

**WESTWOOD REGIONAL SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018

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. Gonzalez, Ed.D.
Superintendent of Schools*

*Keith A Rosado
Business Administrator/Board Secretary*

January 29, 2019

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, 2018, 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.

11 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 2017-18 fiscal year, the District's average daily enrollment was 2,795 students, which is an increase of 17 students from 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
2017-18	2,795	.61%
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%)
2006-07	2,645	.26%

2) ECONOMIC CONDITION AND OUTLOOK

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

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

As part of the recently adopted 2016-2021 Strategic Plan, the District is moving forward with the long awaited Middle School expansion project. Over the years, the District has been able to generate Capital Reserves which will be used to offset the costs for this major project. The District had an approved Bond Referendum by the voters on 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. The District sold Bond Anticipation Notes on January 3, 2018 in the amount of \$16,140,000 to partially fund the amount of the Bond Referendum Project and were paid off on August 1, 2018. On September 6, 2018, the district had a bond sale for the remaining balance of \$7,751,000.

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.

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, 2018. 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

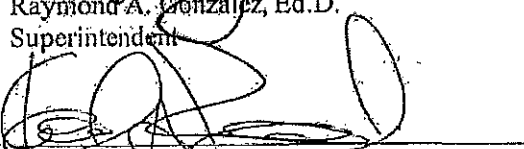
State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci, & Higgins, LLP, CPA's was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit was also designed 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

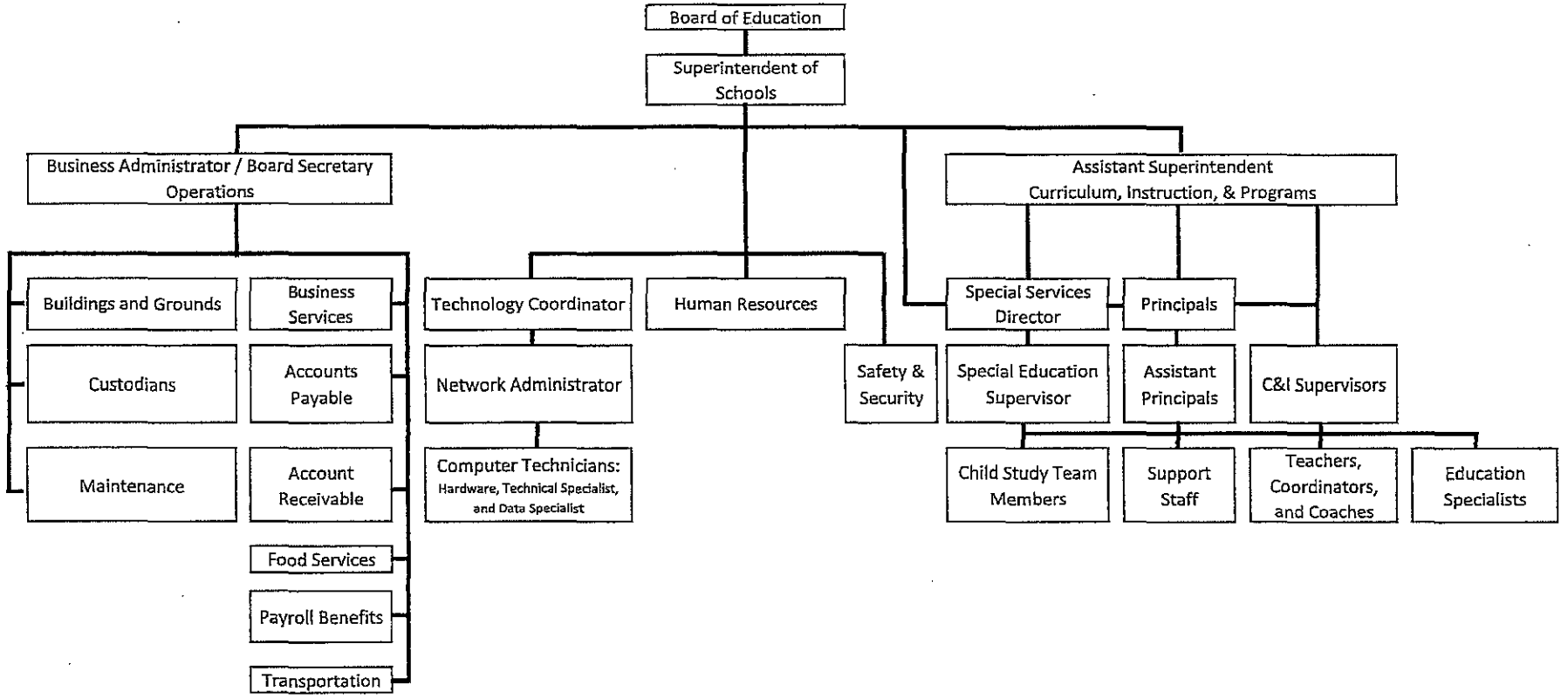
The administration wishes to express its appreciation to the entire business office staff, whose continued efforts and tenacity to ensure the implementation of GAAP and the Board of Education's business policies and regulations make the efficient operation of the district possible. The Business office 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



WESTWOOD REGIONAL SCHOOL DISTRICT

**ROSTER OF OFFICIALS
as of June 30, 2018**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Susan Swietkowski, President	2020
Joseph Blundo, Vice President	2019
Andrew Gerstmayr	2018
Roberta Hanlon	2019
Stephen Kalish	2020
Paul Liddy	2018
Darlene Mandeville	2020
Joseph McCallister	2019
Maria Straight	2018

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, 2018**

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
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
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, 2018 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, 2018, 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.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2018 the Westwood Regional School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and other postemployment benefits 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 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 January 29, 2019 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
January 29, 2019

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, 2018**

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, 2018. 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 (2017-2018) and the prior year (2016-2017) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2017-2018 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 \$31,010,090 (net position).
- Overall district-wide revenues were \$74,225,670. General revenues accounted for \$52,659,830 or 71% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$21,565,840 or 29% of total revenues.
- The school district had \$70,967,025 in expenses for governmental activities; only \$20,487,611 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$52,656,829 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 \$22,488,660.
- The General Fund fund balance at June 30, 2018 was \$22,994,065, an increase of \$36,374 when compared with the beginning balance at July 1, 2017.

WESTWOOD REGIONAL SCHOOL DISTRICT WASHINGTON TOWNSHIP, NEW JERSEY

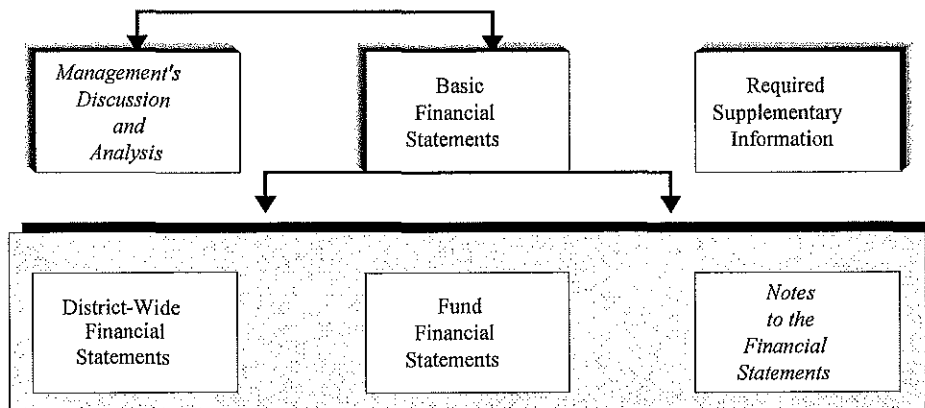
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2018

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, 2018**

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, 2018**

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, 2018**

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 \$31,010,090 as of June 30, 2018 and \$28,788,697 as of June 30, 2017.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

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, 2018 and 2017**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current Assets	\$ 39,749,950	\$ 24,910,241	\$ 411,677	\$ 291,551	\$ 40,161,627	\$ 25,201,792
Capital Assets	<u>33,934,363</u>	<u>30,532,025</u>	<u>80,376</u>	<u>79,730</u>	<u>34,014,739</u>	<u>30,611,755</u>
Total Assets	<u>73,684,313</u>	<u>55,442,266</u>	<u>492,053</u>	<u>371,281</u>	<u>74,176,366</u>	<u>55,813,547</u>
Deferred Outflows of Resources	<u>4,114,304</u>	<u>4,990,302</u>	<u>-</u>	<u>-</u>	<u>4,114,304</u>	<u>4,990,302</u>
Total Assets and Deferred Outflows of Resources	<u>77,798,617</u>	<u>60,432,568</u>	<u>492,053</u>	<u>371,281</u>	<u>78,290,670</u>	<u>60,803,849</u>
Other Liabilities	17,654,306	1,493,406	153,936	76,883	17,808,242	1,570,289
Noncurrent Liabilities	<u>26,647,621</u>	<u>29,891,012</u>	<u>-</u>	<u>-</u>	<u>26,647,621</u>	<u>29,891,012</u>
Total Liabilities	<u>44,301,927</u>	<u>31,384,418</u>	<u>153,936</u>	<u>76,883</u>	<u>44,455,863</u>	<u>31,461,301</u>
Deferred Inflows of Resources	<u>2,824,717</u>	<u>553,592</u>	<u>-</u>	<u>259</u>	<u>2,824,717</u>	<u>553,851</u>
Total Liabilities and Deferred Inflows of Resources	<u>47,126,644</u>	<u>31,938,010</u>	<u>153,936</u>	<u>77,142</u>	<u>47,280,580</u>	<u>32,015,152</u>
Net Position:						
Net Investment in Capital Assets	21,747,405	17,586,138	80,376	79,730	21,827,781	17,665,868
Restricted	19,073,655	19,719,192			19,073,655	19,719,192
Unrestricted	<u>(10,149,087)</u>	<u>(8,810,772)</u>	<u>257,741</u>	<u>214,409</u>	<u>(9,891,346)</u>	<u>(8,596,363)</u>
Total Net Position	<u>\$ 30,671,973</u>	<u>\$ 28,494,558</u>	<u>\$ 338,117</u>	<u>\$ 294,139</u>	<u>\$ 31,010,090</u>	<u>\$ 28,788,697</u>

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

**Changes in Net Position
For the Fiscal Years Ended June 30, 2018 and 2017**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Program Revenues						
Charges for Services	\$ 114,390	\$ 74,101	\$ 872,078	\$ 810,141	\$ 986,468	\$ 884,242
Grants and Contributions	20,373,221	19,358,280	206,151	206,571	20,579,372	19,564,851
General Revenues						
Property Taxes	51,882,911	50,863,213			51,882,911	50,863,213
State and Federal Aid	273,850	300,078			273,850	300,078
Other	500,068	490,592	3,001	1,843	503,069	492,435
Total Revenues	<u>73,144,440</u>	<u>71,086,264</u>	<u>1,081,230</u>	<u>1,018,555</u>	<u>74,225,670</u>	<u>72,104,819</u>
Expenses						
Instruction						
Regular	30,155,736	28,300,446			30,155,736	28,300,446
Special Education	10,222,353	10,232,995			10,222,353	10,232,995
Other Instruction	1,434,862	1,468,680			1,434,862	1,468,680
School Sponsored Activities and Athletics	1,615,720	1,465,923			1,615,720	1,465,923
Support Services						
Student and Instruction Related Serv.	12,511,438	12,326,470			12,511,438	12,326,470
General Administrative Services	1,790,462	1,390,777			1,790,462	1,390,777
School Administrative Services	4,201,979	3,986,266			4,201,979	3,986,266
Plant Operations and Maintenance	5,927,867	5,704,717			5,927,867	5,704,717
Pupil Transportation	1,506,860	1,453,690			1,506,860	1,453,690
Business and Other Support Services	983,632	977,767			983,632	977,767
Interest on Long-Term Debt	616,116	441,592			616,116	441,592
Food Services			985,937	930,915	985,937	930,915
Summer Enrichment	-	-	51,315	28,625	51,315	28,625
Total Expenses	<u>70,967,025</u>	<u>67,749,323</u>	<u>1,037,252</u>	<u>959,540</u>	<u>72,004,277</u>	<u>68,708,863</u>
Change in Net Position	<u>\$ 2,177,415</u>	<u>\$ 3,336,941</u>	<u>\$ 43,978</u>	<u>\$ 59,015</u>	<u>\$ 2,221,393</u>	<u>\$ 3,395,956</u>

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

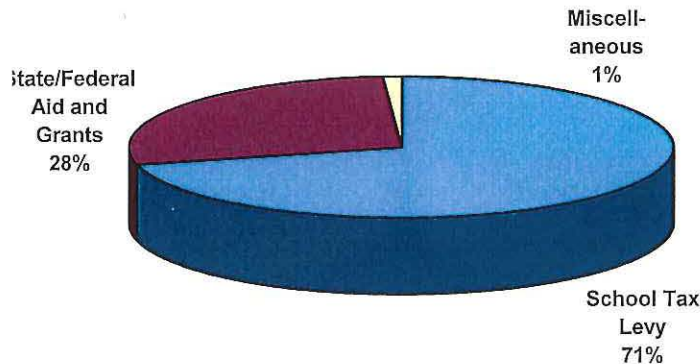
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$73,144,440 for the year ended June 30, 2018, an increase of \$2,058,176 from the previous year. A large portion of this increase is attributable to the adjustment to the on-behalf OPEB and TPAF Pension contribution to recognize the actuarially determined amounts that should have been contributed on-behalf of the District. Property taxes of \$51,882,911 represented 71% of revenues. Another significant portion of revenues came from State and Federal aid; total State, Federal and local aid was \$20,647,071. Another source of revenues is miscellaneous income which includes items such as interest earnings, prior year refunds, etc.

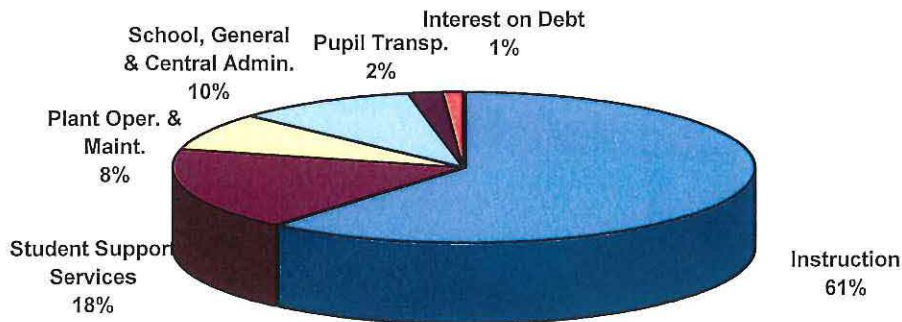
The total cost of all governmental activities programs and services was \$70,967,025. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$43,428,671 (61%) of total expenditures. Student support services, exclusive of interest on debt, total \$26,922,238 or (38%) of total expenditures.

Total governmental activities revenues surpassed expenses, increasing net position \$2,177,415 over the previous year.

Revenues by Source- Governmental Activities
For Fiscal Year 2018



Expenditures by Type- Governmental Activities
For Fiscal Year 2018



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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

Total and Net Cost of Governmental Activities. The District's total cost of services was \$70,967,025. After applying program revenues derived from: grants and contributions of \$20,373,221 and charges for services of \$114,390, the net cost of services of the District is \$50,479,414.

**Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2018 and 2017**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Instruction				
Regular	\$ 30,155,736	\$ 28,300,446	\$ 20,051,696	\$ 18,673,146
Special Education	10,222,353	10,232,995	5,021,727	4,959,731
Other Instruction	1,434,862	1,468,680	965,864	948,201
School Sponsored Activities and Athletics	1,615,720	1,465,923	1,418,060	1,334,974
Support Services				
Student and Instruction Related Svcs.	12,511,438	12,326,470	10,210,662	10,300,521
General Administrative Services	1,790,462	1,390,777	1,371,238	1,081,288
School Administrative Services	4,201,979	3,986,266	3,093,608	2,870,957
Plant Operations and Maintenance	5,927,867	5,704,717	5,607,580	5,530,859
Pupil Transportation	1,506,860	1,453,690	1,340,203	1,324,985
Business and Other Support Services	983,632	977,767	917,642	977,767
Interest on Long-Term Debt	616,116	441,592	481,134	314,513
Total	<u>\$ 70,967,025</u>	<u>\$ 67,749,323</u>	<u>\$ 50,479,414</u>	<u>\$ 48,316,942</u>

Business-Type Activities -- The District's total business-type activities revenues were \$1,081,230 for the year ended June 30, 2018. Charges for services accounted for 81% of total revenues. Operating grants and contributions accounted for 19% 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 \$1,037,252. 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 \$43,978 from the previous year which represents a 15 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, 2018**

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 \$22,488,660.

Revenues for the District's governmental funds were \$63,345,748, while total expenses were \$64,556,414.

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, 2018</u>	Fiscal Year Ended <u>June 30, 2017</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Local Sources				
Property Tax Levy	\$ 51,021,500	\$ 50,021,078	\$ 1,000,422	2%
Interest	204,098	116,501	87,597	75%
Miscellaneous	332,890	448,192	(115,302)	-26%
State/Federal Sources	<u>9,389,441</u>	<u>8,133,611</u>	<u>1,255,830</u>	<u>15%</u>
Total General Fund Revenues	<u>\$ 60,947,929</u>	<u>\$ 58,719,382</u>	<u>\$ 2,228,547</u>	<u>4%</u>

Total General Fund Revenues increased by \$2,228,547, or 4% from the previous year.

State/federal revenues increased \$1,255,830 or 15%. The increase in state aid is related to an increase in TPAF On-Behalf Pension Contributions made by the State of New Jersey on behalf of the District.

Local property taxes increased 2% over the previous year.

Miscellaneous income revenues decreased by \$115,302 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, 2018**

The following schedule presents a summary of General Fund expenditures.

	<u>Fiscal Year Ended June 30, 2018</u>	<u>Fiscal Year Ended June 30, 2017</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
Instruction	\$ 34,932,676	\$ 32,528,343	\$ 2,404,333	7%
Support Services	22,601,394	21,619,180	982,214	5%
Capital Outlay	<u>3,504,811</u>	<u>894,094</u>	<u>2,610,717</u>	292%
Total Expenditures	<u>\$ 61,038,881</u>	<u>\$ 55,041,617</u>	<u>\$ 5,997,264</u>	<u>11%</u>

Total General Fund expenditures increased \$5,997,264 or 11% from the previous year.

In 2017-2018 General Fund revenues and other financing sources exceeded expenditures by \$36,374. As a result, total fund balance increased to \$22,994,065 at June 30, 2018. After deducting statutory restrictions, commitments and designations, the unassigned fund balance increased from \$900,366 at June 30, 2017 to \$977,310 at June 30, 2018.

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 \$1,206,561 for the year ended June 30, 2018. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 85% of the total revenue for the year. State sources accounted for 15% and the balance of revenues of less than 1% were from local grants.

Expenditures of the Special Revenue Fund were \$1,206,561. Instructional expenditures were \$1,032,871 or 86% and expenditures for the support services were \$173,690 or 14% of total expended for the year ended June 30, 2018.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

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, 2018 amounts to \$34,014,739 (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 2017-2018 amounted to \$1,226,395 for governmental activities and \$10,918 for business-type activities.

**Capital Assets at June 30, 2018 and 2017
(Net of Accumulated Depreciation)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Building and Building Improvements	\$ 30,041,675	\$ 26,937,483			\$ 30,041,675	\$ 26,937,483
Machinery and Equipment	3,010,897	3,153,574	\$ 80,376	\$ 79,730	3,091,273	3,233,304
Construction In Progress	881,791	440,968	-	-	881,791	440,968
Total Capital Assets, Net	<u>\$ 33,934,363</u>	<u>\$ 30,532,025</u>	<u>\$ 80,376</u>	<u>\$ 79,730</u>	<u>\$ 34,014,739</u>	<u>\$ 30,611,755</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, 2018**

LONG TERM LIABILITIES

At year end, the District's long-term liabilities consisted of compensated absences payable of \$1,631,328, net pension liability of \$11,949,617 and bonds payable of \$13,066,676.

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 2018-2019 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, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 36,986,901	\$ 390,458	\$ 37,377,359
Receivables, net	2,763,049	10,625	2,773,674
Inventories		10,594	10,594
Capital Assets Not Being Depreciated	881,791		881,791
Capital Assets, Net of Accumulated Depreciation	<u>33,052,572</u>	<u>80,376</u>	<u>33,132,948</u>
Total Assets	<u>73,684,313</u>	<u>492,053</u>	<u>74,176,366</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	780,834		780,834
Deferred Amount on Net Pension Liability	<u>3,333,470</u>	<u>-</u>	<u>3,333,470</u>
Total Deferred Outflows of Resources	<u>4,114,304</u>	<u>-</u>	<u>4,114,304</u>
Total Assets and Deferred Outflows of Resources	<u>77,798,617</u>	<u>492,053</u>	<u>78,290,670</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	774,945	105,377	880,322
Intergovernmental Payable	16,852		16,852
Temporary Note Payable	16,140,000		16,140,000
Unearned Revenue	329,493	48,559	378,052
Accrued Interest Payable	393,016		393,016
Noncurrent Liabilities			
Due Within One Year	745,000		745,000
Due Beyond One Year	<u>25,902,621</u>		<u>25,902,621</u>
Total Liabilities	<u>44,301,927</u>	<u>153,936</u>	<u>44,455,863</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	<u>2,824,717</u>	<u>-</u>	<u>2,824,717</u>
Total Deferred Inflows of Resources	<u>2,824,717</u>	<u>-</u>	<u>2,824,717</u>
Total Liabilities and Deferred Inflows of Resources	<u>47,126,644</u>	<u>153,936</u>	<u>47,280,580</u>
NET POSITION			
Net Investment in Capital Assets	21,747,405	80,376	21,827,781
Restricted for:			
Capital Projects	19,073,654		19,073,654
Debt Service	1		1
Unrestricted	<u>(10,149,087)</u>	<u>257,741</u>	<u>(9,891,346)</u>
Total Net Position	<u>\$ 30,671,973</u>	<u>\$ 338,117</u>	<u>\$ 31,010,090</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, 2018

Functions/Programs:	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 30,155,736	\$ 92,070	\$ 10,011,970		\$ (20,051,696)		\$ (20,051,696)
Special Education	10,222,353		5,200,626		(5,021,727)		(5,021,727)
Other Instruction	1,434,862		468,998		(965,864)		(965,864)
School Sponsored Activities and Athletics	1,615,720		197,660		(1,418,060)		(1,418,060)
Support Services							
Student and Instruction Related Svcs.	12,511,438		2,300,776		(10,210,662)		(10,210,662)
General Administrative Services	1,790,462		419,224		(1,371,238)		(1,371,238)
School Administrative Services	4,201,979		1,108,371		(3,093,608)		(3,093,608)
Plant Operations and Maintenance	5,927,867	22,320	293,759	\$ 4,208	(5,607,580)		(5,607,580)
Pupil Transportation	1,506,860		166,657		(1,340,203)		(1,340,203)
Business Services	983,632		65,990		(917,642)		(917,642)
Interest on Long-Term Debt	616,116		134,982		(481,134)		(481,134)
Total Governmental Activities	70,967,025	114,390	20,369,013	4,208	(50,479,414)	-	(50,479,414)
Business-Type Activities							
Food Service	985,937	824,078	206,151			\$ 44,292	44,292
Summer Enrichment	51,315	48,000	-	-		(3,315)	(3,315)
Total Business-Type Activities	1,037,252	872,078	206,151	-	-	40,977	40,977
Total Primary Government	\$ 72,004,277	\$ 986,468	\$ 20,575,164	\$ 4,208	(50,479,414)	40,977	(50,438,437)
General Revenues:							
Property Taxes, Levied for General Purposes					51,021,500		51,021,500
Property Taxes, Levied for Debt Service					861,411		861,411
State Aid Unrestricted					83,193		83,193
State Aid Restricted for Debt Service Principal					190,657		190,657
Investment Earnings					204,098	3,001	207,099
Premium on Bond Anticipation Note					77,470		77,470
Miscellaneous Income					218,500		218,500
Total General Revenues					52,656,829	3,001	52,659,830
Change in Net Position					2,177,415	43,978	2,221,393
Net Position, Beginning of Year					28,494,558	294,139	28,788,697
Net Position, End of Year					\$ 30,671,973	\$ 338,117	\$ 31,010,090

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, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash	\$ 23,124,749		\$ 13,862,151	\$ 1	\$ 36,986,901
Receivables, Net					
Receivables From Other Governments	130,407	\$ 302,732	2,286,697		2,719,836
Other Receivables	38,402	648			39,050
Due from Other Funds	271,296	-	-	-	271,296
Total Assets	<u>\$ 23,564,854</u>	<u>\$ 303,380</u>	<u>\$ 16,148,848</u>	<u>\$ 1</u>	<u>\$ 40,017,083</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 570,789	\$ 55,067	\$ 149,089		\$ 774,945
Due to Other Funds		139,807	127,326		267,133
Intergovernmental Payables		16,852			16,852
Note Payable			16,140,000		16,140,000
Unearned Revenue		91,654	237,839	-	329,493
Total Liabilities	<u>570,789</u>	<u>303,380</u>	<u>16,654,254</u>	<u>-</u>	<u>17,528,423</u>
Fund Balances					
Restricted Fund Balance:					
Capital Reserve	5,698,703				5,698,703
Capital Reserve-Designated for Subsequent Year's Expenditures	13,097,000				13,097,000
Excess Surplus-Designated for Subsequent Year's Expenditures	750,000				750,000
Excess Surplus	750,000				750,000
Capital Projects Fund			(505,406)		(505,406)
Debt Service Fund				\$ 1	1
Committed Fund Balance					
Year-End Encumbrances	506,043				506,043
Assigned Fund Balance					
Designated for Subsequent Year's Expenditures	803,941				803,941
Year-End Encumbrances	411,068				411,068
Unassigned Fund Balance	<u>977,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>977,310</u>
Total Fund Balances	<u>22,994,065</u>	<u>-</u>	<u>(505,406)</u>	<u>1</u>	<u>22,488,660</u>
Total Liabilities and Fund Balances	<u>\$ 23,564,854</u>	<u>\$ 303,380</u>	<u>\$ 16,148,848</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 \$55,715,145 and the accumulated depreciation is \$21,780,782. 33,934,363

The District has financed capital assets through the issuance of general obligation bonds. The accrued interest at year end is: (393,016)

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	\$ (13,066,676)
Net Pension Liability	(11,949,617)
Add: Deferred Outflows of Resources	4,114,304
Less: Deferred Inflows of Resources	(2,824,717)
Compensated Absences Payable	(1,631,328)
	<u>(25,358,034)</u>

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

Net Position of Governmental Activities (Exhibit A-1) \$ 30,671,973

**WESTWOOD REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 51,021,500			\$ 861,411	\$ 51,882,911
Tuition	92,070				92,070
Rentals	22,320				22,320
Interest	113,269				113,269
Interest on Capital Reserve	90,829				90,829
Miscellaneous	218,500	\$ 916	-	-	219,416
Total - Local Sources	51,558,488	916		861,411	52,420,815
State Sources	9,384,711	182,424	\$ 4,208	325,639	9,896,982
Federal Sources	4,730	1,023,221	-	-	1,027,951
Total Revenues	<u>60,947,929</u>	<u>1,206,561</u>	<u>4,208</u>	<u>1,187,050</u>	<u>63,345,748</u>
EXPENDITURES					
Current					
Instruction					
Regular Instruction	24,187,851	271,762			24,459,613
Special Education Instruction	8,136,308	760,193			8,896,501
Other Instruction	1,173,088	916			1,174,004
School Sponsored Activities and Athletics	1,435,429				1,435,429
Support Services					
Student and Instruction Related Services	10,713,196	160,000			10,873,196
General Administrative Services	1,481,861				1,481,861
School Administrative Services	3,507,662				3,507,662
Plant Operations and Maintenance	4,563,470	13,690			4,577,160
Pupil Transportation	1,448,392				1,448,392
Central Services	886,813				886,813
Debt Service					
Principal				695,000	695,000
Interest and Other Charges				492,050	492,050
Capital Outlay	3,504,811		1,123,922		4,628,733
Total Expenditures	<u>61,038,881</u>	<u>1,206,561</u>	<u>1,123,922</u>	<u>1,187,050</u>	<u>64,556,414</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(90,952)</u>	<u>-</u>	<u>(1,119,714)</u>	<u>-</u>	<u>(1,210,666)</u>
OTHER FINANCING SOURCES (USES)					
Premium on Bond Anticipation Note			77,470		77,470
Transfers In	127,326				127,326
Transfers Out			(127,326)		(127,326)
Total Other Financing Sources (Uses)	<u>127,326</u>	<u>-</u>	<u>(49,856)</u>	<u>-</u>	<u>77,470</u>
Net Change in Fund Balances	36,374	-	(1,169,570)	-	(1,133,196)
Fund Balance, Beginning of Year	<u>22,957,691</u>		<u>664,164</u>	<u>1</u>	<u>23,621,856</u>
Fund Balance, End of Year	<u>\$ 22,994,065</u>	<u>\$ -</u>	<u>\$ (505,406)</u>	<u>\$ 1</u>	<u>\$ 22,488,660</u>

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

**WESTWOOD REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (1,133,196)

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	\$ 4,628,733	
Depreciation Expense	<u>(1,226,395)</u>	
		3,402,338

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	(419,827)	
Amortization of Original Issue Premium	159,771	
Amortization of Deferred Amount on Refunding	(95,842)	
Net Decrease in Compensated Absences Payable	<u>(242,834)</u>	
		(598,732)

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.

Bond Principal Repayments		695,000
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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>(187,995)</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 2,177,415**

**WESTWOOD REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2018**

	Business-Type Activities - Enterprise Fund		
	Food Service	Other Non-Major	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 321,196	\$ 69,262	\$ 390,458
Intergovernmental Accounts Receivable	10,625		10,625
Inventories	10,594	-	10,594
Total Current Assets	<u>342,415</u>	<u>69,262</u>	<u>411,677</u>
Capital Assets			
Furniture, Machinery and Equipment	242,538		242,538
Less Accumulated Depreciation	<u>(162,162)</u>	-	<u>(162,162)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>80,376</u>	<u>-</u>	<u>80,376</u>
Total Assets	<u>422,791</u>	<u>69,262</u>	<u>492,053</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	100,874	4,503	105,377
Unearned Revenue	<u>17,529</u>	<u>31,030</u>	<u>48,559</u>
Total Liabilities	<u>118,403</u>	<u>35,533</u>	<u>153,936</u>
NET POSITION			
Investment in Capital Assets	80,376		80,376
Unrestricted	<u>224,012</u>	<u>33,729</u>	<u>257,741</u>
Total Net Position	<u>\$ 304,388</u>	<u>\$ 33,729</u>	<u>\$ 338,117</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Business-Type Activities - Enterprise Fund		
	Food Service	Other Non-Major	Total
Operating Revenues			
Charges for Services			
Daily Sales - Reimbursable Programs	\$ 357,298		\$ 357,298
Daily Sales - Non-Reimbursable Programs	465,858		465,858
Special Functions	922		922
Program Fees		\$ 48,000	48,000
	<u>824,078</u>	<u>48,000</u>	<u>872,078</u>
Operating Expenses			
Cost of Sales - Reimbursable Programs	289,478		289,478
Cost of Sales - Non-Reimbursable Programs	142,579		142,579
Cost of Sales - USDA Commodities	53,444		53,444
Salaries and Wages	314,855	37,820	352,675
Employee Benefits	28,124		28,124
Management Fee	40,100		40,100
Repairs and Maintenance	12,569		12,569
Other Expenses	10,302		10,302
Purchased Professional Services	12,143	3,780	15,923
Supplies and Materials	33,503	9,215	42,718
Miscellaneous	37,922	500	38,422
Depreciation	10,918		10,918
	<u>985,937</u>	<u>51,315</u>	<u>1,037,252</u>
Total Operating Expenses	985,937	51,315	1,037,252
	<u>(161,859)</u>	<u>(3,315)</u>	<u>(165,174)</u>
Operating Income/(Loss)	(161,859)	(3,315)	(165,174)
Nonoperating Revenues			
State Sources			
State School Lunch Program	8,738		8,738
Federal Sources			
School Breakfast Program	651		651
National School Lunch Program	143,318		143,318
USDA Commodities	53,444		53,444
Interest and Investment Revenue	3,001	-	3,001
	<u>209,152</u>	<u>-</u>	<u>209,152</u>
Total Nonoperating Revenues	209,152	-	209,152
Change in Net Position	47,293	(3,315)	43,978
Net Position, Beginning of Year	257,095	37,044	294,139
Net Position, End of Year	<u>\$ 304,388</u>	<u>\$ 33,729</u>	<u>\$ 338,117</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, 2018**

	Business-Type Activities - Enterprise Fund		
	Food Service	Other Non-Major	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 826,992	\$ 32,335	\$ 859,327
Payments for Employees	(314,855)	(37,820)	(352,675)
Payments to Suppliers/Refunds	(525,101)	(8,992)	(534,093)
Net Cash Provided (Used) by Operating Activities	<u>(12,964)</u>	<u>(14,477)</u>	<u>(27,441)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Receipts from State and Federal Sources	<u>154,121</u>	<u>-</u>	<u>154,121</u>
Net Cash Provided By Non-Capital Financing Activities	<u>154,121</u>	<u>-</u>	<u>154,121</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	<u>(11,564)</u>	<u>-</u>	<u>(11,564)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(11,564)</u>	<u>-</u>	<u>(11,564)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	<u>3,001</u>	<u>-</u>	<u>3,001</u>
Net Cash Provided By Investing Activities	<u>3,001</u>	<u>-</u>	<u>3,001</u>
Net Increase (Decrease) in Cash and Cash Equivalents	132,594	(14,477)	118,117
Cash and Cash Equivalents—Beginning of Year	<u>188,602</u>	<u>83,739</u>	<u>272,341</u>
Cash and Cash Equivalents—End of Year	<u>\$ 321,196</u>	<u>\$ 69,262</u>	<u>\$ 390,458</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	<u>\$ (161,859)</u>	<u>\$ (3,315)</u>	<u>\$ (165,174)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation	10,918		10,918
Food Distribution Program (USDA Commodities) National School Lunch Program	53,444		53,444
Changes in Assets, Liabilities and Deferred Inflows of Resources			
(Increase) Decrease in Inventories	(3,423)		(3,423)
Increase (Decrease) in Accounts Payable	85,301	4,503	89,804
Increase (Decrease) in Unearned Revenue	2,914	(15,665)	(12,751)
Increase (Decrease) in Deferred Inflows of Resources	(259)		(259)
Total Adjustments	<u>148,895</u>	<u>(11,162)</u>	<u>137,733</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (12,964)</u>	<u>\$ (14,477)</u>	<u>\$ (27,441)</u>
Non Cash Investing, Capital and Financing Activities			
Fair Value of Food Distribution Program- National School Lunch Program	\$ 53,185		\$ 53,185

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, 2018**

	<u>Private Purpose Scholarship Trust Funds</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash	\$ 3,224	\$ 617,698	\$ 661,836
Due from Other Funds		-	20,719
	<u>3,224</u>	<u>617,698</u>	<u>\$ 682,555</u>
LIABILITIES			
Intergovernmental Payable		9,971	
Due to Other Funds		20,719	\$ 4,163
Payable To Student Groups			187,522
Accrued Salaries and Wages			(4,250)
Payroll Deductions and Withholdings			495,120
	<u>-</u>	<u>30,690</u>	<u>\$ 682,555</u>
NET POSITION			
Held In Trust For Unemployment Claims and Other Purposes	<u>\$ 3,224</u>	<u>\$ 587,008</u>	

NOTES TO THE FINANCIAL STATEMENTS

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 2018, the District adopted the following GASB statements:

- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. 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. 85, *Omnibus 2017*. 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*. 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.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB No. 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. 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.
- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, will be effective beginning with the year ending June 30, 2019. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistency provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

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, 2018**

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 funds and the food service enterprise fund 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, 2018**

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

Additionally, the government reports the following fund types:

The *fiduciary trust funds* are used to account for resources legally held in trust for state unemployment insurance claims and for private donations for scholarship awards. All resources of the funds, 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.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

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, 2018**

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, 2018**

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.

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

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding 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 amounts on net pension liability. Deferred amounts on net pension liability are 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. These amounts are deferred and amortized over future years.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 (Continued)*

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are 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. These amounts are deferred and amortized over future years. The other item that qualifies for reporting in this category is the deferred commodities revenue, 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 inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

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, 2018**

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 with the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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

9. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

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).

WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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)

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2018/2019 District budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2017 audited excess surplus that was appropriated in the 2018/2019 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2018 audited excess surplus that is required to be appropriated in the 2019/2020 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.

Committed Fund Balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Year-End Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee's 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.

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 2018/2019 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.

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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.

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.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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 2016-2017 and 2017-2018 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 Nonoperating 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.

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 2012/2013 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 2012/2013 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.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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 2017/2018. Also, during 2017/2018 the Board increased the original budget by \$4,575,559. The increase was funded by additional state aid appropriated, capital reserve withdrawals, grant awards and the reappropriation of prior year general fund encumbrances.

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, 2018**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2018 is as follows:

Balance, July 1, 2017		\$ 19,153,911
Increased by:		
Interest Earnings	\$ 90,829	
Unexpended Withdrawals Returned	49,856	
Deposits Approved by Board Resolution	<u>2,909,986</u>	
Total Increases		<u>3,050,671</u>
		22,204,582
Withdrawals:		
Approved by Board Resolution *		<u>(3,408,879)</u>
Balance, June 30, 2018		<u>\$ 18,795,703</u>

\$13,097,000 of the capital reserve balance at June 30, 2018 was designated and appropriated for use in the 2018/2019 original budget certified for taxes.

*Included in the withdrawal from capital reserve was \$3,083,000 for the construction of a maintenance garage. This withdrawal was required to be included as part of the approved budget.

C. Transfers to Capital Outlay

During the 2017/2018 school year, the district transferred \$3,408,879 to the non-equipment capital outlay accounts. Of this transfer, \$325,879 was made from the capital reserve account to supplement a capital project previously approved in the budget certified for taxes pursuant to N.J.A.C. 6A:23-8.4.

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for 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 restrict 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, 2018 is \$1,500,000. Of this amount, \$750,000 was designated and appropriated in the 2018/2019 original budget certified for taxes and the remaining amount of \$750,000 will be appropriated in the 2019/2020 original budget certified for taxes.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 and NCUSIF.

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, 2018, the book value of the Board's deposits were \$38,660,117 and bank and brokerage firm balances of the Board's deposits amounted to \$40,319,805. 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>\$ 40,319,805</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, 2018 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; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; 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; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2018, the Board had no outstanding investments.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2018 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:					
Accounts	\$ 38,402	\$ 648			\$ 39,050
Intergovernmental					
Federal		302,732		\$ 10,012	312,744
State	117,490		\$ 2,286,697	613	2,404,800
Other	<u>12,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,917</u>
Gross Receivables	168,809	303,380	2,286,697	10,625	2,769,511
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 168,809</u>	<u>\$ 303,380</u>	<u>\$ 2,286,697</u>	<u>\$ 10,625</u>	<u>\$ 2,769,511</u>

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	\$ 27,872
Unencumbered Grant Draw Downs	63,782
Capital Projects Fund	
Unrealized School Facilities Grants	<u>237,839</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 329,493</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

	Balance, July 1, 2017	Increases	Decreases	Balance, June 30, 2018
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction In Progress	\$ 440,968	\$ 1,123,922	\$ (683,099)	\$ 881,791
Total Capital Assets, Not Being Depreciated	<u>440,968</u>	<u>1,123,922</u>	<u>(683,099)</u>	<u>881,791</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	45,012,679	3,296,657	683,099	48,992,435
Machinery and Equipment	5,632,765	208,154	-	5,840,919
Total Capital Assets Being Depreciated	<u>50,645,444</u>	<u>3,504,811</u>	<u>683,099</u>	<u>54,833,354</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(18,075,196)	(875,564)		(18,950,760)
Machinery and Equipment	(2,479,191)	(350,831)	-	(2,830,022)
Total Accumulated Depreciation	<u>(20,554,387)</u>	<u>(1,226,395)</u>	<u>-</u>	<u>(21,780,782)</u>
Total Capital Assets, Being Depreciated, Net	<u>30,091,057</u>	<u>2,278,416</u>	<u>683,099</u>	<u>33,052,572</u>
Governmental Activities Capital Assets, Net	<u>\$ 30,532,025</u>	<u>\$ 3,402,338</u>	<u>\$ -</u>	<u>\$ 33,934,363</u>
	<u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2018</u>
Business-Type Activities:				
Capital Assets, being depreciated:				
Machinery and Equipment	\$ 230,974	\$ 11,564	\$ -	\$ 242,538
Total Capital Assets being depreciated	<u>230,974</u>	<u>11,564</u>	<u>-</u>	<u>242,538</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(151,244)	(10,918)	-	(162,162)
Total Accumulated Depreciation	<u>(151,244)</u>	<u>(10,918)</u>	<u>-</u>	<u>(162,162)</u>
Total Capital Assets, being depreciated, net	<u>79,730</u>	<u>646</u>	<u>-</u>	<u>80,376</u>
Business-Type Activities Capital Assets, net	<u>\$ 79,730</u>	<u>\$ 646</u>	<u>\$ -</u>	<u>\$ 80,376</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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	<u>24,587</u>
Total Support Services	<u>1,186,538</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,226,395</u>

Business-Type Activities:

Food Service Fund	<u>\$ 10,918</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 10,918</u>

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2018:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Field House		\$ 68,000
Fire Suppression System	\$ 47,545	681,455
Boiler Replacement Project at High School		154,400
Maintenance Garage	<u>2,799,357</u>	<u>283,643</u>
Total	<u>\$ 2,846,902</u>	<u>\$ 1,187,498</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2018, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 139,807
General Fund	Capital Projects Fund	127,326
General Fund	Payroll Agency Fund	4,163
Payroll Agency Fund	Unemployment Compensation Trust Fund	<u>20,719</u>
		<u>\$ 292,015</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 expenditures paid by one fund on behalf of 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>General</u>	<u>Total</u>
<u>Transfer Out:</u>	<u>Fund</u>	<u>Fund</u>
Capital Projects Fund	<u>\$ 127,326</u>	<u>\$ 127,326</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

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, 2018 are comprised of the following issues:

\$16,672,000, 2008 Bonds, due in an annual installment of \$725,000 on August 1, 2018, interest at 4.00%	\$725,000
\$11,125,000, 2015 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>
Total	<u>\$11,765,000</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

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>	
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	820,000	356,650	1,176,650
2024-2028	4,655,000	1,250,150	5,905,150
2029-2031	3,290,000	246,775	3,536,775
Total	<u>\$ 11,765,000</u>	<u>\$ 3,559,875</u>	<u>\$ 15,324,875</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2018 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 149,470,031
Less: Net Debt	<u>35,656,595</u>
Remaining Borrowing Power	<u>\$ 113,813,436</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2018, was as follows:

	Balance, July 1, 2017	Additions	Reductions	Balance, June 30, 2018	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 12,460,000		\$ 695,000	\$ 11,765,000	\$ 725,000
Unamortized Premium	1,461,447	-	159,771	1,301,676	-
Total Bonds Payable	13,921,447	-	854,771	13,066,676	725,000
Compensated Absences	1,388,494	\$ 272,615	29,781	1,631,328	20,000
Net Pension Liability	14,581,071	-	2,631,454	11,949,617	-
Governmental Activities Long-Term Liabilities	<u>\$ 29,891,012</u>	<u>\$ 272,615</u>	<u>\$ 3,516,006</u>	<u>\$ 26,647,621</u>	<u>\$ 745,000</u>

For the governmental activities, the liability for compensated absences is generally liquidated by the general fund.

H. Short-Term Debt

The Board’s short-term activity for the fiscal year ended June 30, 2018 was as follows:

Bond Anticipation Notes

The Board issues Bond Anticipation Notes (“Project Notes”) to interim finance Capital Projects. The Board issues Grant Anticipation Notes to interim finance capital projects funded by the State Development Authority’s Facility construction grants. The Board issues loans to temporarily finance the delayed state aid payment received subsequent to the fiscal year end. The Board’s short-term debt activity for the fiscal year ended June 30, 2018 was as follows:

<u>Purpose</u>	<u>Rate %</u>	<u>Maturity Date</u>	<u>Balance, July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2018</u>
Bond Anticipation Note	2.50%	8/1/2018	-	\$ 16,140,000	-	\$ 16,140,000
			<u>\$ -</u>	<u>\$ 16,140,000</u>	<u>\$ -</u>	<u>\$ 16,140,000</u>

State law requires that bond anticipation notes issued for capital purposes be converted to long-term obligations within five years after the original issue date; provided however that notes are not renewed beyond the third anniversary date of the originals unless an amount of such notes equal to the first legally payable installment of the bonds such notes were issued in anticipation of are paid and retired in each subsequent year.

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

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 are 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:

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	None	\$ 69,783	\$ 67,502	\$ 587,008
2017	None	50,585	59,033	581,263
2016	None	45,016	106,067	586,807

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

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.

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, 2018, 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, 2018, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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. PERS is a cost sharing multiple employer defined benefit pension plan.

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

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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. TPAF is a cost sharing multiple employer defined benefit pension plan with a special funding situation, by which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions.

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

The following represent the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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.

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 ("Division"), 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.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Investments are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 33 percent with an unfunded actuarial accrued liability of 90.90 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 25.41 percent and \$67.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 48.10 percent and \$23.3 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.

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, 2016 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~~ 7.00 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 7.34% for PERS, 7.34% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2018.

Annual Pension Costs (APC)

For the fiscal year ended June 30, 2018 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multiple 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.

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC) (Continued)

During the fiscal years ended June 30, 2018, 2017 and 2016 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, 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>
2018	\$ 475,550	\$ 3,205,481	\$ 41,799
2017	437,369	2,231,536	25,614
2016	445,768	1,637,098	18,585

In addition for fiscal years 2017/2018 and 2016/2017 the District contributed \$8,269 and \$3,173, respectively for PERS and the State contributed \$6,625 and \$7,235, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental 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 \$1,726,131 during the fiscal year ended June 30, 2018 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 governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the fiscal year ended June 30, 2017. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits (“Division”) administers one cost-sharing multiple employer defined benefit pension plan, separate actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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)

To facilitate the separate actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2017 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2017.

At June 30, 2018, the District reported in the statement of net position (accrual basis) a liability of \$11,949,617 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017 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, 2017, the District’s proportionate share was .05133 percent, which was an increase of .0021 percent from its proportionate share measured as of June 30, 2016 of .04923 percent.

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$903,646 for PERS. The pension contribution made by the District during the current 2017/2018 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2018 with a measurement date of the prior fiscal year end of June 30, 2017. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2018 for contributions made subsequent to the current fiscal year end. At June 30, 2018, 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	\$ 281,372	
Changes of Assumptions	2,407,436	\$ 2,398,610
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	81,369	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>563,293</u>	<u>426,107</u>
Total	<u>\$ 3,333,470</u>	<u>\$ 2,824,717</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018, 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:

Year Ending <u>June 30,</u>	<u>Total</u>
2019	\$ 301,053
2020	448,513
2021	260,321
2022	(303,307)
2023	(197,827)
Thereafter	<u>-</u>
	<u>\$ 508,753</u>

Actuarial Assumptions

The District's total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.00%
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, 2016 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, 2018**

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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
US Equities	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Market Equities	6.50%	11.64%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	5.00%
2017	June 30, 2016	3.98%

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

* The municipal bond return rate used is 3.58% as of the measurement date of June 30, 2017. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 5.00%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00 percent) or 1-percentage-point higher (6.00 percent) than the current rate:

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
District's Proportionate Share of the PERS Net Pension Liability	\$ 14,824,311	\$ 11,949,617	\$ 9,554,641

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2017. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, 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, 2018**

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)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as a non-employer toward the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2017. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2017, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, 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, 2018, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$9,266,492 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. 85.

At June 30, 2018 the State's proportionate share of the net pension liability attributable to the District is \$133,763,993. 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, 2017. At June 30, 2017, the state's share of the net pension liability attributable to the District was .19839 percent, which was a decrease of .00608 percent from its proportionate share measured as of June 30, 2016 of .20447 percent.

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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)

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

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, 2016 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, 2018**

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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	4.25%
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, 2036

Municipal Bond Rate * From July 1, 2036 and Thereafter

* The municipal bond return rate used is 3.58% as of the measurement date of June 30, 2017. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State’s proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.25%, as well as what the State’s proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.25 percent) or 1-percentage-point higher (5.25 percent) than the current rate:

	1% Decrease <u>(3.25%)</u>	Current Discount Rate <u>(4.25%)</u>	1% Increase <u>(5.25%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 158,915,820</u>	<u>\$ 133,763,993</u>	<u>\$ 113,043,809</u>

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District at June 30, 2017. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2017 was not provided by the pension system.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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)

Pension Plan Fiduciary Net Position

Detailed information about the TPAF 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 report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report effective for the fiscal year ended June 30, 2017. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage and prescription drug benefits to qualified retired education participants. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) 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 employer 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.

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

The State 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, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2016:

Active Plan Members	223,747
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	142,331
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
 Total	 <u>366,078</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the State had a \$69.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.5 billion for state active and retired members and \$43.8 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.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Funded Status and Funding Progress (Continued)

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, 2016, 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.

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, 2017, there were 112,966, retirees receiving post-retirement medical benefits and the State contributed \$1.39 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 \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in Fiscal Year 2017.

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, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2018, 2017 and 2016 were \$2,070,352, \$1,859,371 and \$1,949,333, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions. The nonemployer allocation percentages presented are based on the ratio of the State’s contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal year ended June 30, 2017. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District’s proportionate share percentage determined under Statement No. 75 is zero percent and the State’s proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$5,730,563. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2018 the State’s proportionate share of the OPEB liability attributable to the District is \$85,475,479. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2017 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2017. At June 30, 2017, the state’s share of the OPEB liability attributable to the District was .15935 percent, which was an increase of .00013 percent from its proportionate share measured as of June 30, 2016 of .15922 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases *	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.00% to 5.45%
Mortality	RP-2014 Headcount-Weighted Healthy Employee, Healthy Annuitant and Disabled Male/Female Mortality Table with Fully Generational Mortality Improvement Projections from the Central Year Using Scale MP-2017
Long-Term Rate of Return	1.00%

*Salary increases are based on the defined benefit plan that the individual is enrolled in and his or her year of service for TPAF or his or her age for PERS.

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5 percent and decreases to a 5.0 percent long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in all future years.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2012 to June 30, 2015 and July 1, 2011 to June 30, 2014, respectively.

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2017.

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	3.58%
2017	June 30, 2016	2.85%

The discount rate represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2018 (measurement date June 30, 2017) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2016 Measurement Date	\$ <u>92,078,919</u>
Changes Recognized for the Fiscal Year:	
Service Cost	\$ 4,208,442
Interest on the Total OPEB Liability	2,705,826
Changes of Assumptions	(11,292,547)
Gross Benefit Payments	(2,310,229)
Contributions from the Member	<u>85,068</u>
Net Changes	\$ <u>(6,603,440)</u>
Balance, June 30, 2017 Measurement Date	\$ <u>85,475,479</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85 percent in 2016 to 3.58 percent in 2017.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017. A change in the total OPEB liability specific to the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2017 was not provided by the pension system.

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.58%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current rate:

	1% Decrease <u>(2.58%)</u>	Current Discount Rate <u>(3.58%)</u>	1% Increase <u>(4.58%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>101,465,560</u>	\$ <u>85,475,479</u>	\$ <u>72,791,995</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1%</u> <u>Decrease</u>	<u>Healthcare</u> <u>Cost Trend</u> <u>Rates</u>	<u>1%</u> <u>Increase</u>
Total OPEB Liability (School Retirees)	\$ 70,295,319	\$ 85,475,479	\$ 105,634,553

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2017. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2017 were not provided by the pension system.

F. Subsequent Events

On July 19, 2018, the Board adopted a resolution for the issuance of \$7,751,000 school bonds for the funding of a portion of the capital projects approved by the voters at the school district election on December 12, 2107.

On September 6, 2018, the Board awarded the sale of said bonds to Roosevelt & Cross, Inc. at interest rates from 3.00% to 3.25%. These bonds, dated September 20, 2118, will mature over twenty (20) years with the first maturity due September 15, 2019.

G. 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.

REQUIRED SUPPLEMENTARY INFORMATION PART II

BUDGETARY COMPARISON SCHEDULES

**WESTWOOD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Property Taxes	\$ 51,021,500		\$ 51,021,500	\$ 51,021,500	
Tuition	50,000		50,000	92,070	\$ 42,070
Rents and Royalties	21,000		21,000	22,320	1,320
Interest on Investments	35,000		35,000	113,269	78,269
Interest on Capital Reserve	50,000		50,000	90,829	40,829
Unrestricted Miscellaneous Revenue	35,000	-	35,000	218,500	183,500
Total Local Sources	51,212,500	-	51,212,500	51,558,488	345,988
State Sources					
Special Education Aid	1,492,160	\$ 71,642	1,563,802	1,563,802	
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				471,866	471,866
Additional Nonpublic Transportation Aid				33,771	33,771
TPAF Pension System Contribution (Normal Costs) (Non-Budgeted)				3,129,535	3,129,535
TPAF Pension System Contribution (NCGI) (Non-Budgeted)				75,946	75,946
TPAF Pension System Contribution (Post-Retirement Medical Contribution) (Non-Budgeted)				2,070,352	2,070,352
TPAF Pension System Contribution (LTDD) (Non-Budgeted)				6,625	6,625
TPAF Social Security Reimbursements (Non-Budget)	-	-	-	1,726,131	1,726,131
Total State Sources	1,742,225	71,642	1,813,867	9,328,093	7,514,226
Federal Sources					
Medicaid Reimbursement	26,350	-	26,350	4,730	(21,620)
Total Federal Sources	26,350	-	26,350	4,730	(21,620)
Total Revenues	52,981,075	71,642	53,052,717	60,891,311	7,838,594
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	758,167	(46,838)	711,329	711,286	43
Grades 1-5	4,947,093	271,756	5,218,849	5,203,932	14,917
Grades 6-8	3,778,590	103,224	3,881,814	3,881,316	498
Grades 9-12	4,894,296	25,305	4,919,601	4,918,993	608
Regular Programs - Home Instruction					
Salaries of Teachers	51,450	26,030	77,480	77,480	
Purchased Professional/Educational Services	8,000	(5,899)	2,101	399	1,702
Regular Programs - Undistributed Instruction					
Salaries of Teachers		16,512	16,512	9,761	6,751
Purchased Professional/Educational Services	10,800	(10,200)	600	600	
Purchased Technical Services	3,000	(3,000)			
Other Purchased Services	170,644	(56,582)	114,062	102,034	12,028
General Supplies	447,668	(31,068)	416,600	411,294	5,306
Textbooks	318,990	336,012	655,002	650,289	4,713
Other Objects	10,175	120	10,295	7,677	2,618
Total Regular Programs	15,398,873	625,372	16,024,245	15,975,061	49,184
Learning and/or Language Disabilities					
Salaries of Teachers	341,676	2,447	344,123	344,122	1
Other Salaries for Instruction	33,957	(3,722)	30,235		30,235
Purchased Professional/Educational Services	20,000	(19,556)	444	444	
General Supplies	30,000	(13,451)	16,549	16,549	-
Total Learning and/or Language Disabilities	425,633	(34,282)	391,351	361,115	30,236

WESTWOOD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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	\$ 2,545,899	\$ 186,092	\$ 2,731,991	\$ 2,731,991	
Other Salaries for Instruction	30,870	(30,835)	35	34	\$ 1
Purchased Professional Educational Services	35,000		35,000	33,645	1,355
General Supplies	12,000	(8,016)	3,984	3,984	-
Total Resource Room/Resource Center	2,623,769	147,241	2,771,010	2,769,654	1,356
Autism					
Salaries of Teachers	124,571	(13,428)	111,143	111,142	1
Other Salaries for Instruction	128,625	(63,923)	64,702	64,662	40
Purchased Professional Educational Services	12,762	(10,833)	1,929	1,929	
General Supplies	20,000	(18,694)	1,306	1,305	1
Other Objects	1,000	(1,000)	-	-	-
Total Autism	286,958	(107,878)	179,080	179,038	42
Preschool Disabilities - Part-Time					
Salaries of Teachers	133,635	19,768	153,403	153,403	
Other Salaries for Instruction	98,784	(30,135)	68,649	17,022	51,627
Purchased Professional Educational Services	2,000	(1,225)	775	775	
General Supplies	10,000	(4,730)	5,270	114	5,156
Total Preschool Disabilities - Part-Time	244,419	(16,322)	228,097	171,314	56,783
Preschool Disabilities - Full-Time					
Salaries of Teachers	180,504	3,443	183,947	183,935	12
Other Salaries for Instruction	223,293	(2,187)	221,106	122,828	98,278
Purchased Professional Educational Services		775	775	625	150
General Supplies	7,000	(554)	6,446	3,140	3,306
Total Preschool Disabilities - Full-Time	410,797	1,477	412,274	310,528	101,746
Home Instruction					
Purchased Professional Educational Services	50,000	-	50,000	14,179	35,821
Total Home Instruction	50,000	-	50,000	14,179	35,821
Total Special Education	4,041,576	(9,764)	4,031,812	3,805,828	225,984
Basic Skills/Remedial - Instruction					
Salaries of Teachers	386,977	-	386,977	384,682	2,295
Total Basic Skills/Remedial	386,977	-	386,977	384,682	2,295
Bilingual Education - Instruction					
Salaries of Teachers	330,402	1,987	332,389	327,255	5,134
General Supplies	2,000	-	2,000	1,459	541
Total Bilingual Education	332,402	1,987	334,389	328,714	5,675
School Sponsored Co/Extra Curricular Activities - Instruction					
Salaries	197,568		197,568	183,393	14,175
Purchased Services	8,250	(115)	8,135	4,628	3,507
Supplies and Materials	6,530	36,101	42,631	4,714	37,917
Total School Sponsored Co/Extra Curricular Activities	212,348	35,986	248,334	192,735	55,599

WESTWOOD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
School Sponsored Athletics - Instruction					
Salaries	\$ 696,293		\$ 696,293	\$ 672,108	\$ 24,185
Purchased Services	109,000	\$ (30)	108,970	107,020	1,950
Supplies and Materials	103,500	(17,421)	86,079	82,064	4,015
Other Objects	47,045	1,998	49,043	28,960	20,083
Total School Sponsored Athletics	955,838	(15,453)	940,385	890,152	50,233
Total Instruction	21,328,014	638,128	21,966,142	21,577,172	388,970
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Special	514,889	(13,390)	501,499	452,638	48,861
Tuition to Co. Voc. School Dist.- Reg.	191,466	21,183	212,649	212,649	
Tuition to Co. Voc. School Dist.- Special	115,836	33,000	148,836	143,367	5,469
Tuition to CSSD and Regional Day Schools	322,186	223,928	546,114	545,864	250
Tuition to Priv. Sch. for the Disabled - State	1,760,319	(182,606)	1,577,713	1,207,162	370,551
Tuition to Priv. Sch. Disabled & Other LEAs - Out State	53,850	(44,457)	9,393		9,393
Tuition - Other	85,000	-	85,000	75,232	9,768
Total Undistributed Expenditures - Instruction	3,043,546	37,658	3,081,204	2,636,912	444,292
Attendance and Social Work					
Salaries	1,500	-	1,500	1,500	-
Total Attendance and Social Work	1,500	-	1,500	1,500	-
Health Services					
Salaries	576,184	19,650	595,834	592,416	3,418
Purchased Professional and Technical Services	20,000	7,181	27,181	27,181	-
Other Purchased Services	1,000	(81)	919	518	401
Supplies and Materials	16,000	(2,202)	13,798	11,088	2,710
Other Objects	-	2,302	2,302	2,301	1
Total Health Services	613,184	26,850	640,034	633,504	6,530
Speech, OT, PT and Related Services					
Salaries	728,646	(356)	728,290	668,712	59,578
Purchased Prof. Ed. Services	448,910	(117,108)	331,802	317,380	14,422
Other Purchased Services		63	63	63	
Supplies and Materials	16,000	(12,809)	3,191	3,191	-
Total Speech, OT, PT and Related Services	1,193,556	(130,210)	1,063,346	989,346	74,000
Other Support Services - Students - Extraordinary Serv.					
Salaries	1,952,746	(94,618)	1,858,128	1,400,162	457,966
Purchased Prof. Ed. Services	410,176	482,562	892,738	738,297	154,441
Supplies and Materials	25,000	(21,465)	3,535	3,157	378
Total Other Supp.Serv. Student - Extraordinary Serv.	2,387,922	366,479	2,754,401	2,141,616	612,785

**WESTWOOD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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	\$ 1,053,047	\$ (9,650)	\$ 1,043,397	\$ 975,907	\$ 67,490
Salaries of Secretarial & Clerical Assistants	111,461		111,461	110,383	1,078
Purchased Professional-Educational Services	5,590	3,100	8,690	8,378	312
Other Purchased Services	4,230	230	4,460	4,411	49
Supplies and Materials	12,420	222	12,642	8,804	3,838
Other Objects	-	1,250	1,250	650	600
Total Guidance	1,186,748	(4,848)	1,181,900	1,108,533	73,367
Child Study Teams					
Salaries of Other Professional Staff	831,228	46,614	877,842	873,415	4,427
Salaries of Secretarial & Clerical Assistants	196,476	495	196,971	196,969	2
Purchased Professional/Educational Services	91,000	(22,396)	68,604	68,539	65
Other Purchased Services	12,500	39	12,539	6,171	6,368
Supplies and Materials	33,000	(5,430)	27,570	26,719	851
Other Objects	6,749	-	6,749	181	6,568
Total Child Study Teams	1,170,953	19,322	1,190,275	1,171,994	18,281
Improvement of Instr. Services					
Salaries of Supervisors of Instruction	350,342		350,342	262,132	88,210
Salaries of Other Professional Staff	243,516		243,516	242,147	1,369
Other Salaries	69,090	10,500	79,590	36,110	43,480
Purchased Professional-Educational Services	10,000	13,613	23,613	23,243	370
Other Purchased Services	-	573	573	-	573
Miscellaneous Expenditures	-	75	75	75	-
Total Other Support Services - Impvt. of Instructional Staff	672,948	24,761	697,709	563,707	134,002
Educational Media/School Library					
Salaries	334,219		334,219	309,670	24,549
Salaries of Technology Coordinators	391,332		391,332	389,717	1,615
Purchased Professional and Technical Services	224,195	15,211	239,406	239,180	226
Other Purchased Services	11,100	999	12,099	5,859	6,240
Supplies and Materials	291,040	92,080	383,120	375,091	8,029
Other Objects	500	-	500	38	462
Total Educational Media/School Library	1,252,386	108,290	1,360,676	1,319,555	41,121
Instructional Staff Training Services					
Other Salaries	31,120	(6,000)	25,120	4,500	20,620
Purchased Professional-Educational Services	50,185	(8,134)	42,051	6,400	35,651
Other Purchased Services	52,900	468	53,368	50,288	3,080
Supplies and Materials	-	300	300	133	167
Total Instructional Staff Training Services	134,205	(13,366)	120,839	61,321	59,518
Support Services General Administration					
Salaries	613,947	24,000	637,947	619,729	18,218
Legal Services	150,000		150,000	82,984	67,016
Audit Fees	40,000		40,000	1,000	39,000
Architectural/Engineering Services	65,000	27,563	92,563	79,848	12,715
Other Purchased Professional Services	36,776	14,814	51,590	50,090	1,500
Purchased Technical Services	25,120	(4,029)	21,091	19,772	1,319
Communications/Telephone	171,500	(4,000)	167,500	124,852	42,648
BOE Other Purchased Services	1,000	2,000	3,000	1,524	1,476
Miscellaneous Purchased Services	97,068	2,352	99,420	56,671	42,749
General Supplies	8,000	6,803	14,803	14,410	393
BOE In-House Training/Meeting Supplies	4,000	(1,000)	3,000	1,036	1,964
Judgments Against the School District	90,000	(63,557)	26,443	964	25,479
Miscellaneous Expenditures	40,000	23,449	63,449	62,858	591
BOE Membership Dues and Fees	25,000	(1,657)	23,343	23,342	1
Total Support Services General Administration	1,367,411	26,738	1,394,149	1,139,080	255,069

**WESTWOOD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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	\$ 1,478,958	\$ 69,579	\$ 1,548,537	\$ 1,548,500	\$ 37
Salaries of Other Professional Staff	204,158	39,582	243,740	230,569	13,171
Salaries of Secretarial and Clerical Assistants	499,713	52,130	551,843	543,476	8,367
Purchased Technical Services		827	827	827	
Other Purchased Services	60,000	(51)	59,949	37,576	22,373
Supplies and Materials	30,700	(12,434)	18,266	17,311	955
Other Objects	8,900	(3,079)	5,821	1,166	4,655
Total Support Services School Administration	2,282,429	146,554	2,428,983	2,379,425	49,558
Central Services					
Salaries	564,590	(22,700)	541,890	533,890	8,000
Purchased Professional Services	2,000		2,000		2,000
Purchased Technical Services	20,000		20,000	14,473	5,527
Misc. Purchased Services	12,000	1,151	13,151	8,301	4,850
Supplies and Materials	15,242	(1,151)	14,091	4,254	9,837
Miscellaneous Expenditures	5,000	-	5,000	2,293	2,707
Total Central Services	618,832	(22,700)	596,132	563,211	32,921
Admin Info. Tech.					
Salaries	26,000	100,000	126,000	17,765	108,235
Purchased Professional Services	6,200	(6,200)			
Purchased Technical Services	116,012	(539)	115,473	82,483	32,990
Other Purchased Services	400	293	693	293	400
Supplies and Materials	6,000	-	6,000	5,469	531
Total Admin Info. Tech.	154,612	93,554	248,166	106,010	142,156
Required Maintenance for School Facilities					
Salaries	391,643	(3,000)	388,643	339,041	49,602
Cleaning, Repair & Maintenance Services	195,000	126,696	321,696	276,634	45,062
General Supplies	152,500	(35,391)	117,109	110,773	6,336
Other Objects	-	12,396	12,396	12,396	-
Total Allowable Maintenance for School Facilities	739,143	100,701	839,844	738,844	101,000
Custodial Services					
Salaries	1,321,970	(38,551)	1,283,419	1,268,211	15,208
Salaries of Non-Instructional Aides	110,000	4,678	114,678	114,612	66
Cleaning, Repair and Maintenance Services	110,000	(7,265)	102,735	102,680	55
Other Purchased Property Services	55,620	916	56,536	56,536	
Insurance	374,000	(35,000)	339,000	326,284	12,716
Misc. Purchased Services	2,000		2,000	857	1,143
General Supplies	123,000	22,357	145,357	142,560	2,797
Energy (Natural Gas)	301,250	(99,894)	201,356	195,761	5,595
Energy (Electricity)	730,000	(230,516)	499,484	426,073	73,411
Energy (Gasoline)	52,000	(3,354)	48,646	26,286	22,360
Other Objects	1,000	2,338	3,338	3,337	1
Total Custodial Services	3,180,840	(384,291)	2,796,549	2,663,197	133,352
Care and Upkeep of Grounds					
Salaries	187,532		187,532	169,299	18,233
Cleaning, Repair & Maintenance Svc.	18,000	18,187	36,187	20,850	15,337
General Supplies	30,000	10,924	40,924	37,455	3,469
Other Objects	-	819	819	623	196
Total Care and Upkeep of Grounds	235,532	29,930	265,462	228,227	37,235
Security					
Salaries	114,425		114,425	75,974	38,451
Purchased Professional and Technical Services		33,345	33,345	450	32,895
Cleaning, Repair & Maintenance Svc.	16,000	46,702	62,702	62,702	
General Supplies	17,000	78,507	95,507	49,977	45,530
Other Objects	-	181	181	181	-
Total Security	147,425	158,735	306,160	189,284	116,876

WESTWOOD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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	\$ 50,000	\$ 16,238	\$ 66,238	\$ 66,238	
Sal. For Pupil Trans (Between Home & Sch)-Reg.	30,000	(11,166)	18,834	7,755	\$ 11,079
Sal. For Pupil Trans (Between Home & Sch)-Spec. Ed	101,691		101,691	94,416	7,275
Sal. For Pupil Trans (Other than Between Home & Sch)	20,000	12,951	32,951	32,950	1
Cleaning, Repair & Maint. Services	30,000	13,651	43,651	43,651	
Contracted Services (Between Home and School) - Vendors	402,403	(96,144)	306,259	228,014	78,245
Contracted Services (Other Than Between Home and School) - Vendors	182,475	(88,841)	93,634	44,310	49,324
Contracted Services (Special Ed. Students) - Vendors	864,355	(81,329)	783,026	728,514	54,512
Contracted Services - Aid In Lieu of Payments-Non Public	104,366	19,145	123,511	123,374	137
Other Objects	9,000	(5,979)	3,021	3,021	-
Total Student Transportation Services	1,794,290	(221,474)	1,572,816	1,372,243	200,573
Unallocated Benefits- Employee Benefits					
Group Insurance	20,000	850	20,850	10,200	10,650
Social Security Contributions	640,000		640,000	557,204	82,796
Other Retirement Contrib.- PERS	500,000	(15,000)	485,000	483,819	1,181
Other Retirement Contrib.- Regular	90,000		90,000	41,799	48,201
Unemployment Compensation	50,000		50,000		50,000
Workmen's Compensation	286,000		286,000	252,202	33,798
Health Benefits	8,524,440	(426,415)	8,098,025	7,495,026	602,999
Tuition Reimbursement	75,000	(5,000)	70,000	70,000	
Other Employee Benefits	60,000	(30,218)	29,782	29,781	1
Total Unallocated Benefits	10,245,440	(475,783)	9,769,657	8,940,031	829,626
TPAF Pension System Contribution (Normal Costs) (Non-Budgeted)					
				3,129,535	(3,129,535)
TPAF Pension System Contribution (NCGI) (Non-Budgeted)					
				75,946	(75,946)
TPAF Pension Systems Contribution (Post Retirement Medical Contributions)(Non-Budgeted)					
				2,070,352	(2,070,352)
TPAF Pension System Contribution (LTDF) (Non-Budgeted)					
				6,625	(6,625)
Reimbursed TPAF Social Security Reimbursements (Non-Budgeted)					
	-	-	-	1,726,131	(1,726,131)
Total On-Behalf TPAF Contributions	-	-	-	7,008,589	(7,008,589)
Total Undistributed Expenditures	32,422,902	(113,100)	32,309,802	35,956,129	(3,646,327)
Total Current Expenditures	53,750,916	525,028	54,275,944	57,533,301	(3,257,357)

WESTWOOD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures					
Instruction		\$ 13,592	\$ 13,592	\$ 13,592	
School Sponsored Activities and Athletics		35,549	35,549	25,309	\$ 10,240
Child Study Teams	\$ 7,350		7,350	7,350	7,350
Instructional Staff Training Services		28,509	28,509	23,008	5,501
Admin Info Tech	108,000	80,000	188,000	73,493	114,507
Required Maintenance for School Facilities	50,000	13,357	63,357	16,456	46,901
Security	24,321	17,179	41,500	41,500	
Care and Upkeep	18,000	-	18,000	14,796	3,204
Non-Instructional Services	4,000	-	4,000	-	4,000
Total Equipment	211,671	188,186	399,857	208,154	191,703
Facilities Acquisition and Construction Serv.					
Architectural/Engineering Services		90,969	90,969	38,725	52,244
Construction Services	388,950	3,408,521	3,797,471	3,257,932	539,539
Assessment for Debt Service on SDA Funding	769	-	769	769	-
Total Facilities Acquisition and Construction Serv.	389,719	3,499,490	3,889,209	3,297,426	591,783
Interest Deposit to Capital Reserve	50,000	-	50,000	-	50,000
Total Capital Outlay	651,390	3,687,676	4,339,066	3,505,580	833,486
Total Expenditures					
	54,402,306	4,212,704	58,615,010	61,038,881	(2,423,871)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(1,421,231)	(4,141,062)	(5,562,293)	(147,570)	5,414,723
Other Financing Sources (Uses)					
Operating Transfer In - Capital Projects Fund	-	-	-	127,326	127,326
Total Other Financing Sources (Uses)	-	-	-	127,326	127,326
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses					
	(1,421,231)	(4,141,062)	(5,562,293)	(20,244)	5,542,049
Fund Balance, Beginning of Year	23,623,242	-	23,623,242	23,623,242	-
Fund Balance, End of Year	\$ 22,202,011	\$ (4,141,062)	\$ 18,060,949	\$ 23,602,998	\$ 5,542,049
Recapitulation:					
Restricted Fund Balance					
Capital Reserve				\$ 5,698,703	
Capital Reserve-Designated for Subsequent Year's Expenditures - 2018/2019				13,097,000	
Excess Surplus-Designated for Subsequent Year's Expenditures - 2018/2019				750,000	
Excess Surplus				750,000	
Committed Fund Balance					
Year-End Encumbrances				506,043	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures - 2018/2019				803,941	
Year-End Encumbrances				411,068	
Unassigned Fund Balance				<u>1,586,243</u>	
				23,602,998	
Reconciliation to Governmental Funds Statements (GAAP):					
Less:					
2017/2018 Extraordinary Aid Not Recognized on a GAAP Basis			\$ (471,866)		
2017/2018 State Aid Not Recognized on a GAAP Basis			<u>(137,067)</u>		
				(608,933)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 22,994,065</u>	

**WESTWOOD REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

EXHIBIT C-2

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
State Sources	\$ 210,463	\$ 33,767	\$ 244,230	\$ 227,378	\$ (16,852)
Federal Sources	831,985	283,111	1,115,096	1,023,944	(91,152)
Local	-	45,977	45,977	18,105	(27,872)
Total Revenues	<u>1,042,448</u>	<u>362,855</u>	<u>1,405,303</u>	<u>1,269,427</u>	<u>(135,876)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	152,152	(17,600)	134,552	122,955	11,597
Other Salaries		12,250	12,250	6,750	5,500
Purchased Prof./Educ. Svcs.	51,972	(6,859)	45,113	28,802	16,311
Tuition	612,040	131,448	743,488	743,488	
Other Purchased Services		1,860	1,860		1,860
General Supplies	50,535	87,233	137,768	93,673	44,095
Textbooks	43,396	(4,831)	38,565	38,430	135
Total Instruction	<u>910,095</u>	<u>203,501</u>	<u>1,113,596</u>	<u>1,034,098</u>	<u>79,498</u>
Support Services					
Other Salaries		9,416	9,416	9,416	
Personal Services - Employee Benefits		30,306	30,306	28,580	1,726
Purchased Prof./Educ. Svcs.	57,743	56,613	114,356	66,380	47,976
Other Purchased Services	74,610	12,379	86,989	85,450	1,539
Supplies and Materials	-	5,686	5,686	549	5,137
Total Support Services	<u>132,353</u>	<u>114,400</u>	<u>246,753</u>	<u>190,375</u>	<u>56,378</u>
Facilities Acquisition and Construction Services					
Equipment					
Non-Instructional	-	44,954	44,954	44,954	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>44,954</u>	<u>44,954</u>	<u>44,954</u>	<u>-</u>
Total Expenditures	<u>1,042,448</u>	<u>362,855</u>	<u>1,405,303</u>	<u>1,269,427</u>	<u>135,876</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>

**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, 2018**

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) \$ 60,891,311	(C-2) \$ 1,269,427
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, 2017		916
Encumbrances, June 30, 2018		(63,782)
Certain State Aid payments recognized for GAAP purposes, not recognized for budgetary statements. (2017/2018 State Aid)	(608,933)	
Certain State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2016/2017 State Aid)	<u>665,551</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>60,947,929</u>	\$ <u>1,206,561</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule	(C-1) \$ 61,038,881	(C-2) \$ 1,269,427
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, 2017		916
Encumbrances, June 30, 2018	<u>-</u>	<u>(63,782)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>61,038,881</u>	(B-2) \$ <u>1,206,561</u>

REQUIRED SUPPLEMENTARY INFORMATION PART III

PENSION INFORMATION

AND

OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

Public Employees Retirement System

Last Five Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.05133%	0.04923%	0.05184%	0.05286%	0.05025%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 11,949,617	\$ 14,581,071	\$ 11,639,209	\$ 9,897,582	\$ 9,605,283
District's Covered-Employee Payroll	\$ 3,445,724	\$ 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	347%	429%	339%	277%	272%
[∞] ₅₁ Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	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 Five Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 475,550	\$ 437,369	\$ 445,768	\$ 436,163	\$ 378,683
Contributions in Relation to the Contractually Required Contribution	<u>475,550</u>	<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>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 3,445,724	\$ 3,395,633	\$ 3,426,258	\$ 3,575,863	\$ 3,536,307
Contributions as a Percentage of Covered-Employee Payroll	13.80%	12.88%	13.01%	12.20%	10.65%

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95

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 Five Fiscal Years

	<u>2018</u>	<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%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 133,763,993</u>	<u>\$ 160,852,300</u>	<u>\$ 124,770,765</u>	<u>\$ 107,340,110</u>	<u>\$ 101,325,234</u>
Total	<u>\$ 133,763,993</u>	<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	\$ 22,722,196	\$ 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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	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, 2018**

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.

**WESTWOOD REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last One Fiscal Year*

	2018
Total OPEB Liability	
Service Cost	\$ 4,208,442
Interest on Total OPEB Liability	2,705,826
Changes of Assumptions	(11,292,547)
Gross Benefit Payments	(2,310,229)
Contribution from the Member	85,068
Net Change in Total OPEB Liability	(6,603,440)
Total OPEB Liability - Beginning	92,078,919
Total OPEB Liability - Ending	85,475,479
District's Proportionate Share of OPEB Liability	\$0
State's Proportionate Share of OPEB Liability	85,475,479
Total OPEB Liability - Ending	\$ 85,475,479
District's Covered-Employee Payroll	\$ 26,167,920
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

*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. 75. 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 CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability 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, 2018

REVENUES	IDEA		ESEA				Local Grants	Subtotal Page 2	Total	
	Basic	Preschool	Title I	Title II-A	Title III	Title III Immigrant				Title IV
Intergovernmental										
State								\$ 227,378	\$ 227,378	
Federal	\$ 771,864	\$ 16,705	\$ 153,319	\$ 43,964	\$ 13,828	\$ 2,862	\$ 7,902	13,500	1,023,944	
Local	-	-	-	-	-	-	-	\$ 18,105	18,105	
Total Revenues	771,864	16,705	153,319	43,964	13,828	2,862	7,902	18,105	240,878	1,269,427
EXPENDITURES										
Instruction										
Salaries of Teachers			107,060		10,762			5,133	122,955	
Other Salaries								6,750	6,750	
Purchased Professional-Educational Svs.								28,802	28,802	
Tuition	743,488								743,488	
General Supplies		16,705	16,657				2,862	18,105	39,344	
Textbooks									38,430	
Total Instruction	743,488	16,705	123,717	-	10,762	2,862	-	18,105	118,459	1,034,098
Support Services										
Other Salaries			1,988		308		7,120		9,416	
Personal Services - Employee Benefits			27,188		847		545		28,580	
Purchased Professional and Technical Services	28,376			36,150			237		66,380	
Other Purchased Services			426	7,814	1,911				75,299	
General Supplies									549	
Total Support Services	28,376	-	29,602	43,964	3,066	-	7,902	-	77,465	190,375
Facilities Acquisition and Construction Services										
Equipment										
Non-Instructional									44,954	
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-	44,954	44,954
Total Expenditures	\$ 771,864	\$ 16,705	\$ 153,319	\$ 43,964	\$ 13,828	\$ 2,862	\$ 7,902	\$ 18,105	\$ 240,878	\$ 1,269,427

WESTWOOD REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

REVENUES	Temporary Emergency Impact Aid	Chapter 193 Handicapped Services			NJ Nonpublic Aid				Subtotal Page 1
		Supplemental Instruction	Examination and Classification	Corrective Speech	Technology	Nursing	Textbooks	Security	
Intergovernmental									
State		\$ 5,234	\$ 18,747	\$ 4,821	\$ 25,654	\$ 75,848	\$ 38,430	\$ 58,644	\$ 227,378
Federal	\$ 13,500	-	-	-	-	-	-	-	13,500
Total Revenues	13,500	5,234	18,747	4,821	25,654	75,848	38,430	58,644	240,878
EXPENDITURES									
Instruction									
Salaries of Teachers	5,133								5,133
Other Salaries	6,750								6,750
Purchased Professional Education Services		5,234	18,747	4,821					28,802
Supplies and Materials					25,654			13,690	39,344
Textbooks	-	-	-	-	-	-	38,430	-	38,430
Total Instruction	11,883	5,234	18,747	4,821	25,654	-	38,430	13,690	118,459
Support Services									
Personal Services - Employee Benefits	1,617								1,617
Other Purchased Services						75,299			75,299
Supplies and Materials	-	-	-	-	-	549	-	-	549
Total Support Services	1,617	-	-	-	-	75,848	-	-	77,465
Facilities Acquisition and Construction Services									
Equipment									
Non-Instructional	-	-	-	-	-	-	-	44,954	44,954
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	44,954	44,954
Total Expenditures	\$ 13,500	\$ 5,234	\$ 18,747	\$ 4,821	\$ 25,654	\$ 75,848	\$ 38,430	\$ 58,644	\$ 240,878

**WESTWOOD REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION PROGRAM AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**WESTWOOD REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Issue/Project Title</u>	<u>Expenditures to Date</u>			<u>Prior Year Transfers</u>	<u>Cancelled</u>		<u>Unexpended Balance, June 30, 2018</u>
	<u>Appropriation</u>	<u>Prior Years</u>	<u>Current Year</u>		<u>Prior Year</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	3,496,486	\$ 104,834				22,570
High School Partial Roof Replacement	2,760,152	2,269,497	5,000				485,655
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	39,159				205
Gym Floor Replacement Project	199,892	99,844	93,138				6,910
Construction of New Middle School	<u>23,891,520</u>	<u>-</u>	<u>881,791</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,009,729</u>
	<u>\$ 50,724,879</u>	<u>\$ 25,832,586</u>	<u>\$ 1,123,922</u>	<u>\$ -</u>	<u>\$ (93,352)</u>	<u>\$ 50,991</u>	<u>\$ 23,624,028</u>
Project Balance							\$ 23,624,028
Debt Authorized Not Issued							(23,891,595)
Fund Balance - Budgetary Basis							<u>\$ (267,567)</u>
<u>Recapitulation of Fund Balance - Budgetary Basis:</u>							
Year End Encumbrances							\$ 1,369,613
Available for Capital Projects							<u>(1,637,180)</u>
Total Fund Balance (Budgetary Basis)- Restricted for Capital Projects							<u>\$ (267,567)</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, 2018**

Revenues and Other Financing Sources

Other Financing Sources	
Transfer from Capital Reserve	-
	<hr/>
Total Revenues and Other Financing Sources	-
	<hr/>

Expenditures and Other Financing Uses

Purchased Professional and Technical Services	\$ 873,406
Construction Services	250,516
Cancellation of SDA Grants Receivable	1,135
Unexpended Capital Reserve - Transfer to General Fund	49,856
	<hr/>
Total Expenditures and Other Financing Uses	1,174,913
	<hr/>

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures (1,174,913)

Fund Balance - Beginning of Year

907,346

Fund Balance - End of Year \$ (267,567)

Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:

Fund Balance, Budgetary Basis	\$ (267,567)
Less: Unearned SDA Revenue	<hr/> (237,839)
Fund Balance Per Governmental Funds (GAAP)	<u>\$ (505,406)</u>

Recapitulation of Fund Balance:

Year End Encumbrances	\$ 1,369,613
Available for Capital Projects	<hr/> (1,875,019)
Total Fund Balance - Restricted for Capital Projects	<u>\$ (505,406)</u>

WESTWOOD REGIONAL SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
 BUDGETARY BASIS
 2007 REFERENDUM - WESTWOOD JUNIOR/SENIOR HIGH SCHOOL REHABILITATION
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<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, 2018**

	<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	523,745	-	(5,959)	517,786	517,786
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	517,786	-	-	517,786	517,786
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 5,959	\$ -	\$ (5,959)	\$ -	\$ -

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, 2018**

	<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	<u>11,605</u>	<u>-</u>	<u>11,605</u>	<u>-</u>
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, 2018

	<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, 2018

	<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, 2018

	<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	<u>11,174</u>	<u>-</u>	<u>11,174</u>	<u>-</u>
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, 2018**

	<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	<u>56,100</u>	<u>-</u>	<u>56,100</u>	<u>56,100</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	25,080		25,080	25,800
Construction Services	24,349		24,349	30,300
Transfer to General Fund	<u>-</u>	\$ 6,671	<u>6,671</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>49,429</u>	<u>6,671</u>	<u>56,100</u>	<u>56,100</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 6,671</u>	<u>\$ (6,671)</u>	<u>\$ -</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	\$ 53,600			
Adjustment	2,500			
Revised Authorized Cost	56,100			
Percentage Increase Over Original Authorized Cost		5%		
Percentage Completion		100%		
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, 2018**

	<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, 2018

	<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	1,183,196		1,183,196	1,191,800
Transfer to General Fund	-	\$ 13,644	13,644	-
Total Expenditures and Other Financing Uses	<u>1,188,156</u>	<u>13,644</u>	<u>1,201,800</u>	<u>1,201,800</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 13,644</u>	<u>\$ (13,644)</u>	<u>\$ -</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		100%		
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, 2018

	<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	15,000
Construction Services	218,465		218,465	222,600
Transfer to General Fund	-	\$ 5,000	5,000	-
Total Expenditures and Other Financing Uses	<u>232,600</u>	<u>5,000</u>	<u>237,600</u>	<u>237,600</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 5,000</u>	<u>\$ (5,000)</u>	<u>\$ -</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		100%		
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, 2018**

	<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
Transfer to General Fund	-	\$ 10,028	10,028	-
Total Expenditures and Other Financing Uses	<u>204,672</u>	<u>10,028</u>	<u>214,700</u>	<u>214,700</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 10,028</u>	<u>\$ (10,028)</u>	<u>\$ -</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		100%		
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, 2018

	<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>3,287,596</u>	<u>\$ 104,834</u>	<u>3,392,430</u>	<u>3,415,000</u>
Total Expenditures and Other Financing Uses	<u>3,496,486</u>	<u>104,834</u>	<u>3,601,320</u>	<u>3,623,890</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 127,404</u>	<u>\$ (104,834)</u>	<u>\$ 22,570</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	99%			
Original Target Completion Date	2014/15			
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
HIGH SCHOOL PARTIAL ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<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	136,800		136,800	136,800
Construction Services	<u>2,132,697</u>	<u>\$ 5,000</u>	<u>2,137,697</u>	<u>2,623,352</u>
Total Expenditures and Other Financing Uses	<u>2,269,497</u>	<u>5,000</u>	<u>2,274,497</u>	<u>2,760,152</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 490,655</u>	<u>\$ (5,000)</u>	<u>\$ 485,655</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	2017/18			

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, 2018

	<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	54,456	-	54,456	54,456
	<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	152,352		152,352	161,650
Transfer to General Fund	-	\$ 9,298	9,298	-
	<u>162,102</u>	<u>9,298</u>	<u>171,400</u>	<u>171,400</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 9,298</u>	<u>\$ (9,298)</u>	<u>\$ -</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	100%			
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, 2018

	<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	48,960	-	48,960	48,960
	<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	130,250		130,250	131,850
Transfer to General Fund	-	\$ 1,600	1,600	-
	<u>140,000</u>	<u>1,600</u>	<u>141,600</u>	<u>141,600</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,600</u>	<u>\$ (1,600)</u>	<u>\$ -</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	100%			
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, 2018**

	<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	195,100		195,100	199,850
Transfer to General Fund	<u>-</u>	<u>\$ 4,750</u>	<u>4,750</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>211,675</u>	<u>4,750</u>	<u>216,425</u>	<u>216,425</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 4,750</u>	<u>\$ (4,750)</u>	<u>\$ -</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	100%			
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, 2018**

	<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>235,725</u>	<u>-</u>	<u>235,725</u>	<u>235,725</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	196,361	\$ 39,159	235,520	235,520
Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>196,361</u>	<u>39,159</u>	<u>235,520</u>	<u>235,520</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 39,364</u>	<u>\$ (39,159)</u>	<u>\$ 205</u>	<u>\$ 205</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	\$ 235,520			
Adjustment				
Revised Authorized Cost	235,520			
Percentage Increase Over Original Authorized Cost	-			
Percentage Completion	100%			
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, 2018

	<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	\$ 93,138	192,982	199,892
Total Expenditures and Other Financing Uses	99,844	93,138	192,982	199,892
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 100,048	\$ (93,138)	\$ 6,910	\$ -
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	97%			
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
CONSTRUCTION OF NEW MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	-	-	-	\$ 23,891,520
Total Revenues and Other Financing Sources	-	-	-	23,891,520
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		\$ 834,247	\$ 834,247	4,778,304
Construction Services	-	47,544	47,544	19,113,216
Total Expenditures and Other Financing Uses	-	881,791	881,791	23,891,520
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ (881,791)	\$ (881,791)	\$ -
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	12/12/2017			
Bonds Authorized	\$ 23,891,520			
Bonds Issues	\$ -			
Original Authorized Cost	\$ 23,891,520			
Adjustment	-			
Revised Authorized Cost	23,891,520			
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	4%			
Original Target Completion Date	2019/20			
Revised Target Completion Date	2019/20			

PROPRIETARY FUNDS

**WESTWOOD REGIONAL SCHOOL DISTRICT
 ENTERPRISE FUND - NON-MAJOR
 STATEMENT OF NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Summer Enrichment <u>Program</u>
ASSETS	
Cash and Cash Equivalents	\$ <u>69,262</u>
Total Assets	<u>69,262</u>
 LIABILITIES	
Current Liabilities	
Accounts Payable	4,503
Unearned Revenue	<u>31,030</u>
Total Current Liabilities	<u>35,533</u>
 NET POSITION	
Unrestricted	<u>33,729</u>
Total Net Position	<u>\$ 33,729</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, 2018**

	Summer Enrichment <u>Program</u>
OPERATING REVENUES	
Charges for Services	
Program Fees	\$ 48,000
Total Operating Revenues	<u>48,000</u>
 OPERATING EXPENSES	
Salaries and Wages	37,820
Purchased Professional Services	3,780
Supplies and Materials	9,215
Miscellaneous	<u>500</u>
Total Operating Expenses	<u>51,315</u>
Operating Income (Loss) / Change in Net Position	(3,315)
Total Net Position, Beginning of Year	<u>37,044</u>
Total Net Position, End of Year	<u>\$ 33,729</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND - NON-MAJOR
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Summer Enrichment Program
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 32,335
Cash Payments for Employees	
Salaries & Benefits	(37,820)
Cash Payments for Suppliers for Goods and Services	<u>(8,992)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(14,477)</u>
Net Decrease in Cash and Cash Equivalents	(14,477)
Cash and Cash Equivalents, Beginning of Year	<u>83,739</u>
Cash and Cash Equivalents, End of Year	<u>\$ 69,262</u>
Reconciliation of Operating Income to	
Net Cash Provided by Operating Activities	
Operating Income (Loss)	<u>\$ (3,315)</u>
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities	
Changes in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	4,503
Increase/(Decrease) in Unearned Revenue	<u>(15,665)</u>
Total Adjustments	<u>(11,162)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (14,477)</u>

FIDUCIARY FUNDS

**WESTWOOD REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2018**

	<u>Agency</u>		
	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS			
Cash	\$ 187,522	\$ 474,314	\$ 661,836
Due from Other Funds	-	20,719	20,719
	<u>187,522</u>	<u>495,033</u>	<u>682,555</u>
Total Assets	<u>\$ 187,522</u>	<u>\$ 495,033</u>	<u>\$ 682,555</u>
LIABILITIES			
Due to Student Groups	\$ 187,522		\$ 187,522
Payroll Deductions and Withholdings		\$ 495,120	495,120
Accrued Salaries and Wages		(4,250)	(4,250)
Due to Other Funds	-	4,163	4,163
	<u>187,522</u>	<u>495,033</u>	<u>682,555</u>
Total Liabilities	<u>\$ 187,522</u>	<u>\$ 495,033</u>	<u>\$ 682,555</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018**

<u>School</u>	<u>Balance July 1, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2018</u>
ELEMENTARY SCHOOLS				
Berkeley Avenue	\$ 7,743	\$ 10,750	\$ 10,787	\$ 7,706
Brookside Elementary	3,794	25,208	22,211	6,791
Washington	3,991	14,996	15,529	3,458
Jessie F. George	19,727	10,045	7,357	22,415
MIDDLE SCHOOL	43,500	52,937	56,444	39,993
Jr./SR. HIGH SCHOOL				
Central	104,091	207,202	213,716	97,577
ATHLETICS				
Athletic Fund	1,612	101,235	93,265	9,582
Total	<u>\$ 184,458</u>	<u>\$ 422,373</u>	<u>\$ 419,309</u>	<u>\$ 187,522</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Balance, July 1, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2018</u>
Payroll Deductions and Withholdings	\$ 252,276	\$ 15,859,252	\$ 15,616,408	\$ 495,120
Accrued Salaries and Wages	(3,042)	19,019,099	19,020,307	(4,250)
Due from/to Other Funds				
General Fund	146,770	2,489	145,096	4,163
Unemployment Trust Fund	(20,719)	-	-	(20,719)
	<u>\$ 375,285</u>	<u>\$ 34,880,840</u>	<u>\$ 34,781,811</u>	<u>\$ 474,314</u>

LONG-TERM DEBT

WESTWOOD REGIONAL SCHOOL DISTRICT
 SCHEDULE OF BONDS PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<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, 2017</u>	<u>Retired</u>	<u>Balance, June 30, 2018</u>
			<u>Date</u>	<u>Amount</u>				
2008 School Bonds	9/15/2008	\$ 16,672,000	8/1/2018	\$ 725,000	4.00%	\$ 1,420,000	\$ 695,000	\$ 725,000
2016 Refunding Bonds	4/7/2016	11,125,000	8/1/2019	735,000	3.000%			
			8/1/2020	755,000	3.000%			
			8/1/2021	785,000	4.000%			
			8/1/2022	820,000	4.000%			
			8/1/2023	860,000	4.000%			
			8/1/2024	895,000	4.000%			
			8/1/2025	930,000	4.000%			
			8/1/2026	965,000	4.000%			
			8/1/2027	1,005,000	4.000%			
			8/1/2028	1,045,000	4.000%			
			8/1/2029	1,095,000	5.000%			
	8/1/2030	1,150,000	5.000%					
						<u>11,040,000</u>	<u>-</u>	<u>\$ 11,040,000</u>
						<u>\$ 12,460,000</u>	<u>\$ 695,000</u>	<u>\$ 11,765,000</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE AGREEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<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, 2017</u>	<u>Retired</u>	<u>Balance, June 30, 2018</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, 2018**

	<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	\$ 861,411		\$ 861,411	\$ 861,411	
State Sources					
Debt Service Aid - Type II	325,639		325,639	325,639	-
Total Revenues	<u>1,187,050</u>	<u>-</u>	<u>1,187,050</u>	<u>1,187,050</u>	<u>-</u>
EXPENDITURES:					
Debt Service:					
Redemption of Principal	695,000		695,000	695,000	
Interest	492,050	-	492,050	492,050	-
Total Regular Debt Service	<u>1,187,050</u>	<u>-</u>	<u>1,187,050</u>	<u>1,187,050</u>	<u>-</u>
Total Expenditures	<u>1,187,050</u>	<u>-</u>	<u>1,187,050</u>	<u>1,187,050</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-		-	-	-
Fund Balance, Beginning of Year	<u>1</u>		<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1</u>	<u>-</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>-</u>
Restricted for Debt Service					
Designated for Subsequent Year's 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)

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
			(Restated)	(Restated)	(Restated)	(Restated)				
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 21,747,405
Restricted	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	19,073,655
Unrestricted	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)	(10,149,087)
Total governmental activities net position	<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>	<u>\$ 30,671,973</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 69,171	\$ 70,993	\$ 62,625	\$ 39,001	\$ 73,125	\$ 25,266	\$ 82,203	\$ 70,157	\$ 79,730	\$ 80,376
Restricted										
Unrestricted	118,039	62,633	65,140	86,531	97,871	127,755	134,374	164,967	214,409	257,741
Total business-type activities net position	<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>	<u>\$ 338,117</u>
District-Wide										
Net Investment in Capital Assets	\$ 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	\$ 21,827,781
Restricted	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	19,073,655
Unrestricted	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)	(9,891,346)
Total district net position	<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>	<u>\$ 31,010,090</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)

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses				(Restated)						
Governmental Activities										
Instruction										
Regular	\$ 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	\$ 30,155,736
Special Education	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	10,222,353
Other Instruction	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	1,434,862
School Sponsored Activities and Athletics	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	1,615,720
Support Services:										
Student & Instruction Related Services	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	12,511,438
School Administrative Services	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	4,201,979
General Administrative	1,052,314	1,079,243	1,058,664	895,101	994,148	883,832	1,130,717	1,313,684	1,390,777	1,790,462
Plant Operations and Maintenance	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	5,927,867
Pupil Transportation	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	1,506,860
Other Support Services	1,307,801	1,074,406	1,037,502	1,055,595	1,129,302	924,881	936,045	1,017,308	977,767	983,632
Interest on Long-Term Debt	508,678	785,479	756,321	676,550	649,226	621,983	597,394	628,127	441,592	616,116
Loss on Disposal of Capital Assets	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	<u>46,399,147</u>	<u>48,666,047</u>	<u>48,054,362</u>	<u>49,273,198</u>	<u>51,669,335</u>	<u>51,452,694</u>	<u>57,444,549</u>	<u>60,843,496</u>	<u>67,749,323</u>	<u>70,967,025</u>
Business-Type Activities:										
Food Service	783,754	861,154	795,126	847,148	817,588	855,312	798,375	920,552	930,915	985,937
Summer Enrichment	16,630	50,706	23,753	29,913	29,660	29,276	29,276	27,416	28,625	51,315
Total Business-Type Activities Expense	<u>800,384</u>	<u>911,860</u>	<u>818,879</u>	<u>877,061</u>	<u>847,248</u>	<u>884,588</u>	<u>827,651</u>	<u>947,968</u>	<u>959,540</u>	<u>1,037,252</u>
Total District Expenses	<u>\$ 47,199,531</u>	<u>\$ 49,577,907</u>	<u>\$ 48,873,241</u>	<u>\$ 50,150,259</u>	<u>\$ 52,516,583</u>	<u>\$ 52,337,282</u>	<u>\$ 58,272,200</u>	<u>\$ 61,791,464</u>	<u>\$ 68,708,863</u>	<u>\$ 72,004,277</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 55,258	\$ 132,491	\$ 63,826	\$ 59,486	\$ 49,020	\$ 49,400	\$ 68,939	\$ 48,700	\$ 52,500	\$ 92,070
Rentals	-	25,929	26,867	28,235	23,318	18,994	28,560	21,513	21,601	22,320
Operating Grants and Contributions	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	20,369,013
Capital Grants and Contributions	-	-	-	-	-	324,225	1,076,388	985,476	69,098	4,208
Total Governmental Activities Program Revenues	<u>6,534,413</u>	<u>6,320,749</u>	<u>6,224,186</u>	<u>7,074,706</u>	<u>8,120,694</u>	<u>8,140,437</u>	<u>13,857,343</u>	<u>16,047,519</u>	<u>19,432,381</u>	<u>20,487,611</u>
Business-Type Activities:										
Charges for Services										
Food Service	685,355	700,781	652,930	695,456	662,380	683,450	683,450	740,990	768,851	824,078
Summer Enrichment	21,725	38,300	22,875	38,975	37,870	28,325	28,325	28,255	41,290	48,000
Operating Grants and Contributions	94,627	117,520	136,205	139,793	146,338	178,290	178,290	196,636	206,571	206,151
Total Business Type Activities Program Revenues	<u>801,707</u>	<u>856,601</u>	<u>812,010</u>	<u>874,224</u>	<u>846,588</u>	<u>890,065</u>	<u>890,065</u>	<u>965,881</u>	<u>1,016,712</u>	<u>1,078,229</u>
Total District Program Revenues	<u>\$ 7,336,120</u>	<u>\$ 7,177,350</u>	<u>\$ 7,036,196</u>	<u>\$ 7,948,930</u>	<u>\$ 8,967,282</u>	<u>\$ 9,030,502</u>	<u>\$ 14,747,408</u>	<u>\$ 17,013,400</u>	<u>\$ 20,449,093</u>	<u>\$ 21,565,840</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (50,479,414)
Business-Type Activities	1,323	(55,259)	(6,869)	(2,837)	(660)	5,477	62,414	17,913	57,172	40,977
Total District-Wide Net Expense	<u>\$ (39,863,411)</u>	<u>\$ (42,400,557)</u>	<u>\$ (41,837,045)</u>	<u>\$ (42,201,329)</u>	<u>\$ (43,549,301)</u>	<u>\$ (43,306,780)</u>	<u>\$ (43,524,792)</u>	<u>\$ (44,778,064)</u>	<u>\$ (48,259,770)</u>	<u>\$ (50,438,437)</u>

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
				(Restated)						
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, net	\$ 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	\$ 51,021,500
Taxes Levied for Debt Service	836,202	994,675	1,097,169	1,223,912	882,294	880,072	877,348	784,276	842,135	861,411
Unrestricted Grants and Contributions	108,722	285,855	147,699	-	-	2,180	52,774	56,730	82,201	83,193
Federal and State Aid - Restricted		151,724	28,245	54,915	160,505	166,195	173,687	180,747	217,877	190,657
Investment Earnings	265,921	112,508	103,223	89,397	69,207	77,701	66,461	72,137	116,501	204,098
Miscellaneous Income	129,913	364,065	99,908	-	234,674	80,836	114,320	347,102	374,091	295,970
Transfers	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	<u>41,270,221</u>	<u>43,435,057</u>	<u>46,256,299</u>	<u>47,043,141</u>	<u>47,660,902</u>	<u>47,757,225</u>	<u>48,765,835</u>	<u>49,871,861</u>	<u>51,653,883</u>	<u>52,656,829</u>
Business-Type Activities:										
Investment Earnings	1,315	1,675	1,008	604	940	1,142	1,142	634	1,843	3,001
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	<u>1,315</u>	<u>1,675</u>	<u>1,008</u>	<u>604</u>	<u>940</u>	<u>1,142</u>	<u>1,142</u>	<u>634</u>	<u>1,843</u>	<u>3,001</u>
Total District-Wide	<u>\$ 41,271,536</u>	<u>\$ 43,436,732</u>	<u>\$ 46,257,307</u>	<u>\$ 47,043,745</u>	<u>\$ 47,661,842</u>	<u>\$ 47,758,367</u>	<u>\$ 48,766,977</u>	<u>\$ 49,872,495</u>	<u>\$ 51,655,726</u>	<u>\$ 52,659,830</u>
Change in Net Position										
Governmental Activities	\$ 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	\$ 2,177,415
Business-Type Activities	2,638	(53,584)	(5,861)	(2,233)	280	6,619	63,556	18,547	59,015	43,978
Total District	<u>\$ 1,408,125</u>	<u>\$ 1,036,175</u>	<u>\$ 4,420,262</u>	<u>\$ 4,842,416</u>	<u>\$ 4,112,541</u>	<u>\$ 4,451,587</u>	<u>\$ 5,242,185</u>	<u>\$ 5,094,431</u>	<u>\$ 3,395,956</u>	<u>\$ 2,221,393</u>

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 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	\$ 20,801,746
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	1,215,009
Unassigned	415,744	319,739	913,300	853,466	877,374	868,900	867,411	847,827	900,366	977,310
Total General Fund	\$ 3,553,487	\$ 3,581,699	\$ 5,766,151	\$ 9,637,222	\$ 10,883,241	\$ 12,542,189	\$ 14,941,876	\$ 19,715,543	\$ 22,957,691	\$ 22,994,065
All Other Governmental Funds										
Reserved	\$ 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	\$ (505,405)
Unreserved	4,763,721	2,622,449	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 8,700,259	\$ 4,932,386	\$ 2,418,309	\$ 186,479	\$ 1,282,130	\$ 1,935,988	\$ 2,638,452	\$ 633,919	\$ 664,165	\$ (505,405)

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)

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Property Tax Levy	\$ 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	\$ 51,882,911
Tuition Charges	55,258	132,491	63,826	59,486	49,020	49,400	68,939	48,700	52,500	92,070
Interest Earnings	265,921	112,508	103,223	54,915	69,207	77,701	66,461	72,137	116,501	204,098
Miscellaneous	248,460	472,175	244,998	250,846	480,686	281,665	180,552	425,724	443,895	241,736
State Sources	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	9,896,982
Federal Sources	861,502	954,205	1,553,016	1,161,494	916,992	927,544	900,851	1,012,981	1,058,700	1,027,951
Total Revenue	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	63,345,748
Expenditures										
Instruction										
Regular Instruction	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	24,459,613
Special Education Instruction	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	8,896,501
Other Special Instruction										
Vocational Education	579,717	360,842	262,093	279,335						
Other Instruction	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	1,174,004
School Sponsored Activities and Athletics	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	1,435,429
Support Services:										
Tuition										
Student & Inst. Related Services	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	10,873,196
General Administration	1,044,870	1,071,146	1,044,411	866,112	969,298	833,739	989,865	1,150,211	1,150,793	1,481,861
School Administrative Services	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	3,507,662
Plant Operations and Maintenance	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	4,577,160
Pupil Transportation	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	1,448,392
Other Support Services	1,298,553	1,073,237	1,057,995	1,049,647	1,119,203	923,704	917,904	983,691	906,734	886,813
Employee Benefits										
Capital Outlay	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	4,628,733
Debt Service:										
Principal	787,938	823,214	704,266	781,550	637,027	593,155	615,000	640,000	750,000	695,000
Interest and Other Charges	376,330	727,964	706,461	685,995	659,528	631,877	607,644	728,004	437,443	492,050
Total Expenditures	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	64,556,414
Excess (Deficiency) of Revenues over (under) Expenditures	(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	(1,210,666)
Other Financing Sources (Uses)										
Refunding Bond Proceeds								11,125,000		
Original Issue Premium								1,593,127		77,470
Payment to Refunded Bond Escrow Agent								(12,572,667)		
Transfers In	-	-	-	-	2,470,469	2,421,165	2,209,709		435,617	127,326
Transfers Out	-	-	-	-	(2,470,469)	(2,421,165)	(2,209,709)	-	(435,617)	(127,326)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	145,460	-	77,470
Net Change in Fund Balances	\$ (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	\$ (1,133,196)
Debt Service as a Percentage of Noncapital Expenditures	2.49%	3.16%	2.89%	2.95%	2.51%	2.40%	2.36%	2.53%	2.10%	1.98%

* 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
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
2018	204,098	22,320	84,588		69,338	92,070	64,574	536,988

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
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
2018	5,929,300	1,300,533,900			422,372,000	47,372,900	162,231,200	1,938,439,300		1,938,439,300	1,945,643,230	1.434

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
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
2018	9,235,900	1,564,636,800			49,365,000			1,623,237,700	740,435	1,623,978,135	1,799,283,499	1.540

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>
2018	\$ 2.363	\$ 1.540	\$ 0.552	\$ 0.271
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

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

**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>
2018	\$ 2.483	\$ 1.434	\$ 0.801	\$ 0.248
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

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

2018		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Hackensack UMC at Pascack Valley	\$ 91,947,000	4.7%
CPF Westwood, LLC	51,555,400	2.7%
First Real Estate Investment Trust of NJ	37,125,400	1.9%
Westwood Hills, LLC	32,063,200	1.7%
Puccio III, LLC	16,112,500	0.8%
Westwood Charles Coventry, LLC	14,962,300	0.8%
WW Madison Realty LLC NJ	12,220,500	0.6%
PVP Westwood, LLC	10,666,700	0.6%
Westwood CTR Stanford	10,459,100	0.5%
WVA, LLC	9,937,300	0.5%
	<u>\$ 287,049,400</u>	<u>14.81%</u>

Source: Municipal Tax Assessor

2009		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
HUMCA/Touro LLC	68,536,300	4.04%
Conrose Westwood, LLC	32,000,000	1.89%
First Real Estate Investment Trust of NJ	27,000,000	1.59%
Westwood Hills, LLC	21,232,400	1.25%
Coventry Square, Inc	9,476,600	0.56%
Millenium Healthcare, Inc.	8,072,200	0.48%
Stanford Court, Inc.	6,930,100	0.41%
Pottstown Partners	6,500,000	0.38%
WVA, LLC	5,597,700	0.33%
Rockland Coaches, Inc.	5,451,200	0.32%
	<u>\$ 190,796,500</u>	<u>11.24%</u>

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

Washington Township

Taxpayer	2018	
	Taxable Assessed Value	% of Total District Net Assessed Value
Washington Town Center, LLC	\$ 10,139,200	0.62%
Washington Town Center, LLC	5,988,300	0.37%
Binghamton/Washington Tennis Club	5,798,500	0.36%
TJ Realty, LLC	5,465,000	0.34%
Ormon, LLC	3,539,000	0.22%
Washington Town Center, LLC	2,638,800	0.16%
Washington Town Center, LLC	2,617,700	0.16%
Grove City, LLC	2,049,700	0.13%
Individual Taxpayer #1	1,974,400	0.12%
Individual Taxpayer #2	1,388,300	0.09%
	<u>\$ 41,598,900</u>	<u>2.56%</u>

Source: Municipal Tax Assessor

Taxpayer	2009	
	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	0.31%
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%
Utley & Assoc Inc	2,355,700	0.12%
Grove City LLC (Bacari's Rest)	2,107,900	0.11%
Washington Township Recreation Club	1,666,000	0.09%
Individual Taxpayer	1,994,700	0.10%
	<u>\$ 43,641,200</u>	<u>2.17%</u>

**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	
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
2018	51,882,911	51,882,911	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				
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	10,959	9,123	870
2011	16,647,000	301,819	19,913	16,968,732	11,046	9,191	839
2012	16,107,000	66,678	13,504	16,187,182	11,107	9,248	795
2013	15,542,000	1,286	6,869	15,550,155	11,161	9,300	760
2014	14,957,000			14,957,000	11,213	9,348	727
2015	14,342,000			14,342,000	11,264	9,389	694
2016	12,460,000			12,460,000	11,273	9,387	603
2017	12,460,000			12,460,000	11,326	9,393	601
2018	11,765,000			11,765,000	11,326 *	9,393 *	568

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)
2009	\$ 17,877,000		\$ 17,877,000	1.05%	0.93%	\$ 883
2010	17,277,000		17,277,000	1.01%	0.90%	860
2011	16,647,000		16,647,000	0.96%	0.88%	823
2012	16,107,000		16,107,000	0.93%	0.86%	791
2013	15,542,000		15,542,000	0.91%	0.83%	760
2014	14,957,000		14,957,000	0.86%	0.92%	727
2015	14,342,000		14,342,000	0.82%	0.89%	694
2016	13,210,000		13,210,000	0.76%	0.82%	639
2017	12,460,000		12,460,000	0.66%	0.77%	601
2018	11,765,000		11,765,000	0.61%	0.72%	568

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, 2017
(Unaudited)**

	<u>Gross Debt</u>
Municipal Debt: (1)	
Regional High School - Washington Township's Share	\$ 16,870,699
Township of Washington	<u>9,130,487</u>
	<u>\$ 26,001,186</u>
Municipal Debt: (1)	
Regional High School - Westwood's Share	\$ 18,785,896
Borough of Westwood	<u>16,937,616</u>
	<u>\$ 35,723,512</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen- Washington Township's Share (A)	12,834,053
County of Bergen- Westwood's Share (A)	14,074,703
Bergen County Utilities Authority - Water Pollution (B)-Washington Township's Share	1,880,512
Bergen County Utilities Authority -Water Pollution (B)- Westwood's Share	<u>2,519,347</u>
	<u>31,308,615</u>
Total Direct and Overlapping Debt	<u>\$ 67,032,127</u>

Source:

(1) Township/Borough's 2017 Annual Debt Statement

(A) The debt for this entity was apportioned to Washington Township and Westwood by dividing the municipality's 2017 equalized value by the total 2017 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 2018

		Borough of Westwood	Township of Washington
	2017	\$ 2,066,335,437	\$ 1,793,231,536
	2016	1,923,607,084	1,741,548,422
Equalized Valuation Basis	2015	1,944,636,496	1,740,893,349
		<u>\$ 5,934,579,017</u>	<u>\$ 5,275,673,307</u>
Average Equalized Valuation of Taxable Property		\$ 1,978,193,006	\$ 1,758,557,769
Debt Limit (4 % of average equalization value)		79,127,720	70,342,311
Total Net Debt Applicable to Limit		18,785,896	16,870,699
Legal Debt Margin		<u>\$ 60,341,824</u>	<u>\$ 53,471,612</u>

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 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	\$ 149,470,031
Total net debt applicable to limit	<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>	<u>35,656,595</u>
Legal debt margin	<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>	<u>\$ 113,813,436</u>
Total net debt applicable to the limit as a percentage of debt limit	11.48%	10.93%	10.58%	10.28%	10.13%	9.97%	9.86%	9.10%	8.54%	23.86%

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>
2009	9,543	\$ 65,097	8.00%
2010	9,123	66,080	8.20%
2011	9,191	69,044	8.10%
2012	9,248	71,953	8.20%
2013	9,300	71,449	7.40%
2014	9,348	73,293	5.00%
2015	9,389	76,388	4.30%
2016	9,387	77,187	4.10%
2017	9,393	N/A	3.80%
2018	9,393 (E)	N/A	N/A

Borough of Westwood

2009	10,701	\$ 65,097	4.80%
2010	10,959	66,080	4.90%
2011	11,046	69,044	4.80%
2012	11,107	71,953	4.90%
2013	11,161	71,449	7.60%
2014	11,213	73,293	5.00%
2015	11,264	76,388	4.30%
2016	11,273	77,187	3.80%
2017	11,326	N/A	3.60%
2018	11,326 (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>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>	<u>2018</u>
Instruction										
Regular	245	217	185	190	190	190	190	186	173	173
Special Education			57	52	56	57	61	68	47	47
Support Services:										
Student & instruction Related Services	54	64	96	96	107	112	112	118	110	111
General Administration	4	3	4	4	4	5	5	5	5	5
School Administrative Services	20	23	21	21	21	16	17	17	23	23
Central Services	10	10	10	10	10	9	8	7	7	7
Plant Operations and Maintenance *	32	31	72	76	34	34	35	36	35	35
Other Support Services	1	2	2	2	2	2	2	2	6	6
Total	<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>	<u>407</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			Junior/Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle					
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%
2018	2,811.0	57,533,000	20,467	2.68%	251.0	11.84	10.15	10.91	2,795.1	2,669.6	0.62%	95.51%

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<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	48,765
Capacity (Students)	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	257	258	315	303	305	311	298	292	300	298
Jessie George										
Square Feet	30,604	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	N/A
Enrollment ^a	327	315	353	270	253	250	250	247	262	255
Brookside										
Square Feet	48,920	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	N/A
Enrollment	315	313	379	381	376	369	382	389	401	420
Berkeley										
Square Feet	39,590	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	N/A
Enrollment	237	251	294	272	294	309	288	295	300	291
<u>Middle School</u>										
Square Feet	39,183	47,400	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	N/A
Enrollment	449	419	414	451	464	431	433	430	419	416
<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	196,595
Capacity (Students)	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	1,127	1,178	966	1,021	931	1,020	1,068	1,080	1,097	1,069

Number of Schools at June 30, 2018
 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>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>	<u>2018</u>
Berkeley Elementary	60	\$ 66,534	\$ 63,740	\$ 70,650	\$ 72,109	\$ 62,750	\$ 67,255	\$ 77,469	\$ 71,052	\$ 77,523	\$ 81,505
George Elementary	65	55,433	57,107	63,298	64,605	56,220	60,256	69,407	63,658	58,538	55,639
Washington Elementary	80	74,496	74,494	82,570	84,275	73,337	78,602	90,539	83,039	84,762	72,494
Brookside Elementary	62	79,219	72,028	79,837	81,486	70,910	76,000	87,543	80,292	125,076	78,549
Middle School	70	82,611	71,392	79,132	80,766	70,284	75,329	86,769	79,582	132,402	91,131
Westwood Junior/Senior High School	50	<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>	<u>359,526</u>
Grand Total		<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>	<u>\$ 738,844</u>

Source: District Records

**WESTWOOD REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2018
(Unaudited)**

Article I - Property

Coverage

Blanket Real and Personal Property	\$	500,000,000	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
		25,000,000	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/Data Processing Equipment	\$	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, 2018
(Unaudited)**

Article III - Equipment Breakdown

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

Article IV - Crime

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

Article V - Comprehensive General Liability

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

Source: District Records

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

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
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DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
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, 2018 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 January 29, 2019.

Internal Control Over Financial Reporting

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

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

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


Compliance and Other Matters

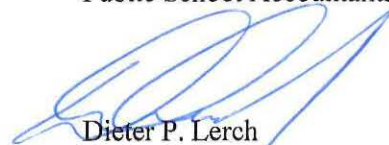
As part of obtaining reasonable assurance about whether the Westwood Regional School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Westwood Regional School District in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated January 29, 2019

Purpose of this Report

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


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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 29, 2019



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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ROBERT LERCH, CPA
CHRIS SOHN, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE
U.S. UNIFORM GUIDANCE 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 Education
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, 2018. 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 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, 2018.

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 the 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.

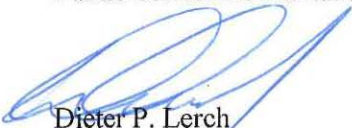
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 the 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 the 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, 2018 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 January 29, 2019, 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 the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 29, 2019

WESTWOOD REGIONAL SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal/Grantor/Pass-Through Grant Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2017			Cash Received	Budgetary Expenditures	Adjustment-Carryover Receivables	Adjustments	Balance, June 30, 2018			MEMO GAAP Receivable
						Accounts Receivable	Unearned Revenue	Carryover Amount					(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	H027A170100	IDEA575517	7/1/17-6/30/18	\$ 744,880			\$ 66,510	\$ 565,804	\$ 771,864	\$ (66,510)		\$ (245,586)	\$ 39,526		\$ 206,060
IDEA Part B Basic	84.027	H027A160100	IDEA575516	7/1/16-6/30/17	747,551	(71,950)	66,510	(66,510)	5,440		66,510					
IDEA Preschool	84.173	H173A160117	IDEA575517	7/1/17-6/30/18	35,620			15,011	10,907	16,705	(15,011)		(39,724)	33,926		5,798
IDEA Preschool	84.173	H173A160116	IDEA575516	7/1/16-6/30/17	35,705	(50,226)	15,797	(15,011)	35,815		15,011	(1,386)				
IDEA Preschool	84.173	H173A160114	IDEA575514	7/1/14-6/30/15	34,463	-	1,126	-	-	-	(1,126)					
Special Education Cluster Total						(122,176)	83,433	-	617,966	788,569	-	(2,512)	(285,310)	73,452	-	211,838
ESEA Title I	84.01	S010A170030	NCLB5755-17	7/1/17-6/30/18	172,128				89,473	153,319			(82,655)	18,809		63,846
NCLB Title I	84.01	S010A160030	NCLB5755-16	7/1/16-6/30/17	173,869	(52,087)			52,087							
ESEA Title IIA	84.367A	S367A170029	NCLB5755-17	7/1/17-6/30/18	45,308			2,355	38,817	43,964	(2,355)		(8,846)	3,699		5,147
NCLB Title IIA	84.367A	S367A160029	NCLB5755-16	7/1/16-6/30/17	43,705	(26,490)	2,355	(2,355)	24,135		2,355					
NCLB Title IIA	84.367		NCLB5755-15	7/1/14-6/30/15	47,596		876					(876)				
ESEA Title III	84.365	S365A170030	NCLB5755-17	7/1/17-6/30/18	14,650			1,576	10,379	13,828	(1,576)		(5,847)	2,398		3,449
NCLB Title III	84.365	S365A160030	NCLB5755-16	7/1/16-6/30/17	15,966	(3,798)	1,576	(1,576)	2,222		1,576					
ESEA Title III-Immigrant	84.365	S365A170030	NCLB5755-17	7/1/17-6/30/18	3,069				2,862	2,862			(207)	207		-
NCLB Title III-Immigrant	84.365	S365A160030	NCLB5755-16	7/1/16-6/30/17	2,988	(162)			162							-
ESEA Title IV			NCLB5755-17	7/1/17-6/30/18	10,000	-	-	-	2,970	7,902	-	-	(7,030)	2,098	-	4,932
Temporary Emergency Impact Aid	84.938C	S938C18005	N/A	7/1/17-6/30/18	19,000	-	-	-	-	13,500	-	-	(19,000)	5,500	-	13,500
Total Special Revenue Fund						(204,713)	88,240	-	841,073	1,023,944	-	(3,388)	(408,895)	106,163	-	302,732
U.S. Department of Health and Human Services																
Passed-through State Department of Education																
General Fund																
Medical Assistance Program	93.778	1605NJSMAP		7/1/17-6/30/18	4,730	-	-	-	4,730	4,730	-	-	-	-	-	4,730
U.S. Department of Agriculture																
Passed-through State Department of Education																
Enterprise Fund:																
School Breakfast Program	10.553	181NJ304N1099		7/1/17-6/30/18	651				614	651			(37)			37
School Breakfast Program	10.553	171NJ304N1099		7/1/16-6/30/17	1,245	(94)			94							
National School Lunch Program	10.555															
Non-Cash Assistance		181NJ304N1099		7/1/17-6/30/18	53,185		259		53,185	53,444						
Non-Cash Assistance		171NJ304N1099		7/1/16-6/30/17	44,391											
Cash Assistance		181NJ304N1099		7/1/17-6/30/18	143,317				133,342	143,317			(9,975)			9,975
Cash Assistance		171NJ304N1099		7/1/16-6/30/17	152,412	(11,431)			11,431							
Total Enterprise Fund / Child Nutrition Cluster						(11,525)	259	-	198,666	197,412	-	-	(10,012)	-	-	10,012
Total Federal Awards						\$ (216,238)	\$ 88,499	\$ -	\$ 1,044,469	\$ 1,225,086	\$ -	\$ (3,388)	\$ (418,907)	\$ 106,163	\$ -	\$ 312,744

WESTWOOD REGIONAL SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

EXHIBIT K-4

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2017	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Cancelled Prior Year Accounts Payable	(Accounts Receivable) June 30, 2018	Unearned Revenue June 30, 2018	Due to Grantor June 30, 2018	GAAP Acct. Receivable	Memo Total Cumulative Expenditures
State Department of Education													
General Fund:													
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	\$ 1,563,802		\$ 1,445,631	\$ 1,563,802			\$ (118,171)				\$ 1,563,802
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	\$ 1,492,160	\$ (97,127)	\$ 97,127								
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	55,037		50,878	55,037			(4,159)				55,037
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	55,037	(3,582)	3,582								
Additional Adjustment Aid	18-495-034-5120-085	7/1/17-6/30/18	3,322		2,147	2,322			(175)				2,322
Additional Adjustment Aid	17-495-034-5120-085	7/1/16-6/30/17	2,322	(151)	151								
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	27,080		25,034	27,080			(2,046)				27,080
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	27,080	(1,763)	1,763								
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	27,080		25,034	27,080			(2,046)				27,080
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	27,080	(1,763)	1,763								
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	27,590		25,505	27,590			(2,085)				
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	27,590	(1,796)	1,796								
State Aid - Public Cluster Total				(106,182)	1,680,411	1,702,911			(128,682)				1,675,321
Transportation Aid	18-495-034-5120-015	7/1/17-6/30/18	110,956		102,571	110,956			(8,385)				110,956
Transportation Aid	17-495-034-5120-015	7/1/16-6/30/17	110,956	(7,222)	7,222								
Additional Nonpublic Transportation Aid	N/A	7/1/17-6/30/18	33,771			33,771			(33,771)			\$ 33,771	33,771
Additional Nonpublic Transportation Aid	N/A	7/1/16-6/30/17	18,660	(18,660)	18,660								
Transportation Aid - Cluster Total				(25,882)	128,453	144,727			(42,156)				144,727
Extraordinary Special Education Costs Aid	18-495-034-5120-473	7/1/17-6/30/18	471,866			471,866			(471,866)				471,866
Extraordinary Special Education Costs Aid	17-495-034-5120-473	7/1/16-6/30/17	552,147	(552,147)	552,147								
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	7/1/17-6/30/18	1,726,131		1,642,412	1,726,131			(83,719)			83,719	1,726,131
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	7/1/16-6/30/17	1,623,571	(80,383)	80,383								
On-Behalf TPAF Pension System Contributions (NCGI)	18-495-034-5094-007	7/1/17-6/30/18	75,946			75,946							75,946
On-Behalf TPAF Pension System Contributions (Normal Costs and Accrued Liability)	18-495-034-5094-006	7/1/17-6/30/18	3,129,535		3,129,535								3,129,535
On-Behalf TPAF Pension System Contributions (LTDI)	18-495-034-5094-007	7/1/17-6/30/18	6,625		6,625								6,625
On-Behalf TPAF Pension System Contributions (Post Retirement)	18-495-034-5094-001	7/1/17-6/30/18	2,070,352		2,070,352								2,070,352
Total General Fund				(764,594)	9,366,264	9,328,093			(726,423)			117,490	9,300,503
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Handicapped Services:													
Examination & Classification	18-100-034-5120-066	7/1/17-6/30/18	34,582		34,582	18,747				\$ 15,835			18,747
Examination & Classification	17-100-034-5120-066	7/1/16-6/30/17	21,800	8,288			\$ 8,288						
Corrective Speech	18-100-034-5120-066	7/1/17-6/30/18	4,821		4,821	4,821							4,821
Corrective Speech	17-100-034-5120-066	7/1/16-6/30/17	5,301	1,413			1,413						
Supplemental Instruction	18-100-034-5120-066	7/1/17-6/30/18	5,710		5,710	5,234				476			5,234
Supplemental Instruction	17-100-034-5120-066	7/1/16-6/30/17	14,909	7,847			7,847						
Chapter 193 Cluster Total				17,548	45,112	28,802	17,548				16,311		28,802
Security Aid		7/1/17-6/30/18	58,650		58,650	58,644					6		58,644
Security Aid		7/1/16-6/30/17	40,400	11,762			11,762						
Technology Aid	18-100-034-5120-373	7/1/17-6/30/18	26,048		26,048	25,654				394			25,654
Technology Aid	17-100-034-5120-373	7/1/16-6/30/17	18,980	18,980			18,980						
Textbook Aid	18-100-034-5120-064	7/1/17-6/30/18	38,565		38,565	38,430					135		38,430
Textbook Aid	17-100-034-5120-064	7/1/16-6/30/17	42,077	4,282			4,282						
Nursing Aid	18-100-034-5120-070	7/1/17-6/30/18	75,854		75,854	75,848					6		75,848
Nursing Aid	17-100-034-5120-070	7/1/16-6/30/17	72,720	4,854			4,854						
Total Special Revenue Fund				57,426	244,230	227,378	57,426				16,852		227,378
Capital Projects Fund:													
NEEDA-SDA Grants													
High School Façade Replacement	5755-050-14-1001	7/1/13-6/30/14	1,182,636	(1,141,059)					(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	(907,799)					(1,104,061)	196,262		1,104,061	
Middle School Partial Roof Replacement	5755-062-14-1003	7/1/13-6/30/14	54,556	1,819		1,819							
Brookside Partial Roof Replacement	5755-070-14-1005	7/1/13-6/30/14	48,960	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				(2,044,650)		4,208			(2,286,697)	237,839		2,286,697	
Debt Service Fund:													
Debt Service State Support	18-495-034-5120-075	7/1/17-6/30/18	325,639		325,639	325,639							325,639
Total Debt Service Fund					325,639	325,639							325,639
State Department of Agriculture													
Enterprise Fund:													
National School Lunch Program	18-100-010-3550-063	7/1/17-6/30/18	8,738		8,125	8,738			(613)			613	8,738
National School Lunch Program	17-100-010-3550-063	7/1/16-6/30/17	6,840	(514)		514							514
Total Enterprise Fund				(514)	8,125	9,252			(613)			613	9,252
Total State Financial Assistance				(2,752,332)	9,944,258	9,894,570	57,426		(3,013,733)	237,839	16,852	2,404,800	9,862,772
Less: Amounts Not Subject to Single Audit and Major Program Determination													
On-Behalf TPAF Pension System Contributions (Normal Costs, Accrued Liability and NCGI)					(3,205,481)	(3,205,481)							(3,205,481)
On-Behalf TPAF Pension System Contributions (LTDI)					(6,625)	(6,625)							
On-Behalf TPAF Pension System Contributions (Post Retirement)					(2,070,352)	(2,070,352)							(2,070,352)
Total State Financial Assistance Subject to Single Audit and Major Program Determination Calculation				\$ (2,752,332)	\$ 4,661,800	\$ 4,612,112	\$ 57,426	\$ -	\$ (3,013,733)	\$ 237,839	\$ 16,852	\$ 2,404,800	\$ 4,586,939

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 \$56,618 for the general fund and a decrease of \$62,866 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	\$ 4,730	\$ 9,384,711	\$ 9,389,441
Special Revenue Fund	1,023,221	182,424	1,205,645
Capital Projects Fund		4,208	4,208
Debt Service Fund		325,639	325,639
Food Service Fund	<u>197,413</u>	<u>8,738</u>	<u>206,151</u>
Total Financial Assistance	<u>\$ 1,225,364</u>	<u>\$ 9,905,720</u>	<u>\$ 11,131,084</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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. TPAF Social Security contributions in the amount of \$1,726,131 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, 2018. The amount reported as TPAF Pension System Contributions in the amount of \$3,205,481, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,070,352 and TPAF Long-Term Disability Insurance in the amount of \$6,625 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2018.

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 payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

**WESTWOOD REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued:	<u>Unmodified</u>	
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ yes	<u> X </u> no
2) Were significant deficiencies identified that were not considered to be material weakness(es)	_____ yes	<u> X </u> no
Noncompliance material to basic financial statements noted?	_____ yes	<u> X </u> no

Federal Awards Section

Internal Control over compliance:		
1) Material weakness(es) identified?	_____ yes	<u> X </u> no
2) Were significant deficiencies identified that were not considered to be material weakness(es)	_____ yes	<u> X </u> none reported

Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance	_____ yes	<u> X </u> no

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

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$750,000</u>
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Auditee qualified as low-risk auditee?	_____ yes	<u> X </u> no
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**WESTWOOD REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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>
18-495-034-5120-089	Special Education Aid
18-495-034-5120-084	Security Aid
18-495-034-5120-085	Additional Adjustment Aid
18-495-034-5120-098	PARCC Readiness Aid
18-495-034-5120-097	Per Pupil Growth Aid
18-495-034-5120-101	Professional Learning Community Aid
18-495-034-5094-003	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, 2018**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

WESTWOOD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2018**

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

Finding 2017-001

Certain outstanding purchase orders classified as reserve for encumbrances at year end were either invalid or were determined to be accounts payable.

Current Status

Corrective action has been taken.