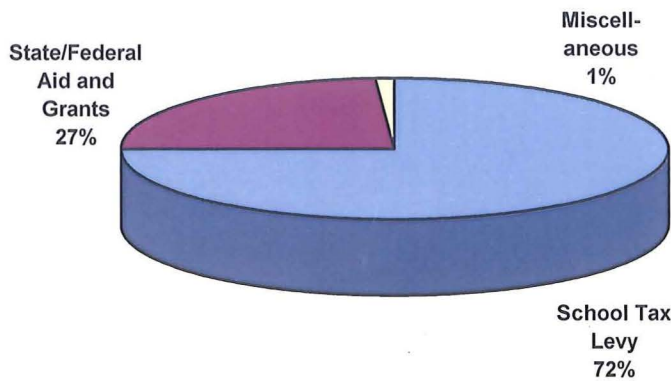
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$71,086,264 for the year ended June 30, 2017 an increase of \$5,166,884 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 \$50,863,213 represented 72% of revenues. Another significant portion of revenues came from State and Federal aid; total State, Federal and local aid was \$19,658,358. Another source of revenues is miscellaneous income which includes items such as interest earnings, prior year refunds, etc.

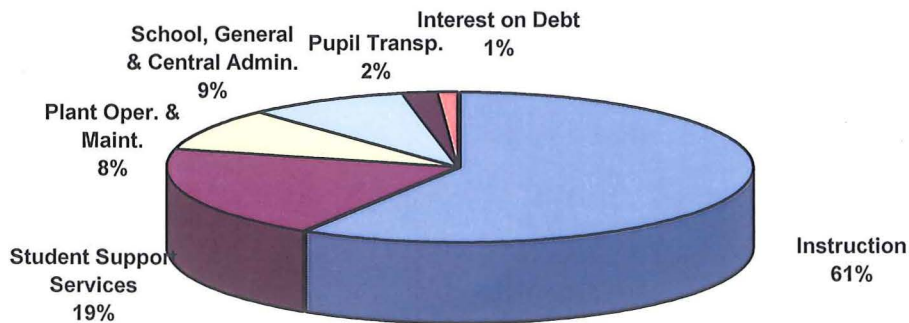
The total cost of all governmental activities programs and services was \$67,749,323. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$41,468,044 (61%) of total expenditures. Student support services, exclusive of interest on debt, total \$25,839,687 or (38%) of total expenditures.

Total governmental activities revenues surpassed expenses, increasing net position \$3,336,941 over the previous year.

Revenues by Source- Governmental Activities
For Fiscal Year 2017



Expenditures by Type- Governmental Activities
For Fiscal Year 2017



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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

Total and Net Cost of Governmental Activities. The District's total cost of services was \$67,749,323. After applying program revenues derived from: grants and contributions of \$19,358,280 and charges for services of \$74,101, the net cost of services of the District is \$48,316,942.

**Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2017 and 2016**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Instruction				
Regular	\$ 28,300,446	\$ 24,441,641	\$ 18,673,146	\$ 17,416,217
Special Education	10,232,995	8,416,625	4,959,731	3,893,669
Other Instruction	1,468,680	1,490,307	948,201	1,030,105
School Sponsored Activities and Athletics	1,465,923	1,426,941	1,334,974	1,324,938
Support Services				
Student and Instruction Related Svcs.	12,326,470	11,929,533	10,300,521	10,323,435
General Administrative Services	1,390,777	1,313,684	1,081,288	1,091,853
School Administrative Services	3,986,266	3,421,124	2,870,957	2,653,545
Plant Operations and Maintenance	5,704,717	5,355,556	5,530,859	4,302,950
Pupil Transportation	1,453,690	1,402,650	1,324,985	1,278,351
Business and Other Support Services	977,767	1,017,308	977,767	1,017,308
Interest on Long-Term Debt	441,592	628,127	314,513	463,606
Total	<u>\$ 67,749,323</u>	<u>\$ 60,843,496</u>	<u>\$ 48,316,942</u>	<u>\$ 44,795,977</u>

Business-Type Activities – The District's total business-type activities revenues were \$1,018,555 for the year ended June 30, 2017. 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 \$959,540. 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 \$59,015 from the previous year which represents a 25 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, 2017**

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 \$23,621,856.

Revenues for the District's governmental funds were \$61,231,988, while total expenses were \$57,959,594.

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.

	Fiscal Year Ended <u>June 30, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>	Amount of Increase (Decrease)	Percent Change
Local Sources				
Property Tax Levy	\$ 50,021,078	\$ 48,430,869	\$ 1,590,209	3%
Interest	116,501	72,137	44,364	61%
Miscellaneous	448,192	417,315	30,877	7%
State/Federal Sources	<u>8,133,611</u>	<u>7,657,230</u>	<u>476,381</u>	<u>6%</u>
Total General Fund Revenues	<u>\$ 58,719,382</u>	<u>\$ 56,577,551</u>	<u>\$ 2,141,831</u>	<u>4%</u>

Total General Fund Revenues increased by \$2,141,831, or 4% from the previous year.

State/federal revenues increased \$476,381 or 6%. 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 3% over the previous year.

Miscellaneous income revenues increased by \$30,877 compared to the prior year.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

The following schedule presents a summary of General Fund expenditures.

	Fiscal Year Ended <u>June 30, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>	Amount of Increase (Decrease)	Percent Change
Instruction	\$ 32,528,343	\$ 29,963,724	\$ 2,564,619	9%
Support Services	21,619,180	21,467,616	151,564	1%
Capital Outlay	<u>894,094</u>	<u>372,544</u>	<u>521,550</u>	140%
Total Expenditures	<u>\$ 55,041,617</u>	<u>\$ 51,803,884</u>	<u>\$ 3,237,733</u>	<u>6%</u>

Total General Fund expenditures increased \$3,237,733 or 6% from the previous year.

In 2016-2017 General Fund revenues exceeded expenditures and other financing uses by \$3,242,148. As a result, total fund balance increased to \$22,957,691 at June 30, 2017. After deducting statutory restrictions and designations, the unassigned fund balance increased from \$847,827 at June 30, 2016 to \$900,366 at June 30, 2017.

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 \$1,256,417 for the year ended June 30, 2017. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 84% of the total revenue for the year. State sources accounted for 15% and the balance of revenues of 1% were from local grants.

Expenditures of the Special Revenue Fund were \$1,256,417. Instructional expenditures were \$1,070,374 or 85% and expenditures for the support services were \$186,043 or 15% of total expended for the year ended June 30, 2017.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

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, appropriating capital reserve funds 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, 2017 amounts to \$30,611,755 (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 2016-2017 amounted to \$1,266,395 for governmental activities and \$7,503 for business-type activities.

**Capital Assets at June 30, 2017 and 2016
(Net of Accumulated Depreciation)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Building and Building Improvements	\$ 26,937,483	\$ 27,425,421			\$ 26,937,483	\$ 27,425,421
Machinery and Equipment	3,153,574	2,820,025	\$ 79,730	\$ 70,157	3,233,304	2,890,182
Construction In Progress	440,968	144,763	-	-	440,968	144,763
Total Capital Assets, Net	<u>\$ 30,532,025</u>	<u>\$ 30,390,209</u>	<u>\$ 79,730</u>	<u>\$ 70,157</u>	<u>\$ 30,611,755</u>	<u>\$ 30,460,366</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, 2017**

LONG TERM LIABILITIES

At year end, the District's long-term liabilities consisted of compensated absences payable of \$1,388,494, net pension liability of \$14,581,071 and bonds payable of \$13,921,447.

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 2017-2018 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, 2017

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 22,059,054	\$ 272,341	\$ 22,331,395
Receivables, net	2,851,187	12,039	2,863,226
Inventories		7,171	7,171
Capital Assets Not Being Depreciated	440,968		440,968
Capital Assets, Net of Accumulated Depreciation	30,091,057	79,730	30,170,787
	<u>55,442,266</u>	<u>371,281</u>	<u>55,813,547</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	876,676		876,676
Deferred Amount on Net Pension Liability	4,113,626	-	4,113,626
	<u>4,990,302</u>	<u>-</u>	<u>4,990,302</u>
Total Assets and Deferred Outflows of Resources			
	<u>60,432,568</u>	<u>371,281</u>	<u>60,803,849</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	957,410	15,573	972,983
Intergovernmental Payable	57,427		57,427
Unearned Revenue	273,548	61,310	334,858
Accrued Interest Payable	205,021		205,021
Noncurrent Liabilities			
Due Within One Year	755,000		755,000
Due Beyond One Year	29,136,012		29,136,012
	<u>31,384,418</u>	<u>76,883</u>	<u>31,461,301</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	553,592		553,592
Deferred Commodities Revenue	-	259	259
	<u>553,592</u>	<u>259</u>	<u>553,851</u>
Total Liabilities and Deferred Inflows of Resources			
	<u>31,938,010</u>	<u>77,142</u>	<u>32,015,152</u>
NET POSITION			
Net Investment in Capital Assets	17,586,138	79,730	17,665,868
Restricted for:			
Capital Projects	19,719,191		19,719,191
Debt Service	1		1
Unrestricted	(8,810,772)	214,409	(8,596,363)
	<u>\$ 28,494,558</u>	<u>\$ 294,139</u>	<u>\$ 28,788,697</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, 2017

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 28,300,446	\$ 52,500	\$ 9,574,800		\$ (18,673,146)		\$ (18,673,146)
Special Education	10,232,995		5,273,264		(4,959,731)		(4,959,731)
Other Instruction	1,468,680		520,479		(948,201)		(948,201)
School Sponsored Activities and Athletics	1,465,923		130,949		(1,334,974)		(1,334,974)
Support Services							
Student and Instruction Related Svcs.	12,326,470		2,025,949		(10,300,521)		(10,300,521)
General Administrative Services	1,390,777		309,489		(1,081,288)		(1,081,288)
School Administrative Services	3,986,266		1,115,309		(2,870,957)		(2,870,957)
Plant Operations and Maintenance	5,704,717	21,601	83,159	\$ 69,098	(5,530,859)		(5,530,859)
Pupil Transportation	1,453,690		128,705		(1,324,985)		(1,324,985)
Business Services	977,767				(977,767)		(977,767)
Interest on Long-Term Debt	441,592		127,079		(314,513)		(314,513)
Total Governmental Activities	67,749,323	74,101	19,289,182	69,098	(48,316,942)	-	(48,316,942)
Business-Type Activities							
Food Service	930,915	768,851	206,571			\$ 44,507	44,507
Summer Enrichment	28,625	41,290	-	-		12,665	12,665
Total Business-Type Activities	959,540	810,141	206,571	-	-	57,172	57,172
Total Primary Government	\$ 68,708,863	\$ 884,242	\$ 19,495,753	\$ 69,098	(48,316,942)	57,172	(48,259,770)
General Revenues:							
Property Taxes, Levied for General Purposes					50,021,078		50,021,078
Property Taxes, Levied for Debt Service					842,135		842,135
State Aid Unrestricted					82,201		82,201
State Aid Restricted for Debt Service Principal					217,877		217,877
Investment Earnings					116,501	1,843	118,344
Miscellaneous Income					374,091		374,091
Total General Revenues					51,653,883	1,843	51,655,726
Change in Net Position					3,336,941	59,015	3,395,956
Net Position, Beginning of Year					25,157,617	235,124	25,392,741
Net Position, End of Year					\$ 28,494,558	\$ 294,139	\$ 28,788,697

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, 2017**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash	\$ 22,038,173	\$ 20,880		\$ 1	\$ 22,059,054
Receivables, Net					
Receivables From Other Governments	99,043	118,475	\$ 2,287,832		2,505,350
Other Receivables	195,360	3,707			199,067
Due from Other Funds	1,494,336	-	-	-	1,494,336
Total Assets	<u>\$ 23,826,912</u>	<u>\$ 143,062</u>	<u>\$ 2,287,832</u>	<u>\$ 1</u>	<u>\$ 26,257,807</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 869,221	\$ 55,269	\$ 32,920		\$ 957,410
Due to Other Funds			1,347,566		1,347,566
Intergovernmental Payables		57,427			57,427
Unearned Revenue	-	30,366	243,182	-	273,548
Total Liabilities	<u>869,221</u>	<u>143,062</u>	<u>1,623,668</u>	<u>-</u>	<u>2,635,951</u>
Fund Balances					
Restricted Fund Balance:					
Capital Reserve	19,153,911				19,153,911
Excess Surplus-Designated for Subsequent Year's Expenditures	750,000				750,000
Excess Surplus	750,000				750,000
Capital Projects Fund			664,164		664,164
Debt Service Fund				\$ 1	1
Assigned Fund Balance					
Designated for Subsequent Year's Expenditures	671,231				671,231
Year-End Encumbrances	732,183				732,183
Unassigned Fund Balance	900,366	-	-	-	900,366
Total Fund Balances	<u>22,957,691</u>	<u>-</u>	<u>664,164</u>	<u>1</u>	<u>23,621,856</u>
Total Liabilities and Fund Balances	<u>\$ 23,826,912</u>	<u>\$ 143,062</u>	<u>\$ 2,287,832</u>	<u>\$ 1</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 \$51,086,412 and the accumulated depreciation is \$20,554,387. 30,532,025

The District has financed capital assets through the issuance of general obligation bonds. The accrued interest at year end is: (205,021)

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	\$ (13,921,447)
Net Pension Liability	(14,581,071)
Add: Deferred Inflows of Resources	(553,592)
Less: Deferred Outflows of Resources	4,990,302
Compensated Absences Payable	<u>(1,388,494)</u>
	<u>(25,454,302)</u>

Net Position of Governmental Activities (Exhibit A-1) \$ 28,494,558

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, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 50,021,078			\$ 842,135	\$ 50,863,213
Tuition	52,500				52,500
Rentals	21,601				21,601
Interest	49,928				49,928
Interest on Capital Reserve	66,573				66,573
Miscellaneous	374,091	\$ 48,203	-	-	422,294
Total - Local Sources	50,585,771	48,203		842,135	51,476,109
State Sources	8,124,364	158,761	\$ 69,098	344,956	8,697,179
Federal Sources	9,247	1,049,453	-	-	1,058,700
Total Revenues	58,719,382	1,256,417	69,098	1,187,091	61,231,988
EXPENDITURES					
Current					
Instruction					
Regular Instruction	22,159,146	220,609			22,379,755
Special Education Instruction	7,932,174	801,562			8,733,736
Other Instruction	1,123,565	48,203			1,171,768
School Sponsored Activities and Athletics	1,313,458				1,313,458
Support Services					
Student and Instruction Related Services	10,515,824	157,405			10,673,229
General Administrative Services	1,150,793				1,150,793
School Administrative Services	3,210,115				3,210,115
Plant Operations and Maintenance	4,433,218	28,638			4,461,856
Pupil Transportation	1,402,496				1,402,496
Central Services	906,734				906,734
Debt Service					
Principal				750,000	750,000
Interest and Other Charges				437,443	437,443
Capital Outlay	894,094		474,117		1,368,211
Total Expenditures	55,041,617	1,256,417	474,117	1,187,443	57,959,594
Excess (Deficiency) of Revenues Over/(Under) Expenditures	3,677,765	-	(405,019)	(352)	3,272,394
OTHER FINANCING SOURCES (USES)					
Transfers In			435,617		435,617
Transfers Out	(435,617)				(435,617)
Total Other Financing Sources (Uses)	(435,617)	-	435,617	-	-
Net Change in Fund Balances	3,242,148	-	30,598	(352)	3,272,394
Fund Balance, Beginning of Year	19,715,543	-	633,566	353	20,349,462
Fund Balance, End of Year	\$ 22,957,691	\$ -	\$ 664,164	\$ 1	\$ 23,621,856

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, 2017**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 3,272,394

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	\$ 1,368,211	
Depreciation Expense	<u>(1,226,395)</u>	141,816

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	(904,597)	
Amortization of Original Issue Premium	131,680	
Amortization of Deferred Amount on Refunding	(78,991)	
Net Decrease in Compensated Absences Payable	<u>81,477</u>	(770,431)

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.

Principal Repayments		750,000
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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.

Increase in Accrued Interest		<u>(56,838)</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) \$ 3,336,941

**WESTWOOD REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2017**

	Business-Type Activities - Enterprise Fund		
	Food Service	Other Non-Major	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 188,602	\$ 83,739	\$ 272,341
Intergovernmental Accounts Receivable	12,039		12,039
Inventories	7,171	-	7,171
Total Current Assets	<u>207,812</u>	<u>83,739</u>	<u>291,551</u>
Capital Assets			
Furniture, Machinery and Equipment	230,974		230,974
Less Accumulated Depreciation	<u>(151,244)</u>	<u>-</u>	<u>(151,244)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>79,730</u>	<u>-</u>	<u>79,730</u>
Total Assets	<u>287,542</u>	<u>83,739</u>	<u>371,281</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	15,573		15,573
Unearned Revenue	14,615	46,695	61,310
Total Liabilities	<u>30,188</u>	<u>46,695</u>	<u>76,883</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	<u>259</u>		<u>259</u>
Total Deferred Inflows of Resources	<u>259</u>	<u>-</u>	<u>259</u>
Total Liabilities and Deferred Inflows of Resources	<u>30,447</u>	<u>46,695</u>	<u>77,142</u>
NET POSITION			
Investment in Capital Assets	79,730		79,730
Unrestricted	177,365	37,044	214,409
Total Net Position	<u>\$ 257,095</u>	<u>\$ 37,044</u>	<u>\$ 294,139</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, 2017**

**Business-Type Activities -
 Enterprise Fund**

	<u>Food Service</u>	<u>Other Non-Major</u>	<u>Total</u>
Operating Revenues			
Charges for Services			
Daily Sales - Reimbursable Programs	\$ 291,923		\$ 291,923
Daily Sales - Non-Reimbursable Programs	474,941		474,941
Special Functions	1,987		1,987
Program Fees		\$ 41,290	41,290
	<u>768,851</u>	<u>41,290</u>	<u>810,141</u>
Total Operating Revenues			
Operating Expenses			
Cost of Sales - Reimbursable Programs	227,013		227,013
Cost of Sales - Non-Reimbursable Programs	170,242		170,242
Cost of Sales - USDA Commodities	46,074		46,074
Salaries and Wages	311,566	23,152	334,718
Employee Benefits	35,802		35,802
Management Fee	38,940		38,940
Repairs and Maintenance	21,917		21,917
Other Expenses	29,714		29,714
Supplies and Materials	29,693	3,192	32,885
Miscellaneous	12,451	2,281	14,732
Depreciation	7,503		7,503
	<u>930,915</u>	<u>28,625</u>	<u>959,540</u>
Total Operating Expenses			
Operating Income/(Loss)	<u>(162,064)</u>	<u>12,665</u>	<u>(149,399)</u>
Nonoperating Revenues			
State Sources			
State School Lunch Program	6,840		6,840
Federal Sources			
School Breakfast Program	1,245		1,245
National School Lunch Program	152,412		152,412
USDA Commodities	46,074		46,074
Interest and Investment Revenue	1,843	-	1,843
	<u>208,414</u>	<u>-</u>	<u>208,414</u>
Total Nonoperating Revenues			
Change in Net Position	46,350	12,665	59,015
Net Position, Beginning of Year	<u>210,745</u>	<u>24,379</u>	<u>235,124</u>
Net Position, End of Year	<u>\$ 257,095</u>	<u>\$ 37,044</u>	<u>\$ 294,139</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, 2017**

	Business-Type Activities - Enterprise Fund		
	Food Service	Other Non-Major	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 768,930	\$ 48,490	\$ 817,420
Payments for Employees	(347,368)	(23,152)	(370,520)
Payments to Suppliers/Refunds	(541,540)	(5,817)	(547,357)
Net Cash Provided (Used) by Operating Activities	(119,978)	19,521	(100,457)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Receipts from State and Federal Sources	176,208	-	176,208
Net Cash Provided By Non-Capital Financing Activities	176,208	-	176,208
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	(17,076)	-	(17,076)
Net Cash Used by Capital and Related Financing Activities	(17,076)	-	(17,076)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	1,843	-	1,843
Net Cash Provided By Investing Activities	1,843	-	1,843
Net Increase in Cash and Cash Equivalents	40,997	19,521	60,518
Cash and Cash Equivalents—Beginning of Year	147,605	64,218	211,823
Cash and Cash Equivalents—End of Year	<u>\$ 188,602</u>	<u>\$ 83,739</u>	<u>\$ 272,341</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (162,064)	\$ 12,665	\$ (149,399)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation	7,503		7,503
Food Distribution Program (USDA Commodities) National School Lunch Program	46,074		46,074
Changes in Assets, Liabilities and Deferred Inflows of Resources			
(Increase) Decrease in Accounts Receivable	79		79
(Increase) Decrease in Inventories	2,806		2,806
Increase (Decrease) in Accounts Payable	(15,894)	(344)	(16,238)
Increase (Decrease) in Unearned Revenue	3,201	7,200	10,401
Increase (Decrease) in Deferred Inflows of Resources	(1,683)		(1,683)
Total Adjustments	42,086	6,856	48,942
Net Cash Provided (Used) by Operating Activities	<u>\$ (119,978)</u>	<u>\$ 19,521</u>	<u>\$ (100,457)</u>
Non Cash Investing, Capital and Financing Activities			
Fair Value of Food Distribution Program- National School Lunch Program	\$ 44,391		

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, 2017**

	<u>Private Purpose Scholarship Trust Funds</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash	\$ 3,692	\$ 608,796	\$ 559,743
Due from Other Funds		-	20,719
	<u>3,692</u>	<u>608,796</u>	<u>\$ 580,462</u>
LIABILITIES			
Intergovernmental Payable		6,814	
Due to Other Funds		20,719	\$ 146,770
Payable To Student Groups			184,458
Accrued Salaries and Wages			(3,042)
Payroll Deductions and Withholdings			252,276
	<u>-</u>	<u>27,533</u>	<u>\$ 580,462</u>
NET POSITION			
Held In Trust For Unemployment Claims and Other Purposes	<u>\$ 3,692</u>	<u>\$ 581,263</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, 2017**

	Private Purpose Trust Funds	Unemployment Compensation Trust Fund
ADDITIONS		
Contributions		
Employees		\$ 50,585
Other	\$ 6,414	-
Total Contributions	6,414	50,585
Investment Earnings		
Interest	25	2,904
Total Investment Earnings	25	2,904
Total Additions	6,439	53,489
DEDUCTIONS		
Scholarships	7,250	
Unemployment Claims and Contributions and Other Charges	-	59,033
Total Deductions	7,250	59,033
Change in Net Position	(811)	(5,544)
Net Position, Beginning of Year	4,503	586,807
Net Position, End of Year	\$ 3,692	\$ 581,263

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, 2017**

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 2017, the District adopted the following GASB statements:

- 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*. 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. 77, *Tax Abatement Disclosures*. 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. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14. *The Financial Reporting Entity, as amended*.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. 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.

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

- 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. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 85, *Omnibus 2017*, will be effective with the fiscal year ending June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)).
- GASB No. 86, *Certain Debt Extinguishment Issues*, will be effective with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.
- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

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, 2017**

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, 2017**

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, 2017**

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, 2017**

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 acquisition 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, 2017**

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 future periods 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 future periods 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, 2017

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.

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.

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 2B.)

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2016 audited excess surplus that was appropriated in the 2017/2018 original budget certified for taxes.

WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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 (Continued)

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2017 audited excess surplus that is required to be appropriated in the 2018/2019 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 2017/2018 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, 2017**

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 1st 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 2015-2016 and 2016-2017 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, 2017**

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 2016/2017. Also, during 2016/2017 the Board increased the original general fund budget by \$1,476,369. The increase was funded by the reappropriation of prior year general fund encumbrances and the appropriation of capital reserve. During 2016/2017 the Board increased the original special revenue budget by \$170,379 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, 2017**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016		\$ 15,620,281
Increased by:		
Interest Earnings	\$ 66,573	
Deposits Approved in District Budget	590,172	
Deposits Approved by Board Resolution	<u>3,312,502</u>	
Total Increases		<u>3,969,247</u>
		19,589,528
Withdrawals:		
Approved by Board Resolution		<u>(435,617)</u>
Balance, June 30, 2017		<u>\$ 19,153,911</u>

The withdrawals from the capital reserve were for use in a department approved facilities 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, 2017 is \$1,500,000. Of this amount, \$750,000 was designated and appropriated in the 2017/2018 original budget certified for taxes and the remaining amount of \$750,000 will be appropriated in the 2018/2019 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), National Credit Union Share Insurance Fund (NCUSIF), 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, 2017**

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. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2017, the book value of the Board's deposits were \$23,503,626 and bank and brokerage firm balances of the Board's deposits amounted to \$25,288,094. The Board's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

Depository Account

Insured	<u>\$ 25,288,094</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, 2017 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, 2017, the Board had no outstanding investments.

B. Receivables

Receivables as of June 30, 2017 for the district's individual major funds 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	\$ 195,360	\$ 3,707			\$ 199,067
Intergovernmental Federal		118,475		\$ 11,525	130,000
State	<u>99,043</u>	<u>-</u>	<u>\$ 2,287,832</u>	<u>514</u>	<u>2,387,389</u>
Gross Receivables	294,403	122,182	2,287,832	12,039	2,716,456
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 294,403</u>	<u>\$ 122,182</u>	<u>\$ 2,287,832</u>	<u>\$ 12,039</u>	<u>\$ 2,716,456</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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	\$	916
Unencumbered Grant Draw Downs		29,450
Capital Projects Fund		
Unrealized School Facilities Grants		243,182
Total Unearned Revenue for Governmental Funds	\$	<u>273,548</u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	Balance, <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2017</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction In Progress	\$ 144,763	\$ 296,205	\$ -	\$ 440,968
Total Capital Assets, Not Being Depreciated	<u>144,763</u>	<u>296,205</u>	<u>-</u>	<u>440,968</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	44,625,053	387,626		45,012,679
Machinery and Equipment	4,948,385	684,380	-	5,632,765
Total Capital Assets Being Depreciated	<u>49,573,438</u>	<u>1,072,006</u>	<u>-</u>	<u>50,645,444</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(17,199,632)	(875,564)		(18,075,196)
Machinery and Equipment	(2,128,360)	(350,831)	-	(2,479,191)
Total Accumulated Depreciation	<u>(19,327,992)</u>	<u>(1,226,395)</u>	<u>-</u>	<u>(20,554,387)</u>
Total Capital Assets, Being Depreciated, Net	<u>30,245,446</u>	<u>(154,389)</u>	<u>-</u>	<u>30,091,057</u>
Governmental Activities Capital Assets, Net	<u>\$ 30,390,209</u>	<u>\$ 141,816</u>	<u>\$ -</u>	<u>\$ 30,532,025</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2017</u>
Business-Type Activities:				
Capital Assets, being depreciated:				
Machinery and Equipment	\$ 213,898	\$ 17,076	\$ -	\$ 230,974
Total Capital Assets being depreciated	<u>213,898</u>	<u>17,076</u>	<u>-</u>	<u>230,974</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(143,741)	(7,503)	-	(151,244)
Total Accumulated Depreciation	<u>(143,741)</u>	<u>(7,503)</u>	<u>-</u>	<u>(151,244)</u>
Total Capital Assets, being depreciated, net	<u>70,157</u>	<u>9,573</u>	<u>-</u>	<u>79,730</u>
Business-Type Activities Capital Assets, net	<u>\$ 70,157</u>	<u>\$ 9,573</u>	<u>\$ -</u>	<u>\$ 79,730</u>

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

Governmental Activities:

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
Plant Operations and Maintenance		1,016,092
School Administrative Services		15,250
Pupil Transportation		24,587
Total Support Services		<u>1,186,538</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 1,226,395</u>
Business-Type Activities:		
Food Service Fund		\$ 7,503
Total Depreciation Expense-Business-Type Activities		<u>\$ 7,503</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
High School Façade Replacement	\$ 3,496,486	\$ 127,403
High School Partial Roof Replacement	2,269,497	88,803
Maintenance Building Replacement	196,361	39,364
Gym Floor Replacement	<u>99,844</u>	<u>142,946</u>
Total	<u>\$ 6,062,188</u>	<u>\$ 398,516</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2017, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 1,347,566
General Fund	Payroll Agency Fund	146,770
Payroll Agency Fund	Unemployment Compensation Trust Fund	<u>20,719</u>
		<u>\$ 1,515,055</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.

Interfund transfers

	<u>Transfer In:</u>	
	<u>Fund</u>	<u>Total</u>
Transfer Out:		
General Fund	<u>\$ 435,617</u>	<u>\$ 435,617</u>

The above transfer was the result of capital reserve funds utilized to finance expenditures.

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017 are comprised of the following issue:

\$16,672,000, 2008 Bonds, due in annual installments of \$695,000 to \$725,000 through August 1, 2018, interest at 4.00%	\$ 1,420,000
\$11,125,000, 2016 Refunding Bonds, due in annual installments of \$735,000 to \$1,150,000 through August 1, 2030, interest at 3.00% to 5.00%	<u>11,040,000</u>
	<u>\$12,460,000</u>

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

Governmental Activities:

Fiscal Year Ended June 30,	<u>General Obligation Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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	785,000	388,750	1,173,750
2023-2027	4,470,000	1,432,650	5,902,650
2028-2030	4,295,000	420,925	4,715,925
Total	<u>\$ 12,460,000</u>	<u>\$ 4,051,925</u>	<u>\$ 16,511,925</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 145,868,133
Less: Net Debt	<u>12,460,075</u>
Remaining Borrowing Power	<u>\$ 133,408,058</u>

Prior Year Defeasance of Debt

In prior years, the District defeased certain serial bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. As of June 30, 2017, \$11,617,000 of bonds outstanding are considered defeased. These bonds will be called for redemption on August 1, 2018.

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2017, was as follows:

	<u>Balance, July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2017</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable	\$ 13,210,000		\$ 750,000	\$ 12,460,000	\$ 695,000
Unamortized Premium	<u>1,593,127</u>	<u>-</u>	<u>131,680</u>	<u>1,461,447</u>	<u>-</u>
Total Bonds Payable	14,803,127	-	881,680	13,921,447	695,000
Compensated Absences	1,469,971	\$ 33,998	115,475	1,388,494	60,000
Net Pension Liability	<u>11,639,209</u>	<u>3,379,231</u>	<u>437,369</u>	<u>14,581,071</u>	<u>-</u>
Governmental Activities Long-Term Liabilities	<u>\$ 27,912,307</u>	<u>\$ 3,413,229</u>	<u>\$ 1,434,524</u>	<u>\$ 29,891,012</u>	<u>\$ 755,000</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, 2017**

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 June 30,	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2017		\$ 50,585	\$ 59,033	\$ 581,263
2016		45,016	106,067	586,807
2015	\$ 50,000	43,273	51,394	645,701

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, 2017**

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, 2017, 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, 2017, 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, 2017**

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.

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/treasury/doinvest.

Funding Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 28 percent with an unfunded actuarial accrued liability of \$108.6 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 22.33 percent and \$79.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 40.14 percent and \$29.6 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, 2017**

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, 2015 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 7.65 percent and (b) projected salary increases applied through the year 2026 of 1.65-5.15 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 7.06% for PERS, 7.06% 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, 2017 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, 2017, 2016 and 2015 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF, respectively, for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2017	\$ 437,369	\$ 2,231,536	\$ 25,614
2016	445,768	1,637,098	18,585
2015	436,163	1,067,264	21,822

In addition for fiscal year 2016/2017 the District contributed \$3,173 for PERS and the State contributed \$7,235 for TPAF for Long Term Disability Insurance Premium (LTDI).

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 \$1,623,571 during the fiscal year ended June 30, 2017 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, 2017, the District reported in the statement of net position (accrual basis) a liability of \$14,581,071 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016 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, 2016, the District's proportionate share was .04923 percent, which was a decrease of .00261 percent from its proportionate share measured as of June 30, 2015 of .05184 percent.

For the fiscal year ended June 30, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,341,966 for PERS. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 271,164	
Changes of Assumptions	3,020,419	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	555,990	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>266,053</u>	<u>\$ 553,592</u>
Total	<u>\$ 4,113,626</u>	<u>\$ 553,592</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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)

At June 30, 2017, the 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>	<u>Total</u>
2018	\$ 815,669
2019	815,669
2020	963,130
2021	757,972
2022	207,594
Thereafter	<u>-</u>
	<u>\$ 3,560,034</u>

Actuarial Assumptions

The District's total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2016 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%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

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

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.98%

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$12,085,812 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, 2017 the State's proportionate share of the net pension liability attributable to the District is \$160,852,300. 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, 2016. At June 30, 2016, the state's share of the net pension liability attributable to the District was .20447 percent, which was an increase of .00707 percent from its proportionate share measured as of June 30, 2015 of .19740 percent.

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.65%

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2016 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%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.22%

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, 2029
Municipal Bond Rate *	From July 1, 2029 and Thereafter

* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. 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 3.22%, 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 (2.22 percent) or 1-percentage-point higher (4.22 percent) than the current rate:

	1% Decrease <u>(2.22%)</u>	Current Discount Rate <u>(3.22%)</u>	1% Increase <u>(4.22%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 192,093,593</u>	<u>\$ 160,852,300</u>	<u>\$ 135,339,753</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2016. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2016 was not provided by the pension system.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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.

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 584 state and local participating employers and contributing entities for Fiscal Year 2016.

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.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2015, the most recent actuarial valuation date, the State had a \$84.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.9 billion for state active and retired members and \$41.6 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, 2015, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. 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, 2017**

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 110,512, retirees receiving post-retirement medical benefits and the State contributed \$1.37 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 (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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/2016divisioncombined.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, 2017, 2016 and 2015 were \$1,859,376, \$1,949,333 and \$1,694,283, 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.

F. Tax Abatements

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

For Westwood Regional School District, the District's share of abated taxes resulting from the municipalities having entered into a tax abatement agreement is indeterminate.

BUDGETARY COMPARISON SCHEDULES

REQUIRED SUPPLEMENTARY INFORMATION PART II

**WESTWOOD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Property Taxes	\$ 50,021,078		\$ 50,021,078	\$ 50,021,078	
Tuition	50,000		50,000	52,500	\$ 2,500
Rents and Royalties	21,000		21,000	21,601	601
Interest on Investments	30,000		30,000	49,928	19,928
Interest on Capital Reserve	10,000		10,000	66,573	56,573
Unrestricted Miscellaneous Revenue	31,701	-	31,701	374,091	342,390
Total Local Sources	50,163,779	-	50,163,779	50,585,771	421,992
State Sources					
Special Education Aid	1,492,160		1,492,160	1,492,160	
Transportation Aid	110,956		110,956	110,956	
Security Aid	55,037		55,037	55,037	
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	
Professional Learning Community Aid	27,590		27,590	27,590	
Extraordinary Aid				552,147	552,147
Additional Nonpublic Transportation Aid				18,660	18,660
TPAF Pension System Contribution (Normal Costs) (Non-Budgeted)				2,153,509	2,153,509
TPAF Pension System Contribution (NCGI) (Non-Budgeted)				78,027	78,027
TPAF Pension System Contribution (Post- Retirement Medical Contribution) (Non-Budgeted)				1,859,376	1,859,376
TPAF Pension System Contribution (LTDI) (Non-Budgeted)				7,235	7,235
TPAF Social Security Reimbursements (Non-Budget)	-	-	-	1,623,571	1,623,571
Total State Sources	1,742,225	-	1,742,225	8,034,750	6,292,525
Federal Sources					
Medicaid Reimbursement	27,448	-	27,448	9,247	(18,201)
Total Federal Sources	27,448	-	27,448	9,247	(18,201)
Total Revenues	51,933,452	-	51,933,452	58,629,768	6,696,316
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	761,440		761,440	705,161	56,279
Grades 1-5	4,741,245	\$ 60,510	4,801,755	4,729,948	71,807
Grades 6-8	3,605,774	141,940	3,747,714	3,730,340	17,374
Grades 9-12	5,139,034	(191,440)	4,947,594	4,670,045	277,549
Regular Programs - Home Instruction					
Salaries of Teachers	50,000	21,100	71,100	70,676	424
Purchased Professional/Educational Services	8,000		8,000	46	7,954
Regular Programs - Undistributed Instruction					
Purchased Professional/Educational Services	20,320	(13,150)	7,170	6,877	293
Purchased Technical Services	3,000	(3,000)			
Other Purchased Services	164,644	(194)	164,450	164,450	
General Supplies	412,100	21,971	434,071	421,856	12,215
Textbooks	321,775	518,517	840,292	504,115	336,177
Other Objects	10,220	(832)	9,388	8,722	666
Total Regular Programs	15,237,552	555,422	15,792,974	15,012,236	780,738
Learning and/or Language Disabilities					
Salaries of Teachers	298,692	18,000	316,692	316,512	180
Other Salaries for Instruction	33,000	(30,000)	3,000		3,000
Purchased Professional/Educational Services	40,000	(40,000)			
General Supplies	34,000	-	34,000	24,802	9,198
Total Learning and/or Language Disabilities	405,692	(52,000)	353,692	341,314	12,378

**WESTWOOD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Resource Room/Resource Center					
Salaries of Teachers	\$ 2,512,632	\$ 165,000	\$ 2,677,632	\$ 2,676,674	\$ 958
Other Salaries for Instruction	30,000	(30,000)			
General Supplies	22,000	(9,582)	12,418	7,518	4,900
Total Resource Room/Resource Center	2,564,632	125,418	2,690,050	2,684,192	5,858
Autism					
Salaries of Teachers	116,060	8,500	124,560	124,282	278
Other Salaries for Instruction	125,000	15,500	140,500	140,082	418
General Supplies	25,000	(10,000)	15,000	6,614	8,386
Other Objects	1,000	-	1,000	-	1,000
Total Autism	267,060	14,000	281,060	270,978	10,082
Preschool Disabilities - Part-Time					
Salaries of Teachers	129,868	34,410	164,278	164,057	221
Other Salaries for Instruction	96,000	(70,000)	26,000	23,833	2,167
Purchased Professional Educational Services	2,000		2,000	650	1,350
General Supplies	10,000	(7,590)	2,410	108	2,302
Total Preschool Disabilities - Part-Time	237,868	(43,180)	194,688	188,648	6,040
Preschool Disabilities - Full-Time					
Salaries of Teachers	175,417		175,417	175,228	189
Other Salaries for Instruction	217,000		217,000	145,902	71,098
Purchased Professional Educational Services	2,000		2,000	1,035	965
General Supplies	7,000	5	7,005	2,190	4,815
Total Preschool Disabilities - Full-Time	401,417	5	401,422	324,355	77,067
Home Instruction					
Purchased Professional Educational Services	50,000	(40,000)	10,000	9,081	919
Total Home Instruction	50,000	(40,000)	10,000	9,081	919
Total Special Education	3,926,669	4,243	3,930,912	3,818,568	112,344
Basic Skills/Remedial - Instruction					
Salaries of Teachers	376,070	-	376,070	375,914	156
Total Basic Skills/Remedial	376,070	-	376,070	375,914	156
Bilingual Education - Instruction					
Salaries of Teachers	321,090	5,500	326,590	326,183	407
General Supplies	1,100	39	1,139	1,139	-
Total Bilingual Education	322,190	5,539	327,729	327,322	407
School Sponsored Co/Extra Curricular Activities - Instruction					
Salaries	192,000	28,500	220,500	194,671	25,829
Purchased Services	7,205	(20)	7,185	5,957	1,228
Supplies and Materials	9,350	-	9,350	8,923	427
Total School Sponsored Co/Extra Curricular Activities	208,555	28,480	237,035	209,551	27,484

WESTWOOD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
School Sponsored Athletics - Instruction					
Salaries	\$ 676,669		\$ 676,669	\$ 580,704	\$ 95,965
Purchased Services	99,000	\$ 1,732	100,732	81,595	19,137
Supplies and Materials	103,500	1,168	104,668	96,493	8,175
Other Objects	47,045	(2,847)	44,198	27,063	17,135
Total School Sponsored Athletics	926,214	53	926,267	785,855	140,412
Total Instruction	20,997,250	593,737	21,590,987	20,529,446	1,061,541
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Special	487,644	(40,000)	447,644	414,270	33,374
Tuition to Co. Voc. School Dist.- Reg.	268,000	(25,000)	243,000	221,798	21,202
Tuition to Co. Voc. School Dist.- Special	106,800	26,700	133,500	130,248	3,252
Tuition to CSSD and Regional Day Schools	223,528	484,732	708,260	648,714	59,546
Tuition to Priv. Sch. for the Disabled - State	1,487,065	(296,372)	1,190,693	1,087,086	103,607
Tuition to Priv. Sch. Disabled & Other LEAs - Out State	63,000	(57,960)	5,040		5,040
Tuition - State Facilities	32,306		32,306	32,306	
Tuition - Other	85,000	-	85,000	72,324	12,676
Total Undistributed Expenditures - Instruction	2,753,343	92,100	2,845,443	2,606,746	238,697
Attendance and Social Work					
Salaries	1,500	81	1,581	1,581	-
Total Attendance and Social Work	1,500	81	1,581	1,581	-
Health Services					
Salaries	608,157	4,657	612,814	581,304	31,510
Purchased Professional and Technical Services	20,000	(4,738)	15,262	10,938	4,324
Other Purchased Services	1,000		1,000		1,000
Supplies and Materials	16,000	431	16,431	11,602	4,829
Total Health Services	645,157	350	645,507	603,844	41,663
Speech, OT, PT and Related Services					
Salaries	708,110		708,110	681,863	26,247
Purchased Prof. Ed. Services	773,500	(406,567)	366,933	204,189	162,744
Supplies and Materials	16,000	(10,000)	6,000	3,392	2,608
Total Speech, OT, PT and Related Services	1,497,610	(416,567)	1,081,043	889,444	191,599
Other Support Services - Students - Extraordinary Serv.					
Salaries	1,525,530	1,650	1,527,180	1,313,052	214,128
Purchased Prof. Ed. Services	700,000	185,345	885,345	809,747	75,598
Supplies and Materials	20,800	(10,000)	10,800	6,991	3,809
Total Other Supp.Serv. Student - Extraordinary Serv.	2,246,330	176,995	2,423,325	2,129,790	293,535

**WESTWOOD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Guidance					
Salaries of Other Professional Staff	\$ 968,082	\$ 1,000	\$ 969,082	\$ 969,023	\$ 59
Salaries of Secretarial & Clerical Assistants	108,320	10,000	118,320	108,651	9,669
Purchased Professional-Educational Services	6,215	(1,044)	5,171	4,150	1,021
Other Purchased Services	4,500		4,500	2,562	1,938
Supplies and Materials	12,305	(2,554)	9,751	8,710	1,041
Total Guidance	1,099,422	7,402	1,106,824	1,093,096	13,728
Child Study Teams					
Salaries of Other Professional Staff	794,079	50,000	844,079	831,556	12,523
Salaries of Secretarial & Clerical Assistants	190,902		190,902	190,864	38
Purchased Professional/Educational Services	267,000	(56,800)	210,200	145,086	65,114
Other Purchased Services	12,500	149	12,649	9,022	3,627
Supplies and Materials	40,000	(3,160)	36,840	16,496	20,344
Other Objects	6,410	-	6,410	300	6,110
Total Child Study Teams	1,310,891	(9,811)	1,301,080	1,193,324	107,756
Improvement of Instr. Services					
Salaries of Supervisors of Instruction	446,785		446,785	431,573	15,212
Salaries of Other Professional Staff	236,332	2,000	238,332	237,614	718
Other Salaries	40,000		40,000	18,297	21,703
Purchased Professional-Educational Services	18,500	(2,000)	16,500	12,562	3,938
Other Purchased Services	28,000	-	28,000	14,557	13,443
Total Other Support Services - Impvt. of Instructional Staff	769,617	-	769,617	714,603	55,014
Educational Media/School Library					
Salaries	324,940	4,500	329,440	323,980	5,460
Salaries of Technology Coordinators	325,834	12,000	337,834	335,865	1,969
Purchased Professional and Technical Services	240,705	11,969	252,674	247,527	5,147
Other Purchased Services	9,500		9,500	4,976	4,524
Supplies and Materials	331,945	104,587	436,532	334,257	102,275
Other Objects	500	(5)	495	-	495
Total Educational Media/School Library	1,233,424	133,051	1,366,475	1,246,605	119,870
Instructional Staff Training Services					
Other Salaries	10,000		10,000	9,058	942
Purchased Professional-Educational Services	5,000		5,000	1,639	3,361
Other Purchased Services	23,920	3,417	27,337	19,655	7,682
Supplies and Materials	1,000	740	1,740	738	1,002
Total Instructional Staff Training Services	39,920	4,157	44,077	31,090	12,987
Support Services General Administration					
Salaries	497,673	40,000	537,673	460,094	77,579
Legal Services	100,000	40,000	140,000	106,199	33,801
Audit Fees	35,000	-	35,000	32,915	2,085
Architectural/Engineering Services	50,000	25,244	75,244	52,277	22,967
Other Purchased Professional Services	25,000	1,476	26,476	22,339	4,137
Purchased Technical Services	25,000	120	25,120	17,120	8,000
Communications/Telephone	171,500	6,370	177,870	149,198	28,672
BOE Other Purchased Services	1,000		1,000		1,000
Miscellaneous Purchased Services	64,500	18,569	83,069	32,589	50,480
General Supplies	25,000	(17,000)	8,000	6,006	1,994
BOE In-House Training/Meeting Supplies	4,000		4,000	2,512	1,488
Judgments Against the School District		86,666	86,666	13,519	73,147
Miscellaneous Expenditures	20,000		20,000	8,081	11,919
BOE Membership Dues and Fees	25,000	-	25,000	21,000	4,000
Total Support Services General Administration	1,043,673	201,445	1,245,118	923,849	321,269

**WESTWOOD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Support Services School Administration					
Salaries of Principals/Asst. Principals	\$ 1,184,854	\$ 216,900	\$ 1,401,754	\$ 1,177,191	\$ 224,563
Salaries of Other Professional Staff	505,876		505,876	480,856	25,020
Salaries of Secretarial and Clerical Assistants	485,996	9,100	495,096	494,472	624
Other Purchased Services	40,000		40,000	21,666	18,334
Supplies and Materials	38,275	(1,237)	37,038	29,516	7,522
Other Objects	7,950	325	8,275	2,009	6,266
Total Support Services School Administration	2,262,951	225,088	2,488,039	2,205,710	282,329
Central Services					
Salaries	564,044	45,400	609,444	563,728	45,716
Purchased Professional Services	2,000		2,000		2,000
Purchased Technical Services	20,000		20,000	5,036	14,964
Misc. Purchased Services	12,000		12,000	5,216	6,784
Supplies and Materials	15,242		15,242	6,002	9,240
Miscellaneous Expenditures	5,000	-	5,000	1,185	3,815
Total Central Services	618,286	45,400	663,686	581,167	82,519
Admin Info. Tech.					
Salaries	24,161	250	24,411	24,381	30
Purchased Technical Services	64,864	(250)	64,614	60,251	4,363
Supplies and Materials	6,000	15,489	21,489	15,745	5,744
Total Admin Info. Tech.	95,025	15,489	110,514	100,377	10,137
Required Maintenance for School Facilities					
Salaries	384,096		384,096	333,941	50,155
Cleaning, Repair & Maintenance Services	195,000	208,117	403,117	351,469	51,648
General Supplies	152,500	103,007	255,507	194,476	61,031
Total Allowable Maintenance for School Facilities	731,596	311,124	1,042,720	879,886	162,834
Custodial Services					
Salaries	1,265,384	(14,500)	1,250,884	1,199,972	50,912
Salaries of Non-Instructional Aides	110,000		110,000	82,825	27,175
Cleaning, Repair and Maintenance Services	95,000	9,701	104,701	90,173	14,528
Other Purchased Property Services	66,500	(2,680)	63,820	54,947	8,873
Insurance	391,326	(59,408)	331,918	329,361	2,557
Misc. Purchased Services	2,000		2,000	430	1,570
General Supplies	123,000	(18,682)	104,318	92,629	11,689
Energy (Natural Gas)	280,000	139,896	419,896	188,446	231,450
Energy (Electricity)	730,000	(31,147)	698,853	434,338	264,515
Energy (Gasoline)	45,000	(16,200)	28,800	26,630	2,170
Other Objects	1,000	-	1,000	730	270
Total Custodial Services	3,109,210	6,980	3,116,190	2,500,481	615,709
Care and Upkeep of Grounds					
Salaries	145,138	2,000	147,138	147,104	34
Cleaning, Repair & Maintenance Svc.	18,000	21,785	39,785	37,115	2,670
General Supplies	30,000	3,097	33,097	11,327	21,770
Total Care and Upkeep of Grounds	193,138	26,882	220,020	195,546	24,474
Security					
Salaries	116,700		116,700	113,661	3,039
Cleaning, Repair & Maintenance Svc.	8,000	10,836	18,836	5,300	13,536
General Supplies	17,000	45,536	62,536	18,962	43,574
Other Objects	-	500	500	476	24
Total Security	141,700	56,872	198,572	138,399	60,173

**WESTWOOD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Student Transportation Services					
Salaries of Non-Instructional Aides	\$ 26,500	\$ 41,237	\$ 67,737	\$ 67,669	\$ 68
Sal. For Pupil Trans (Between Home & Sch)-Reg.	20,000	13,397	33,397	33,293	104
Sal. For Pupil Trans (Between Home & Sch)-Spec. Ed	96,337		96,337	88,363	7,974
Sal. For Pupil Trans (Other than Between Home & Sch)	18,000	13,430	31,430	30,970	460
Cleaning, Repair & Maint. Services	15,000	3,771	18,771	13,951	4,820
Contracted Services (Between Home and School) - Vendors	415,000	(53,717)	361,283	280,470	80,813
Contracted Services (Other Than Between Home and School) - Vendors	150,000	1,160	151,160	61,082	90,078
Contracted Services (Special Ed. Students) - Vendors	963,500	(304,225)	659,275	648,405	10,870
Contracted Services - Aid In Lieu of Payments-Non Public	85,000	9,366	94,366	90,738	3,628
Other Objects	9,000	(5,000)	4,000	3,203	797
Total Student Transportation Services	1,798,337	(280,581)	1,517,756	1,318,144	199,612
Unallocated Benefits- Employee Benefits					
Group Insurance	18,000		18,000	10,131	7,869
Social Security Contributions	600,000	10,000	610,000	578,661	31,339
Other Retirement Contrib.- PERS	500,000		500,000	435,589	64,411
Other Retirement Contrib.- Regular	50,000		50,000	41,628	8,372
Unemployment Compensation	50,000		50,000	1,947	48,053
Workmen's Compensation	260,000		260,000	238,850	21,150
Health Benefits	8,238,040	(878,392)	7,359,648	7,044,627	315,021
Tuition Reimbursement	75,000		75,000	75,000	
Other Employee Benefits	21,300	95,000	116,300	115,475	825
Total Unallocated Benefits	9,812,340	(773,392)	9,038,948	8,541,908	497,040
TPAF Pension System Contribution (Normal Costs) (Non-Budgeted)					
				2,153,509	(2,153,509)
TPAF Pension System Contribution (NCGI) (Non-Budgeted)					
				78,027	(78,027)
TPAF Pension Systems Contribution (Post Retirement Medical Contributions)(Non-Budgeted)					
				1,859,376	(1,859,376)
TPAF Pension System Contribution (LTDI) (Non-Budgeted)					
				7,235	(7,235)
Reimbursed TPAF Social Security Reimbursements (Non-Budgeted)					
	-	-	-	1,623,571	(1,623,571)
Total On-Behalf TPAF Contributions	-	-	-	5,721,718	(5,721,718)
Total Undistributed Expenditures	31,403,470	(176,935)	31,226,535	33,617,308	(2,390,773)
Total Current Expenditures	52,400,720	416,802	52,817,522	54,146,754	(1,329,232)

**WESTWOOD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures					
Instruction	\$ 4,000	\$ 48,476	\$ 52,476	\$ 51,901	\$ 575
School Sponsored Activities and Athletics		43,644	43,644	43,644	
Child Study Teams	7,350		7,350		7,350
Educational Media/Library Services		28,000	28,000	27,695	305
Admin Info Tech	50,000	(11,588)	38,412	14,545	23,867
Required Maintenance for School Facilities	60,000	18,850	78,850	65,204	13,646
Security	35,000	149,560	184,560	176,086	8,474
Care and Upkeep	35,000	(3,000)	32,000		32,000
Non-Instructional Services	4,000	314,532	318,532	305,305	13,227
Total Equipment	195,350	588,474	783,824	684,380	99,444
Facilities Acquisition and Construction Serv.					
Architectural/Engineering Services		41,456	41,456	9,521	31,935
Construction Services	206,420	(5,980)	200,440	200,193	247
Assessment for Debt Service on SDA Funding	769	-	769	769	-
Total Facilities Acquisition and Construction Serv.	207,189	35,476	242,665	210,483	32,182
Increase in Capital Reserve	590,172	-	590,172	-	590,172
Interest Deposit to Capital Reserve	10,000	-	10,000	-	10,000
Total Capital Outlay	1,002,711	623,950	1,626,661	894,863	731,798
Total Expenditures	53,403,431	1,040,752	54,444,183	55,041,617	(597,434)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,469,979)	(1,040,752)	(2,510,731)	3,588,151	6,098,882
Other Financing Sources (Uses)					
Capital Reserve - Transfer to Capital Projects	-	(435,617)	(435,617)	(435,617)	-
Total Other Financing Sources (Uses)	-	(435,617)	(435,617)	(435,617)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,469,979)	(1,476,369)	(2,946,348)	3,152,534	6,098,882
Fund Balance, Beginning of Year	20,470,708	-	20,470,708	20,470,708	-
Fund Balance, End of Year	\$ 19,000,729	\$ (1,476,369)	\$ 17,524,360	\$ 23,623,242	\$ 6,098,882
Recapitulation:					
Restricted Fund Balance					
Capital Reserve				\$ 19,153,911	
Excess Surplus-Designated for Subsequent Year's Expenditures - 2017/2018				750,000	
Excess Surplus				750,000	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures - 2017/2018				671,231	
Year-End Encumbrances				732,183	
Unassigned Fund Balance				1,565,917	
				23,623,242	
Reconciliation to Governmental Funds Statements (GAAP):					
Less:					
2016/2017 Extraordinary Aid Not Recognized on a GAAP Basis			\$ (552,147)		
2016/2017 State Aid Not Recognized on a GAAP Basis			(113,404)		
				(665,551)	
Fund Balance per Governmental Funds (GAAP)				\$ 22,957,691	

**WESTWOOD REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-2

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
State Sources	\$ 210,463	\$ 5,724	\$ 216,187	\$ 158,761	\$ (57,426)
Federal Sources	1,038,732	96,173	1,134,905	1,049,453	(85,452)
Local	-	68,482	68,482	41,335	(27,147)
	<u>1,249,195</u>	<u>170,379</u>	<u>1,419,574</u>	<u>1,249,549</u>	<u>(170,025)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	190,191	(75,495)	114,696	114,696	-
Purchased Prof./Educ. Svcs.	51,972	71,600	123,572	39,514	84,058
Tuition	765,050	(16,975)	748,075	748,075	-
Other Purchased Services	-	2,500	2,500	640	1,860
General Supplies	76,497	118,016	194,513	124,913	69,600
Textbooks	43,396	(1,319)	42,077	37,795	4,282
Other Objects	-	1,950	1,950	1,950	-
	<u>1,127,106</u>	<u>100,277</u>	<u>1,227,383</u>	<u>1,067,583</u>	<u>159,800</u>
Support Services					
Other Salaries	-	16,897	16,897	13,290	3,607
Personal Services - Employee Benefits	-	25,282	25,282	25,006	276
Purchased Prof./Educ. Svcs.	47,479	(13,901)	33,578	33,578	-
Other Purchased Services	74,610	40,035	114,645	109,743	4,902
Supplies and Materials	-	1,789	1,789	349	1,440
Other Objects	-	-	-	-	-
	<u>122,089</u>	<u>70,102</u>	<u>192,191</u>	<u>181,966</u>	<u>10,225</u>
Total Expenditures	<u>1,249,195</u>	<u>170,379</u>	<u>1,419,574</u>	<u>1,249,549</u>	<u>170,025</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, 2017**

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>
Sources/Inflows of Resources		
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule	(C-1) \$ 58,629,768	(C-2) \$ 1,249,549
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
Encumbrances, June 30, 2017		(916)
Certain State Aid payments recognized for GAAP purposes, not recognized for budgetary statements. (2016/2017 State Aid)	(665,551)	
Certain State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2015/2016 State Aid)	<u>755,165</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>58,719,382</u>	\$ <u>1,256,417</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule	(C-1) \$ 55,041,617	(C-2) \$ 1,249,549
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		7,784
Encumbrances, June 30, 2017	<u>-</u>	<u>(916)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>55,041,617</u>	(B-2) \$ <u>1,256,417</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 Four Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.04923%	0.05184%	0.05286%	0.05025%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 14,581,071	\$ 11,639,209	\$ 9,897,582	\$ 9,605,283
District's Covered-Employee Payroll	\$ 3,395,633	\$ 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	429%	339%	277%	272%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	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 Four Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 437,369	\$ 445,768	\$ 436,163	\$ 378,683
Contributions in Relation to the Contractually Required Contribution	<u>437,369</u>	<u>445,768</u>	<u>436,163</u>	<u>376,683</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$3,395,633	\$3,426,258	\$ 3,575,863	\$ 3,536,307
Contributions as a Percentage of Covered-Employee Payroll	12.88%	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 Four Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$-0-	\$-0-	\$-0-	\$-0-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 160,852,300</u>	<u>\$ 124,770,765</u>	<u>\$ 107,340,110</u>	<u>\$101,325,234</u>
Total	<u>\$ 160,852,300</u>	<u>\$ 124,770,765</u>	<u>\$ 107,340,110</u>	<u>\$101,325,234</u>
District's Covered-Employee Payroll	\$ 20,732,635	\$ 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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	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, 2017**

Change of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4.

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, 2017

	IDEA		NCLB				Local Grants	Subtotal Page 2	Total
	Basic	Preschool	Title I	Title II-A	Title III	Title III Immigrant			
REVENUES									
Intergovernmental									
State								\$ 158,761	\$ 158,761
Federal	\$ 763,127	\$ 38,435	\$ 186,528	\$ 43,985	\$ 14,390	\$ 2,988			1,049,453
Local	-	-	-	-	-	-	\$ 41,335	-	41,335
Total Revenues	<u>\$ 763,127</u>	<u>\$ 38,435</u>	<u>\$ 186,528</u>	<u>\$ 43,985</u>	<u>\$ 14,390</u>	<u>\$ 2,988</u>	<u>\$ 41,335</u>	<u>\$ 158,761</u>	<u>\$ 1,249,549</u>
EXPENDITURES									
Instruction									
Salaries of Teachers			\$ 103,473		\$ 10,263	\$ 960			\$ 114,696
Purchased Professional-Educational Svs.	\$ 15,052							\$ 24,462	39,514
Tuition	748,075								748,075
Other Purchased Services							\$ 640		640
General Supplies		\$ 38,435	17,067				78	40,695	124,913
Textbooks									37,795
Other Objects	-	-	-	-	-	1,950	-	-	1,950
Total Instruction	<u>763,127</u>	<u>38,435</u>	<u>120,540</u>	<u>-</u>	<u>10,263</u>	<u>2,988</u>	<u>41,335</u>	<u>90,895</u>	<u>1,067,583</u>
Support Services									
Other Salaries			6,068	\$ 5,812	1,410				13,290
Personal Services - Employee Benefits			23,668	445	893				25,006
Purchased Professional and Technical Services			24,510	9,068					33,578
Other Purchased Services			11,742	28,660	1,824			67,517	109,743
General Supplies								349	349
Other Objects	-	-	-	-	-	-	-	-	-
Total Support Services	<u>-</u>	<u>-</u>	<u>65,988</u>	<u>43,985</u>	<u>4,127</u>	<u>-</u>	<u>-</u>	<u>67,866</u>	<u>181,966</u>
Total Expenditures	<u>\$ 763,127</u>	<u>\$ 38,435</u>	<u>\$ 186,528</u>	<u>\$ 43,985</u>	<u>\$ 14,390</u>	<u>\$ 2,988</u>	<u>\$ 41,335</u>	<u>\$ 158,761</u>	<u>\$ 1,249,549</u>

WESTWOOD REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Chapter 193 Handicapped Services			NJ Nonpublic Aid			Subtotal Page 1
	Supplemental Instruction	Examination and Classification	Corrective Speech	Nursing	Textbooks	Security	
REVENUES							
Intergovernmental State	\$ 7,062	\$ 13,512	\$ 3,888	\$ 67,866	\$ 37,795	\$ 28,638	\$ 158,761
Total Revenues	<u>\$ 7,062</u>	<u>\$ 13,512</u>	<u>\$ 3,888</u>	<u>\$ 67,866</u>	<u>\$ 37,795</u>	<u>\$ 28,638</u>	<u>\$ 158,761</u>
EXPENDITURES							
Instruction							
Salaries of Teachers							\$ 24,462
Purchased Professional Education Services	\$ 7,062	\$ 13,512	\$ 3,888			\$ 28,638	28,638
Supplies and Materials	-	-	-	-	\$ 37,795	-	37,795
Textbooks	-	-	-	-	-	-	-
Total Instruction	<u>7,062</u>	<u>13,512</u>	<u>3,888</u>	<u>-</u>	<u>37,795</u>	<u>28,638</u>	<u>90,895</u>
Support Services							
Other Purchased Services				\$ 67,517			67,517
Supplies and Materials	-	-	-	349	-	-	349
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,866</u>	<u>-</u>	<u>-</u>	<u>67,866</u>
Total Expenditures	<u>\$ 7,062</u>	<u>\$ 13,512</u>	<u>\$ 3,888</u>	<u>\$ 67,866</u>	<u>\$ 37,795</u>	<u>\$ 28,638</u>	<u>\$ 158,761</u>

WESTWOOD REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION PROGRAM AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOT APPLICABLE

CAPITAL PROJECTS FUND

**WESTWOOD REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Issue/Project Title</u>	<u>Expenditures to Date</u>			<u>Prior Year Transfers</u>	<u>Cancelled- Prior Year Transfer to Debt Service Fund</u>	<u>Unexpended Balance, June 30, 2017</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	\$ 14,330,425		\$ (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	3,468,425	\$ 28,061			127,404
High School Partial Roof Replacement	2,760,152	2,119,646	149,851			490,655
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
Maintenance Building Replacement Project	235,725		196,361			39,364
Gym Floor Replacement Project	199,892	-	99,844	-	-	100,048
	<u>\$ 26,833,359</u>	<u>\$ 25,358,469</u>	<u>\$ 474,117</u>	<u>\$ -</u>	<u>\$ (93,352)</u>	<u>\$ 907,421</u>
Project Balance						\$ 907,421
Debt Authorized Not Issued						(75)
Fund Balance - Budgetary Basis						<u>\$ 907,346</u>
<u>Recapitulation of Fund Balance - Budgetary Basis:</u>						
Year End Encumbrances						\$ 412,849
Available for Capital Projects						<u>494,497</u>
Total Fund Balance (Budgetary Basis)- Restricted for Capital Projects						<u>\$ 907,346</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE YEAR FISCAL ENDED JUNE 30, 2017**

Revenues and Other Financing Sources

Other Financing Sources	
Transfer from Capital Reserve	\$ 435,617
	<hr/>
Total Revenues and Other Financing Sources	435,617

Expenditures and Other Financing Uses

Purchased Professional and Technical Services	201,445
Construction Services	272,672
	<hr/>
Total Expenditures and Other Financing Uses	474,117

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(38,500)
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Fund Balance - Beginning of Year	<hr/> 945,846
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Fund Balance - End of Year	<hr/> \$ 907,346
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Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:

Fund Balance, Budgetary Basis	\$ 907,346
Less: Unearned SDA Revenue	<hr/> (243,182)
Fund Balance Per Governmental Funds (GAAP)	<hr/> \$ 664,164

Recapitulation of Fund Balance:

Year End Encumbrances	\$ 412,849
Available for Capital Projects	<hr/> 251,315
Total Fund Balance - Restricted for Capital Projects	<hr/> \$ 664,164

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
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Prior Periods Transfer to Other Projects</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
Bond Proceeds	\$ 7,354,184	-	\$ (165,380)	\$ 7,188,804	\$ 7,188,804
Total Revenues and Other Financing Sources	<u>7,354,184</u>	<u>-</u>	<u>(165,380)</u>	<u>7,188,804</u>	<u>7,188,804</u>
Expenditures and Other Financing Uses					
Purchased Professional and Technical Services	1,056,307			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 and Other Financing Uses	<u>7,167,368</u>	<u>-</u>	<u>-</u>	<u>7,167,368</u>	<u>7,188,804</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 186,816</u>	<u>\$ -</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
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Prior Periods Transfer to Other Projects</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
Bond Proceeds	\$ 523,745	-	\$ (5,959)	\$ 517,786	\$ 517,786
Total Revenues and Other Financing Sources	<u>523,745</u>	<u>-</u>	<u>(5,959)</u>	<u>517,786</u>	<u>517,786</u>
Expenditures and Other Financing Uses					
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 and Other Financing Uses	<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>

Additional Project Information:

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
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 626,120	-	\$ 626,120	\$ 626,120
Total Revenues and Other Financing Sources	<u>626,120</u>	<u>-</u>	<u>626,120</u>	<u>626,120</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	60,819		60,819	60,819
Construction Services	553,696		553,696	565,301
Transfer to Debt Service Fund	11,605	-	11,605	-
Total Expenditures and Other Financing Uses	<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>
Additional Project Information:				
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
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 289,048	-	\$ 289,048	\$ 289,048
Total Revenues and Other Financing Sources	<u>289,048</u>	<u>-</u>	<u>289,048</u>	<u>289,048</u>
Expenditures and Other Financing Uses				
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 and Other Financing Uses	<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>
Additional Project Information:				
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
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 5,632,232	-	\$ 5,632,232	\$ 5,632,232
Total Revenues and Other Financing Sources	<u>5,632,232</u>	<u>-</u>	<u>5,632,232</u>	<u>5,632,232</u>
Expenditures and Other Financing Uses				
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	15,002	-	15,002	-
Total Expenditures and Other Financing Uses	<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>
Additional Project Information:				
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
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 268,671	-	\$ 268,671	\$ 268,671
Total Revenues and Other Financing Sources	<u>268,671</u>	<u>-</u>	<u>268,671</u>	<u>268,671</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	32,655		32,655	32,655
Construction Services	224,842		224,842	236,016
Transfer to Debt Service Fund	11,174	-	11,174	-
Total Expenditures and Other Financing Uses	<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>
Additional Project Information:				
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
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfers from Capital Reserve/Capital Outlay	\$ 56,100	-	\$ 56,100	\$ 56,100
 Total Revenues and Other Financing Sources	 56,100	 -	 56,100	 56,100
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	25,080	-	25,080	25,800
Construction Services	24,349	-	24,349	30,300
 Total Expenditures and Other Financing Uses	 49,429	 -	 49,429	 56,100
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 \$ 6,671	 \$ -	 \$ 6,671	 \$ -

Additional Project Information:

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
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Prior Periods Transfer from Other Projects</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
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 and Other Financing Sources	<u>3,080,000</u>	<u>-</u>	<u>171,339</u>	<u>3,251,339</u>	<u>3,251,339</u>
Expenditures and Other Financing Uses					
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 and Other Financing Uses	<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>
Additional Project Information:					
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
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfers from Capital Reserve/Capital Outlay	\$ 1,201,800	-	\$ 1,201,800	\$ 1,201,800
Total Revenues and Other Financing Sources	<u>1,201,800</u>	<u>-</u>	<u>1,201,800</u>	<u>1,201,800</u>
Expenditures and Other Financing Uses				
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 and Other Financing Uses	<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>
Additional Project Information:				
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
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfers from Capital Reserve/Capital Outlay	\$ 237,600	-	\$ 237,600	\$ 237,600
Total Revenues and Other Financing Sources	<u>237,600</u>	<u>-</u>	<u>237,600</u>	<u>237,600</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	14,135		14,135	30,600
Construction Services	218,465	-	218,465	207,000
Total Expenditures and Other Financing Uses	<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>
Additional Project Information:				
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
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfers from Capital Reserve/Capital Outlay	\$ 214,700	-	\$ 214,700	\$ 214,700
Total Revenues and Other Financing Sources	<u>214,700</u>	<u>-</u>	<u>214,700</u>	<u>214,700</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	53,277	-	53,277	54,700
Construction Services	151,395	-	151,395	160,000
Total Expenditures and Other Financing Uses	<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
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
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 and Other Financing Sources	 <u>3,623,890</u>	 <u>-</u>	 <u>3,623,890</u>	 <u>3,623,890</u>
 Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	208,890		208,890	208,890
Construction Services	<u>3,259,535</u>	\$ 28,061	<u>3,287,596</u>	<u>3,415,000</u>
 Total Expenditures and Other Financing Uses	 <u>3,468,425</u>	 <u>28,061</u>	 <u>3,496,486</u>	 <u>3,623,890</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 155,465</u>	 <u>\$ (28,061)</u>	 <u>\$ 127,404</u>	 <u>\$ -</u>
 Additional Project Information:				
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
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
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 and Other Financing Sources	<u>2,760,152</u>	<u>-</u>	<u>2,760,152</u>	<u>2,760,152</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	131,716	\$ 5,084	136,800	136,800
Construction Services	<u>1,987,930</u>	<u>144,767</u>	<u>2,132,697</u>	<u>2,623,352</u>
Total Expenditures and Other Financing Uses	<u>2,119,646</u>	<u>149,851</u>	<u>2,269,497</u>	<u>2,760,152</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 640,506</u>	<u>\$ (149,851)</u>	<u>\$ 490,655</u>	<u>\$ -</u>
Additional Project Information:				
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	82%			
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
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
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 and Other Financing Sources	<u>171,400</u>	<u>-</u>	<u>171,400</u>	<u>171,400</u>
Expenditures and Other Financing Uses				
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 and Other Financing Uses	<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>
Additional Project Information:				
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
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
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 and Other Financing Sources	<u>141,600</u>	<u>-</u>	<u>141,600</u>	<u>141,600</u>
Expenditures and Other Financing Uses				
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 and Other Financing Uses	<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>
Additional Project Information:				
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
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
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 and Other Financing Sources	<u>216,425</u>	<u>-</u>	<u>216,425</u>	<u>216,425</u>
Expenditures and Other Financing Uses				
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 and Other Financing Uses	<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>
Additional Project Information:				
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			

**WESTWOOD REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
MAINTENANCE BUILDING REPLACEMENT PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfers from Capital Reserve	-	\$ 235,725	\$ 235,725	\$ 235,725
Total Revenues and Other Financing Sources	<u>-</u>	<u>235,725</u>	<u>235,725</u>	<u>235,725</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		196,361	196,361	235,725
Construction Services	-	-	-	-
Total Expenditures and Other Financing Uses	<u>-</u>	<u>196,361</u>	<u>196,361</u>	<u>235,725</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 39,364</u>	<u>\$ 39,364</u>	<u>\$ -</u>
Additional Project Information:				
Project Number		N/A		
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issues		N/A		
Original Authorized Cost	\$	235,725		
Adjustment				
Revised Authorized Cost		235,725		
Percentage Increase Over Original Authorized Cost		-		
Percentage Completion		83%		
Original Target Completion Date		2017/18		
Revised Target Completion Date		2017/18		

WESTWOOD REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
GYM FLOOR REPLACEMENT PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfers from Capital Reserve	-	\$ 199,892	\$ 199,892	\$ 199,892
Total Revenues and Other Financing Sources	-	199,892	199,892	199,892
Expenditures and Other Financing Uses				
Construction Services	-	99,844	99,844	199,892
Total Expenditures and Other Financing Uses	-	99,844	99,844	199,892
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 100,048	\$ 100,048	\$ -
Additional Project Information:				
Project Number		N/A		
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issues		N/A		
Original Authorized Cost	\$	199,892		
Adjustment				
Revised Authorized Cost		199,892		
Percentage Increase Over Original Authorized Cost		-		
Percentage Completion		50%		
Original Target Completion Date		2017/18		
Revised Target Completion Date		2017/18		

PROPRIETARY FUNDS

WESTWOOD REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND - NON-MAJOR
STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Summer Enrichment Program
ASSETS	
Cash and Cash Equivalents	\$ <u>83,739</u>
Total Assets	<u>83,739</u>
LIABILITIES	
Current Liabilities	
Unearned Revenue	<u>46,695</u>
Total Current Liabilities	<u>46,695</u>
NET POSITION	
Unrestricted	<u>37,044</u>
Total Net Position	<u>\$ 37,044</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, 2017**

	Summer Enrichment <u>Program</u>
OPERATING REVENUES	
Charges for Services	
Program Fees	\$ 41,290
	<u>41,290</u>
Total Operating Revenues	
OPERATING EXPENSES	
Salaries and Wages	23,152
Supplies and Materials	3,192
Miscellaneous	<u>2,281</u>
Total Operating Expenses	<u>28,625</u>
Operating Income/Change in Net Position	12,665
Total Net Position, Beginning of Year	<u>24,379</u>
Total Net Position, End of Year	<u>\$ 37,044</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND - NON-MAJOR
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Summer Enrichment <u>Program</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 48,490
Cash Payments for Employees	
Salaries & Benefits	(23,152)
Cash Payments for Suppliers for Goods and Services	<u>(5,817)</u>
Net Cash Provided by Operating Activities	<u>19,521</u>
Net Increase in Cash and Cash Equivalents	19,521
Cash and Cash Equivalents, Beginning of Year	<u>64,218</u>
Cash and Cash Equivalents, End of Year	<u>\$ 83,739</u>
 Reconciliation of Operating Income to	
Net Cash Provided by Operating Activities	
Operating Income	<u>\$ 12,665</u>
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities	
Changes in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	(344)
Increase/(Decrease) in Unearned Revenue	<u>7,200</u>
Total Adjustments	<u>6,856</u>
Net Cash Provided by Operating Activities	<u>\$ 19,521</u>

FIDUCIARY FUNDS

WESTWOOD REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2017

	<u>Agency</u>		<u>Total</u>
	<u>Student</u> <u>Activity</u>	<u>Payroll</u>	
ASSETS			
Cash	\$ 184,458	\$ 375,285	\$ 559,743
Due from Other Funds	<u>-</u>	<u>20,719</u>	<u>20,719</u>
Total Assets	<u>\$ 184,458</u>	<u>\$ 396,004</u>	<u>\$ 580,462</u>
LIABILITIES			
Due to Student Groups	\$ 184,458		\$ 184,458
Payroll Deductions and Withholdings		\$ 252,276	252,276
Accrued Salaries and Wages		(3,042)	(3,042)
Due to Other Funds	<u>-</u>	<u>146,770</u>	<u>146,770</u>
Total Liabilities	<u>\$ 184,458</u>	<u>\$ 396,004</u>	<u>\$ 580,462</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017**

<u>School</u>	<u>Balance July 1, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2017</u>
ELEMENTARY SCHOOLS				
Berkeley Avenue	\$ 8,596	\$ 17,236	\$ 18,089	\$ 7,743
Brookside Elementary	8,767	25,844	30,817	3,794
Washington	6,557	13,753	16,319	3,991
Jessie F. George	17,838	11,507	9,618	19,727
MIDDLE SCHOOL	48,454	89,206	94,160	43,500
Jr./SR. HIGH SCHOOL				
Central	102,457	248,749	247,115	104,091
ATHLETICS				
Athletic Fund	<u>19,749</u>	<u>61,362</u>	<u>79,499</u>	<u>1,612</u>
Total	<u>\$ 212,418</u>	<u>\$ 467,657</u>	<u>\$ 495,617</u>	<u>\$ 184,458</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Balance, July 1, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2017</u>
Payroll Deductions and Withholdings	\$ 122,865	\$ 15,628,450	\$ 15,499,039	\$ 252,276
Accrued Salaries and Wages		18,098,154	18,101,196	(3,042)
Due from/to Other Funds	<u>149,198</u>	<u>146,770</u>	<u>169,917</u>	<u>126,051</u>
	<u>\$ 272,063</u>	<u>\$ 33,873,374</u>	<u>\$ 33,770,152</u>	<u>\$ 375,285</u>

LONG-TERM DEBT

WESTWOOD REGIONAL SCHOOL DISTRICT
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<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, 2016</u>	<u>Retired</u>	<u>Balance, June 30, 2017</u>
			<u>Date</u>	<u>Amount</u>				
2008 School Bonds	9/15/2008	\$ 16,672,000	8/1/2017	\$ 695,000	4.00%	\$ 2,085,000	\$ 665,000	\$ 1,420,000
			8/1/2018	725,000	4.00%			
2016 Refunding Bonds	4/7/2016	11,125,000	8/1/2019	735,000	3.000%	<u>11,125,000</u>	<u>85,000</u>	<u>\$ 11,040,000</u>
			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%						
					<u>\$ 13,210,000</u>	<u>\$ 750,000</u>	<u>\$ 12,460,000</u>	

WESTWOOD REGIONAL SCHOOL DISTRICT
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE AGREEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<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, 2016</u>	<u>Retired</u>	<u>Balance, June 30, 2017</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, 2017

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget with Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 842,135		\$ 842,135	\$ 842,135	
State Sources					
Debt Service Aid - Type II	344,956		344,956	344,956	-
Total Revenues	<u>1,187,091</u>	<u>-</u>	<u>1,187,091</u>	<u>1,187,091</u>	<u>-</u>
EXPENDITURES:					
Debt Service:					
Redemption of Principal	750,000		750,000	750,000	
Interest	437,444	-	437,444	437,443	\$ 1
Total Regular Debt Service	<u>1,187,444</u>	<u>-</u>	<u>1,187,444</u>	<u>1,187,443</u>	<u>1</u>
Total Expenditures	<u>1,187,444</u>	<u>-</u>	<u>1,187,444</u>	<u>1,187,443</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(353)		(353)	(352)	1
Fund Balance, Beginning of Year	<u>353</u>		<u>353</u>	<u>353</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
Restricted for Debt Service					
Available for Debt Service Expenditures				<u>\$ 1</u>	
Total Fund Balance - Restricted for Debt Service				<u>\$ 1</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)

	2008	2009	2010	2011 (Restated)	2012 (Restated)	2013 (Restated)	2014 (Restated)	2015	2016	2017
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 17,586,138
Restricted	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	19,719,192
Unrestricted	411,328	714,217	308,971	1,178,506	2,780,044	2,550,117	(7,427,901)	(7,960,599)	(7,639,332)	(8,810,772)
Total governmental activities net position	<u>\$ 5,793,476</u>	<u>\$ 7,174,137</u>	<u>\$ 7,721,236</u>	<u>\$ 12,002,089</u>	<u>\$ 16,372,843</u>	<u>\$ 19,559,625</u>	<u>\$ 14,903,104</u>	<u>\$ 20,081,733</u>	<u>\$ 25,157,617</u>	<u>\$ 28,494,558</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 82,575	\$ 69,171	\$ 70,993	\$ 62,625	\$ 39,001	\$ 73,125	\$ 25,266	\$ 82,203	\$ 70,157	\$ 79,730
Restricted										
Unrestricted	101,997	118,039	62,633	65,140	86,531	97,871	127,755	134,374	164,967	214,409
Total business-type activities net position	<u>\$ 184,572</u>	<u>\$ 187,210</u>	<u>\$ 133,626</u>	<u>\$ 127,765</u>	<u>\$ 125,532</u>	<u>\$ 170,996</u>	<u>\$ 153,021</u>	<u>\$ 216,577</u>	<u>\$ 235,124</u>	<u>\$ 294,139</u>
District-Wide										
Net Investment in Capital Assets	\$ 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	\$ 17,665,868
Restricted	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	19,719,192
Unrestricted	513,325	832,256	371,604	1,243,646	2,866,575	2,647,988	(7,300,146)	(7,826,225)	(7,474,365)	(8,596,363)
Total district net position	<u>\$ 5,978,048</u>	<u>\$ 7,361,347</u>	<u>\$ 7,854,862</u>	<u>\$ 12,129,854</u>	<u>\$ 16,498,375</u>	<u>\$ 19,730,621</u>	<u>\$ 15,056,125</u>	<u>\$ 20,298,310</u>	<u>\$ 25,392,741</u>	<u>\$ 28,788,697</u>

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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses					(Restated)					
Governmental Activities										
Instruction										
Regular	\$ 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	\$ 28,300,446
Special Education	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	10,232,995
Other Instruction	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	1,468,680
School Sponsored Activities and Athletics	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	1,465,923
Support Services:										
Student & Instruction Related Services	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	12,326,470
School Administrative Services	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	3,986,266
General Administrative	983,686	1,052,314	1,079,243	1,058,664	895,101	994,148	883,832	1,130,717	1,313,684	1,390,777
Plant Operations and Maintenance	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	5,704,717
Pupil Transportation	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	1,453,690
Other Support Services	708,290	1,307,801	1,074,406	1,037,502	1,055,595	1,129,302	924,881	936,045	1,017,308	977,767
Interest on Long-Term Debt	260,699	508,678	785,479	756,321	676,550	649,226	621,983	597,394	628,127	441,592
Loss on Disposal of Capital Assets	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	46,559,183	46,399,147	48,666,047	48,054,362	49,273,198	51,669,335	51,452,694	57,444,549	60,843,496	67,749,323
Business-Type Activities:										
Food Service	792,027	783,754	861,154	795,126	847,148	817,588	855,312	798,375	920,552	930,915
Summer Enrichment	4,830	16,630	50,706	23,753	29,913	29,660	29,276	29,276	27,416	28,625
Total Business-Type Activities Expense	796,857	800,384	911,860	818,879	877,061	847,248	884,588	827,651	947,968	959,540
Total District Expenses	\$ 47,356,040	\$ 47,199,531	\$ 49,577,907	\$ 48,873,241	\$ 50,150,259	\$ 52,516,583	\$ 52,337,282	\$ 58,272,200	\$ 61,791,464	\$ 68,708,863
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 39,777	\$ 55,258	\$ 132,491	\$ 63,826	\$ 59,486	\$ 49,020	\$ 49,400	\$ 68,939	\$ 48,700	\$ 52,500
Rentals	-	-	25,929	26,867	28,235	23,318	18,994	28,560	21,513	21,601
Operating Grants and Contributions	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	19,289,182
Capital Grants and Contributions	15,758	-	-	-	-	-	324,225	1,076,388	985,476	69,098
Total Governmental Activities Program Revenues	7,632,660	6,534,413	6,320,749	6,224,186	7,074,706	8,120,694	8,140,437	13,857,343	16,047,519	19,432,381
Business-Type Activities:										
Charges for Services										
Food Service	724,122	685,355	700,781	652,930	695,456	662,380	683,450	683,450	740,990	768,851
Summer Enrichment	12,625	21,725	38,300	22,875	38,975	37,870	28,325	28,325	28,255	41,290
Operating Grants and Contributions	85,147	94,627	117,520	136,205	139,793	146,338	178,290	178,290	196,636	206,571
Total Business Type Activities Program Revenues	821,894	801,707	856,601	812,010	874,224	846,588	890,065	890,065	965,881	1,016,712
Total District Program Revenues	\$ 8,454,554	\$ 7,336,120	\$ 7,177,350	\$ 7,036,196	\$ 7,948,930	\$ 8,967,282	\$ 9,030,502	\$ 14,747,408	\$ 17,013,400	\$ 20,449,093
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (48,316,942)
Business-Type Activities	25,037	1,323	(55,259)	(6,869)	(2,837)	(660)	5,477	62,414	17,913	57,172
Total District-Wide Net Expense	\$ (38,901,486)	\$ (39,863,411)	\$ (42,400,557)	\$ (41,837,045)	\$ (42,201,329)	\$ (43,549,301)	\$ (43,306,780)	\$ (43,524,792)	\$ (44,778,064)	\$ (48,259,770)

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

Fiscal Year Ended June 30.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
					(Restated)					
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, net	\$ 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	\$ 50,021,078
Taxes Levied for Debt Service	640,324	836,202	994,675	1,097,169	1,223,912	882,294	880,072	877,348	784,276	842,135
Unrestricted Grants and Contributions	599,277	108,722	285,855	147,699	-	-	2,180	52,774	56,730	82,201
Federal and State Aid - Restricted			151,724	28,245	54,915	160,505	166,195	173,687	180,747	217,877
Investment Earnings	346,919	265,921	112,508	103,223	89,397	69,207	77,701	66,461	72,137	116,501
Miscellaneous Income	173,492	129,913	364,065	99,908	-	234,674	80,836	114,320	347,102	374,091
Transfers	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	40,153,726	41,270,221	43,435,057	46,256,299	47,043,141	47,660,902	47,757,225	48,765,835	49,871,861	51,653,883
Business-Type Activities:										
Investment Earnings	2,644	1,315	1,675	1,008	604	940	1,142	1,142	634	1,843
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	2,644	1,315	1,675	1,008	604	940	1,142	1,142	634	1,843
Total District-Wide	\$ 40,156,370	\$ 41,271,536	\$ 43,436,732	\$ 46,257,307	\$ 47,043,745	\$ 47,661,842	\$ 47,758,367	\$ 48,766,977	\$ 49,872,495	\$ 51,655,726
Change in Net Position										
Governmental Activities	\$ 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	\$ 3,336,941
Business-Type Activities	27,681	2,638	(53,584)	(5,861)	(2,233)	280	6,619	63,556	18,547	59,015
Total District	\$ 1,254,884	\$ 1,408,125	\$ 1,036,175	\$ 4,420,262	\$ 4,842,416	\$ 4,112,541	\$ 4,451,587	\$ 5,242,185	\$ 5,094,431	\$ 3,395,956

Source: District's financial statements

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 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	\$ 20,653,911
Committed				30,000	57,950	-	-	-	-	-
Assigned				748,848	1,063,932	917,968	1,345,035	1,174,435	1,747,435	1,403,414
Unassigned	1,446,960	415,744	319,739	913,300	853,466	877,374	868,900	867,411	847,827	900,366
Total General Fund	<u>\$ 2,687,181</u>	<u>\$ 3,553,487</u>	<u>\$ 3,581,699</u>	<u>\$ 5,766,151</u>	<u>\$ 9,637,222</u>	<u>\$ 10,883,241</u>	<u>\$ 12,542,189</u>	<u>\$ 14,941,876</u>	<u>\$ 19,715,543</u>	<u>\$ 22,957,691</u>
All Other Governmental Funds										
Reserved	\$ 3,500,071	\$ 3,936,538	\$ 2,309,937							
Restricted				\$ 2,418,309	\$ 186,479	\$ 1,282,130	\$ 1,935,988	\$ 2,638,452	\$ 633,919	\$ 664,165
Unreserved	(4,299,685)	4,763,721	2,622,449	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ (799,614)</u>	<u>\$ 8,700,259</u>	<u>\$ 4,932,386</u>	<u>\$ 2,418,309</u>	<u>\$ 186,479</u>	<u>\$ 1,282,130</u>	<u>\$ 1,935,988</u>	<u>\$ 2,638,452</u>	<u>\$ 633,919</u>	<u>\$ 664,165</u>

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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Property Tax Levy	\$ 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	\$ 50,863,213
Tuition Charges	39,777	55,258	132,491	63,826	59,486	49,020	49,400	68,939	48,700	52,500
Interest Earnings	346,919	265,921	112,508	103,223	54,915	69,207	77,701	66,461	72,137	116,501
Miscellaneous	195,936	248,460	472,175	244,998	250,846	480,686	281,665	180,552	425,724	443,895
State Sources	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	8,697,179
Federal Sources	778,344	861,502	954,205	1,553,016	1,161,494	916,992	927,544	900,851	1,012,981	1,058,700
Total Revenue	47,786,386	47,804,568	49,755,806	52,480,485	54,117,847	55,781,596	55,897,662	57,914,536	59,938,099	61,231,988
Expenditures										
Instruction										
Regular Instruction	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	22,379,755
Special Education Instruction	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	8,733,736
Other Special Instruction										
Vocational Education	1,051,033	579,717	360,842	262,093	279,335					
Other Instruction	945,207	855,504	1,012,208	921,032	1,299,324	1,432,111	1,531,793	1,335,505	1,275,778	1,171,768
School Sponsored Activities and Athletics	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	1,313,458
Support Services:										
Tuition										
Student & Inst. Related Services	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	10,673,229
General Administration	973,483	1,044,870	1,071,146	1,044,411	866,112	969,298	833,739	989,865	1,150,211	1,150,793
School Administrative Services	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	3,210,115
Plant Operations and Maintenance	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	4,461,856
Pupil Transportation	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	1,402,496
Other Support Services	708,151	1,298,553	1,073,237	1,057,995	1,049,647	1,119,203	923,704	917,904	983,691	906,734
Employee Benefits										
Capital Outlay	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	1,368,211
Debt Service:										
Principal	712,835	787,938	823,214	704,266	781,550	637,027	593,155	615,000	640,000	750,000
Interest and Other Charges	73,330	376,330	727,964	706,461	685,995	659,528	631,877	607,644	728,004	437,443
Total Expenditures	47,698,622	54,253,445	53,735,637	53,001,868	52,478,606	53,439,926	53,584,856	54,812,385	57,314,425	57,959,594
Excess (Deficiency) of Revenues over (under) Expenditures	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	3,272,394
Other Financing Sources (Uses)										
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		435,617
Transfers Out	-	-	-	-	-	(2,470,469)	(2,421,165)	(2,209,709)		(435,617)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	145,460	-
Net Change in Fund Balances	\$ 87,764	\$ (6,448,877)	\$ (3,979,831)	\$ (521,383)	\$ 1,639,241	\$ 2,341,670	\$ 2,312,806	\$ 3,102,151	\$ 2,769,134	\$ 3,272,394
Debt Service as a Percentage of Noncapital Expenditures	1.68%	2.49%	3.16%	2.89%	2.95%	2.51%	2.40%	2.36%	2.53%	2.10%

* 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)**

Fiscal Year Ended June 30,	Interest Earned	Rentals	Insurance Refunds	Book Fines	Cancelled Prior Year Checks / Accounts Payable	Tuition	Miscellaneous	Total
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
2017	116,501	21,601	194,892		124,382	52,500	54,817	564,693

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 ^a
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
2017	6,223,500	1,273,972,000			391,335,600	45,352,400	158,839,500	1,875,723,000		1,875,723,000	1,915,516,833	1.441

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 ^a
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
2017	9,429,400	1,560,673,000			49,365,000			1,619,467,400	973,490	1,620,440,890	1,746,668,795	1.503

Source: County Abstract of Ratables

^a 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>
2017	\$ 2.325	\$ 1.503	\$ 0.551	\$ 0.271
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

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>	
2017	\$	2.509	\$	1.441	\$	0.812	\$	0.256
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

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

Source: Abstract of Ratables, County Board of Taxation.

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

Borough of Westwood

2017		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Hackensack UMC at Pascack Valley	\$ 89,674,500	4.8%
CPF Westwood, LLC	51,275,000	2.7%
First Real Estate Investment Trust of NJ	35,115,600	1.9%
Westwood Hills, LLC	31,500,000	1.7%
Westwood Coventry, LLC	14,404,400	0.8%
Westwood Stanford, LLC	10,393,900	0.6%
PVP Westwood, LLC	9,671,200	0.5%
WVA, LLC	9,224,100	0.5%
Westwood Madison, LLC	8,589,400	0.5%
Puccio III, LLC	8,461,200	0.5%
	<u>\$ 268,309,300</u>	<u>14.30%</u>

Source: Municipal Tax Assessor

2008		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Cenrose Westwood, LLC	35,132,400	2.15%
First Real Estate Investment Trust of NJ	27,000	0.00%
Westwood Hills, LLC	21,232,400	1.30%
Coventry Square, Inc	9,476,600	0.58%
Millenium Healthcare, Inc.	8,072,200	0.49%
Stanford Court, Inc.	6,930,100	0.42%
Pottstown Partners	6,500,000	0.40%
WVA, LLC	5,597,700	0.34%
Rockland Coaches, Inc.	5,451,200	0.33%
Jefferson Realty Group	5,424,300	0.33%
	<u>\$ 103,843,900</u>	<u>6.36%</u>

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

Washington Township

Taxpayer	2017	
	Taxable Assessed Value	% of Total District Net Assessed Value
Washington Town Center, LLC		0.00%
Washington Town Center, LLC		0.00%
Binghamton/Washington Tennis Club		0.00%
TJ Realty, LLC		0.00%
Ormon, LLC		0.00%
Washington Town Center, LLC		0.00%
Washington Town Center, LLC		0.00%
Grove City, LLC		0.00%
Individual Taxpayer #1		0.00%
Individual Taxpayer #2		0.00%
	\$ -	0.00%

Source: Municipal Tax Assessor

Taxpayer	2008	
	Taxable Assessed Value	% of Total District Net Assessed Value
Washington Town Center LLC	9,830,800	0.51%
Binghamton/Washington Tennis Club	7,081,600	0.37%
Washington Town Centre	6,033,600	0.32%
TJG Inc. (A Seasons Rest.)	6,000,700	0.31%
Ormon, LLC	3,635,800	0.19%
Washington Town Centre	2,934,400	0.15%
Individual Taxpayer 1	2,355,700	0.12%
Grove City LLC (Bacari's Rest)	2,107,900	0.11%
Individual Taxpayer 2	1,994,700	0.10%
Individual Taxpayer 3	1,526,400	0.08%
	\$ 43,501,600	2.19%

**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	
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
2017	50,863,213	50,863,213	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					
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	11,235	9,355	642	
2017	12,460,000			12,460,000	11,235 *	9,355 *	605	

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) ^b	
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property (1)		Percentage of Actual Taxable Value ^a of Property (1)
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%	642
2017	12,460,000		12,460,000	0.66%	0.77%	605

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, 2016
(Unaudited)**

Gross Debt

Municipal Debt: (1)	
Regional High School - Washington Township's Share	\$ 5,910,997
Township of Washington	<u>6,841,459</u>
	<u>\$ 12,752,456</u>
Municipal Debt: (1)	
Regional High School - Westwood's Share	\$ 6,549,078
Borough of Westwood	<u>17,326,529</u>
	<u>\$ 23,875,607</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen- Washington Township's Share (A)	12,497,512
County of Bergen- Westwood's Share (A)	14,056,540
Bergen County Utilities Authority - Water Pollution (B)-Washington Township's Share	1,876,463
Bergen County Utilities Authority -Water Pollution (B)- Westwood's Share	<u>2,482,996</u>
	<u>30,913,511</u>
Total Direct and Overlapping Debt	<u>\$ 54,789,118</u>

Source:

(1) Township/Borough's 2016 Annual Debt Statement

(A) The debt for this entity was apportioned to Washington Township and Westwood by dividing the municipality's 2016 equalized value by the total 2016 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 2017

	Borough of Westwood	Township of Washington
2016	\$ 1,923,607,084	\$ 1,741,548,422
2015	1,944,636,496	1,740,893,349
2014	1,881,933,117	1,707,491,522
Equalized Valuation Basis	<u>\$ 5,750,176,697</u>	<u>\$ 5,189,933,293</u>
Average Equalized Valuation of Taxable Property	\$ 1,916,725,566	\$ 1,729,977,764
Debt Limit (4 % of average equalization value)	76,669,023	69,199,111
Total Net Debt Applicable to Limit	6,549,078	5,910,997
Legal Debt Margin	<u>\$ 70,119,945</u>	<u>\$ 63,288,114</u>

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 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	\$ 145,868,133
Total net debt applicable to limit	<u>1,795,000</u>	<u>17,909,112</u>	<u>17,303,187</u>	<u>16,666,988</u>	<u>16,120,579</u>	<u>15,548,944</u>	<u>14,957,000</u>	<u>14,342,075</u>	<u>13,210,075</u>	<u>12,460,075</u>
Legal debt margin	<u>\$ 146,473,282</u>	<u>\$ 138,052,036</u>	<u>\$ 140,951,586</u>	<u>\$ 140,845,814</u>	<u>\$ 140,727,246</u>	<u>\$ 137,973,718</u>	<u>\$ 135,136,897</u>	<u>\$ 131,176,373</u>	<u>\$ 131,998,238</u>	<u>\$ 133,408,058</u>
Total net debt applicable to the limit as a percentage of debt limit	1.21%	11.48%	10.93%	10.58%	10.28%	10.13%	9.97%	9.86%	9.10%	8.54%

Source: Annual Debt Statements

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

Township of Washington

<u>Year</u>	<u>Population</u>	<u>Per Capita Personal Income^c</u>	<u>Unemployment Rate</u>
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	75,849	4.30%
2016	9,355	N/A	4.10%
2017	9,355 (E)	N/A	N/A

Borough of Westwood

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	75,849	4.30%
2016	11,235	N/A	3.80%
2017	11,235 (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>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>	<u>2017</u>
Instruction										
Regular	219	245	217	185	190	190	190	190	186	173
Special Education				57	52	56	57	61	68	47
Support Services:										
Student & instruction Related Services	48	54	64	96	96	107	112	112	118	110
General Administration	3	4	3	4	4	4	5	5	5	5
School Administrative Services	19	20	23	21	21	21	16	17	17	23
Central Services	6	10	10	10	10	10	9	8	7	7
Plant Operations and Maintenance *	29	32	31	72	76	34	34	35	36	35
Other Support Services	66	1	2	2	2	2	2	2	2	6
Total	<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>	<u>405</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)

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teacher/Pupil Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle	Junior/Senior High School				
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	52,676,828	19,069	3.79%	254.0	11.24	10.28	10.73	2,733.9	2,620.8	-0.08%	95.86%
2017	2,779.5	55,403,940	19,933	4.53%	276.8	9.92	14.84	7.97	2,777.9	2,650.6	1.61%	95.42%

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)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>District Building</u>										
<u>Elementary</u>										
Washington										
Square Feet	-	48,765	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	N/A
Enrollment	253	257	258	315	303	305	311	298	292	300
Jessie George										
Square Feet	-	30,604	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	N/A
Enrollment ^a	331	327	315	353	270	253	250	250	247	262
Brookside										
Square Feet	-	48,920	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	N/A
Enrollment	337	315	313	379	381	376	369	382	389	401
Berkeley										
Square Feet	-	39,590	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	N/A
Enrollment	204	237	251	294	272	294	309	288	295	300
<u>Middle School</u>										
Square Feet	-	39,183	47,400	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	N/A
Enrollment	417	449	419	414	451	464	431	433	430	419
<u>Jr/Sr High School</u>										
Square Feet	-	196,595	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	N/A
Enrollment	1,104	1,127	1,178	966	1,021	931	1,020	1,068	1,080	1,097

Number of Schools at June 30, 2017

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>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>	<u>2017</u>
Berkeley Elementary	60	\$ 62,551	\$ 66,534	\$ 63,740	\$ 70,650	\$ 72,109	\$ 62,750	\$ 67,255	\$ 77,469	\$ 71,052	\$ 77,523
George Elementary	65	56,042	55,433	57,107	63,298	64,605	56,220	60,256	69,407	63,658	58,538
Washington Elementary	80	73,105	74,496	74,494	82,570	84,275	73,337	78,602	90,539	83,039	84,762
Brookside Elementary	62	70,685	79,219	72,028	79,837	81,486	70,910	76,000	87,543	80,292	125,076
Middle School	70	70,060	82,611	71,392	79,132	80,766	70,284	75,329	86,769	79,582	132,402
Westwood Junior/Senior High School	50	<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>	<u>401,585</u>
Grand Total		<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>	<u>\$ 879,886</u>

Source: District Records

**WESTWOOD REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2017
(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, 2017
(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	
	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
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
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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, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of 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, 2017 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 December 5, 2017.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 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 and which are described in the accompanying schedule of findings and questioned costs as item 2017-001.

We also 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 December 5, 2017.

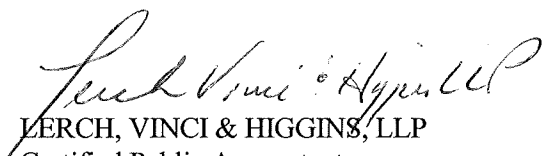
Westwood Regional School District's Responses to Findings


The Westwood Regional School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Westwood Regional School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Fair Lawn, New Jersey
December 5, 2017


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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
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**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, 2017. 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, 2017.

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.

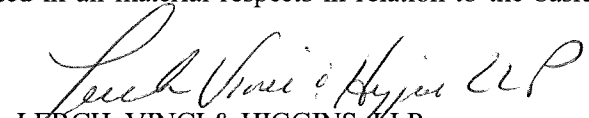
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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.

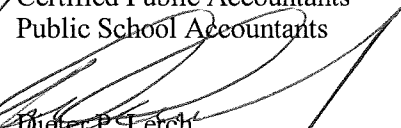
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable 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, 2017 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 December 5, 2017, 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



Walter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
December 5, 2017

WESTWOOD REGIONAL SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal/Grantor/Pass-Through Grant Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2016		Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment-Carryover Receivables	Adjustments	Balance, June 30, 2017			MEMO GAAP Receivable
						Accounts Receivable	Unearned Revenue						(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education																
Passed-through State Department of Education																
Special Revenue Fund:																
IDEA Part B Basic	84.027	H027A160100	IDEA575516	7/1/16-6/30/17	\$ 747,551		\$ 82,086	\$ 757,687	\$ 763,127	\$ (82,086)		\$ (71,950)	\$ 66,510		\$ 5,440	
IDEA Part B Basic	84.027	H027A150100	IDEA575515	7/1/15-6/30/16	765,050	(825,592)	82,086	(82,086)	743,506	82,086						
IDEA Preschool	84.173	H173A160114	IDEA575516	7/1/16-6/30/17	35,705		17,741	3,220	38,435	(17,741)	\$ 786	(50,226)	15,797		34,429	
IDEA Preschool	84.173	H173A150114	IDEA575515	7/1/15-6/30/16	35,241	(41,400)	17,741	(17,741)	23,659	17,741						
IDEA Preschool	84.173		IDEA575515	7/1/14-6/30/15	34,463	-	1,126	-	-	-	-	-	1,126	-	-	
Special Education Cluster Total						(866,992)	100,953	-	1,528,072	801,562	-	786	(122,176)	83,433	-	39,869
NCLB Title I	84.01	S010A160030	NCLB5755-16	7/1/16-6/30/17	173,869		12,659	134,441	186,528	(12,659)		(52,087)	-		52,087	
NCLB Title I	84.01	S010A150030	NCLB5755-15	7/1/15-6/30/16	178,663	(63,376)	12,659	(12,659)	50,717	12,659						
NCLB Title IIA	84.367A	S367A160029	NCLB5755-16	7/1/16-6/30/17	43,705		2,635	19,850	43,985	(2,635)		(26,490)	2,355		24,135	
NCLB Title IIA	84.367A	S367A150029	NCLB5755-15	7/1/15-6/30/16	47,479	(20,804)	2,635	(2,635)	18,169	2,635						
NCLB Title IIA	84.367		NCLB5755-15	7/1/14-6/30/15	47,596		876						876			
NCLB Title III	84.365	S365A160030	NCLB5755-16	7/1/16-6/30/17	15,966			12,168	14,390			(3,798)	1,576		2,222	
NCLB Title III	84.365	S365A150030	NCLB5755-15	7/1/15-6/30/16	11,528	(1,421)		1,421								
NCLB Title III-Immigrant	84.365	S365A160030	NCLB5755-15	7/1/16-6/30/17	2,988			2,826	2,988			(162)	-		162	
NCLB Title III-Immigrant	84.365	S365A150030	NCLB5755-15	7/1/15-6/30/16	771	(1)		1								
Total Special Revenue Fund						(952,594)	117,123	-	1,767,665	1,049,453	-	786	(204,713)	88,240	-	118,475
U.S. Department of Health and Human Services																
Passed-through State Department of Education																
General Fund																
Medical Assistance Program	93.778	1605NJ5MAP		7/1/16-6/30/17	9,247	(4,010)	-	13,257	9,247	-	-	4,010	-	-	-	-
U.S. Department of Agriculture																
Passed-through State Department of Education																
Enterprise Fund:																
School Breakfast Program	10.553	171NJ304N1099		7/1/16-6/30/17	1,245			1,151	1,245			(94)				94
School Breakfast Program	10.553	16161NJ304N1099		7/1/15-6/30/16	804	(48)		48								
National School Lunch Program	10.555															
Non-Cash Assistance		171NJ304N1099		7/1/16-6/30/17	44,391			44,391	44,132				259			
Non-Cash Assistance		16161NJ304N1099		7/1/15-6/30/16	40,368		1,942		1,942							
Cash Assistance		171NJ304N1099		7/1/16-6/30/17	152,412			140,981	152,412			(11,431)				11,431
Cash Assistance		16161NJ304N1099		7/1/15-6/30/16	136,524	(26,534)	-	26,534	-	-	-	-	-	-	-	-
Total Enterprise Fund / Child Nutrition Cluster						(26,582)	1,942	-	213,105	199,731	-	-	(11,525)	259	-	11,525
Total Federal Awards						\$ (983,186)	\$ 119,065	\$ -	\$ 1,994,027	\$ 1,258,431	\$ -	\$ 786	\$ (212,228)	\$ 88,499	\$ -	\$ 130,000

WESTWOOD REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2016	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Cancelled Prior Year Accounts Payable	(Accounts Receivable) June 30, 2017	Unearned Revenue June 30, 2017	Due to Grantor June 30, 2017	Memo			
												GAAP Acct. Receivable	Total Cumulative Expenditures		
State Department of Education															
General Fund:															
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	\$ 1,492,160		\$ 1,395,033	\$ 1,492,160			\$ (97,127)					\$ 1,492,160	
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	1,503,177	(95,864)	95,864									55,037	
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	55,037		51,455	55,037			(3,582)						
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	48,069	(3,066)	3,066										
Additional Adjustment Aid	17-495-034-5120-085	7/1/16-6/30/17	2,322		2,171	2,322			(151)					2,322	
Additional Adjustment Aid	16-495-034-5120-085	7/1/15-6/30/16	2,322	(148)	148										
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	27,080		25,317	27,080			(1,763)					27,080	
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	27,080	(1,727)	1,727										
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	27,080		25,317	27,080			(1,763)					27,080	
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	27,080	(1,727)	1,727										
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	27,590		25,794	27,590			(1,796)					27,590	
State Aid - Public Cluster Total				(102,532)	1,627,619	1,631,269			(106,182)					1,631,269	
Transportation Aid															
Transportation Aid	17-495-034-5120-015	7/1/16-6/30/17	110,956		103,734	110,956			(7,222)					110,956	
Transportation Aid	16-495-034-5120-015	7/1/15-6/30/16	98,956	(6,311)	6,311										
Additional Nonpublic Transportation Aid	N/A	7/1/16-6/30/17	18,660		18,660				(18,660)				\$ 18,660	18,660	
Additional Nonpublic Transportation Aid	N/A	7/1/15-6/30/16	24,909		24,909										
Transportation Aid - Cluster Total				(31,220)	134,954	129,616			(25,882)					18,660	129,616
Extraordinary Special Education Costs Aid															
Extraordinary Special Education Costs Aid	17-495-034-5120-473	7/1/16-6/30/17	552,147		646,322	552,147			(552,147)					552,147	
Extraordinary Special Education Costs Aid	16-495-034-5120-473	7/1/15-6/30/16	646,322	(646,322)	646,322										
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	7/1/16-6/30/17	1,623,571		1,543,188	1,623,571			(80,383)				80,383	1,623,571	
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	7/1/15-6/30/16	1,629,391	(78,269)	78,269										
On-Behalf TPAF Pension System Contributions (NCGI)	17-495-034-5094-007	7/1/16-6/30/17	78,027		78,027	78,027								78,027	
On-Behalf TPAF Pension System Contributions (Normal Costs and Accrued Liability)	17-495-034-5094-006	7/1/16-6/30/17	2,153,509		2,153,509	2,153,509								2,153,509	
On-Behalf TPAF Pension System Contributions (LTDI)	17-495-034-5094-007	7/1/16-6/30/17	7,235		7,235	7,235								7,235	
On-Behalf TPAF Pension System Contributions (Post Retirement)	17-495-034-5094-001	7/1/16-6/30/17	1,859,376		1,859,376	1,859,376								1,859,376	
Total General Fund				(858,343)	8,128,499	8,034,750			(764,594)					99,043	8,034,750
Special Revenue Fund:															
Character Education Aid															
N.J. Nonpublic Aid	05-100-034-5120-418	7/1/05-6/30/06	7,087												
Auxiliary Services:															
Compensatory Education															
English as a Second Language	16-100-034-5120-067	7/1/15-6/30/16	5,076	5,076			5,076								
Home Instruction	16-100-034-5120-067	7/1/15-6/30/16	863	863			863								
Home Instruction	15-100-034-5120-067	7/1/14-6/30/15	5,939												
Chapter 192 Cluster Total			5,939				5,939								
Handicapped Services:															
Examination & Classification															
Examination & Classification	17-100-034-5120-066	7/1/16-6/30/17	21,800		21,800	13,512				8,288				13,512	
Examination & Classification	16-100-034-5120-066	7/1/15-6/30/16	33,578	12,278			12,278								
Corrective Speech	17-100-034-5120-066	7/1/16-6/30/17	3,301		5,301	3,888				1,413				3,888	
Corrective Speech	16-100-034-5120-066	7/1/15-6/30/16	3,595	585			585								
Supplemental Instruction	17-100-034-5120-066	7/1/16-6/30/17	14,909		14,909	7,062				7,847				7,062	
Supplemental Instruction	16-100-034-5120-066	7/1/15-6/30/16	11,139	5,050			5,050								
Chapter 193 Cluster Total			17,913	42,010		24,462	17,913				17,548			24,462	
Security Aid															
Security Aid		7/1/16-6/30/17	40,400		40,400	28,638					11,762			28,638	
Security Aid		7/1/15-6/30/16	20,725	1,874			1,874								
Technology Aid	1-100-034-5120-373	7/1/16-6/30/17	18,980		18,980					18,980					
Technology Aid	16-100-034-5120-373	7/1/15-6/30/16	19,760	453			453								
Textbook Aid	17-100-034-5120-064	7/1/16-6/30/17	42,077		42,077	37,795				4,282				37,795	
Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	43,396	1,822			1,822								
Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	45,936	2,348			2,348								
Nursing Aid	17-100-034-5120-070	7/1/16-6/30/17	72,720		67,866					4,854				67,866	
Nursing Aid	16-100-034-5120-070	7/1/15-6/30/16	74,610	4,062			4,062								
Total Special Revenue Fund			34,411	216,187	158,761	34,411					57,426			158,761	
Capital Projects Fund:															
NJEDA/SDA Grants															
High School Facade Replacement	5755-050-14-1001	7/1/13-6/30/14	1,182,636	(1,131,901)		9,158			(1,182,636)	\$ 41,577				1,182,636	
High School Partial Roof Replacement	5755-050-14-1002	7/1/13-6/30/14	1,104,061	(847,859)	59,940				(1,104,061)	196,262				1,104,061	
Middle School Partial Roof Replacement	5755-062-14-1003	7/1/13-6/30/14	54,456	1,819					(1,135)	2,954			1,135		
Brookside Partial Roof Replacement	5755-070-14-1005	7/1/13-6/30/14	48,260	553						553					
George School Partial Roof Replacement	5755-065-14-1004	7/1/13-6/30/14	83,632	1,836						1,836					
Total Capital Projects Fund/SDA Cluster Total				(1,975,552)		69,098			(2,287,832)	243,182				2,287,832	69,098
Debt Service Fund:															
Debt Service State Support															
Debt Service State Support	17-495-034-5120-075	7/1/16-6/30/17	344,956		344,956	344,956								344,956	
Total Debt Service Fund					344,956	344,956								344,956	
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program	17-100-010-3550-063	7/1/16-6/30/17	6,840		6,326	6,840			(514)					6,840	
National School Lunch Program	16-100-010-3550-063	7/1/15-6/30/16	6,757	(1,168)	1,168										
Total Enterprise Fund				(1,168)	7,494	6,840			(514)					6,840	
Total State Financial Assistance				(2,800,652)	8,697,136	8,614,405	34,411		(3,052,940)	243,182	57,426			2,387,389	8,614,405
Less: Amounts Not Subject to Single Audit and Major Program Determination															
On-Behalf TPAF Pension System Contributions (Normal Costs, Accrued Liability and NCGI)															
On-Behalf TPAF Pension System Contributions (LTDI)					(2,231,536)	(2,231,536)								(2,231,536)	
On-Behalf TPAF Pension System Contributions (Post Retirement)					(7,235)	(7,235)								(7,235)	
On-Behalf TPAF Pension System Contributions (Post Retirement)					(1,859,376)	(1,859,376)								(1,859,376)	
Total State Financial Assistance Subject to Single Audit and Major Program Determination Calculation			\$ (2,800,652)	\$ 4,598,989	\$ 4,516,258	\$ 34,411	\$ -	\$ (3,052,940)	\$ 243,182	\$ 57,426	\$ -	\$ -	\$ 2,387,389	\$ 4,523,493	

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 Title 2 U.S. Code of Federal Regulations Part 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 \$89,614 for the general fund and an increase of \$6,868 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	\$ 9,247	\$ 8,124,364	\$ 8,133,611
Special Revenue Fund	1,049,453	158,761	1,208,214
Capital Projects Fund		69,098	69,098
Debt Service Fund		344,956	344,956
Food Service Fund	199,731	6,840	206,571
	<hr/>	<hr/>	<hr/>
Total Financial Assistance	\$ 1,258,431	\$ 8,704,019	\$ 9,962,450

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 \$1,623,571 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, 2017. The amount reported as TPAF Pension System Contributions in the amount of \$2,231,536, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,859,376 and TPAF Long Term Disability Insurance in the amount of \$7,235 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2017.

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

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long Term Disability Insurance 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 (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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>
17-495-034-5120-089	Special Education Aid
17-495-034-5120-084	Security Aid
17-495-034-5120-085	Additional Adjustment Aid
17-495-034-5120-098	PARCC Readiness Aid
17-495-034-5120-097	Per Pupil Growth Aid
17-495-034-5120-101	Professional Learning Community Aid
17-495-034-5094-003	Reimbursed TPAF Social Security Contribution

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, 2017**

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.

Finding 2017-001

Our audit indicated that certain outstanding purchase orders classified as reserved for encumbrances at year end were either invalid or were determined to be accounts payable.

Criteria or specific requirement:

The State Department of Education's GAAP Technical Systems Manual pursuant to N.J.S.A. 18A:4-14 and NJAC 6:20-2A.

Condition:

Certain open purchase orders were not properly classified (i.e., reserve for encumbrances, accounts payable) or deemed to be invalid.

Questioned Costs:

Unknown.

Context:

General Fund encumbrances of \$104,900 were deemed to be accounts payable and were reclassified in the financial statements. In addition, \$985,226 of encumbrances were deemed invalid and cancelled by audit adjustment.

Effect:

Expenditures may not reflect amounts incurred for the year.

Recommendation:

Outstanding purchase orders be reviewed at year end to be properly classified as an accounts payable or reserved for encumbrance, or otherwise be cancelled.

Management's Response:

Management has reviewed this finding and has indicated they will review and revise procedures to ensure corrective action is taken.

WESTWOOD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, 2017**

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 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.