

**WESTWOOD REGIONAL SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019

Prepared by

Business Office

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INTRODUCTORY SECTION

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

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

Keith A Rosado
Business Administrator/Board Secretary

November 22, 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, 2019, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the independent auditors' report, management's discussion and analysis (MD&A) and the basic financial statements including the district-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the basic financial statements, and required supplemental information (RSI). The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the U.S. Uniform Guidance, "Audits of State and Local Governments and Non Profit Organizations," and the New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the supplementary information section of this report.

1) REPORTING ENTITY AND ITS SERVICES

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

The District provides a full range of educational services appropriate to grade levels Pre-Kindergarten through Grade 12. These include regular, as well as special education for handicapped students. In the 2018-19 fiscal year, the District's average daily enrollment was 2,772 students, which is a decrease of 23 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
2018-19	2,772	.82%
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 adopted 2016-2021 Strategic Plan, the District continues to move forward with the Middle School expansion project. The construction continues with anticipation of opening of the Middle School for the start of the 2020/21 school year. The transition plan discussion for the 8th grade students into the middle school and new program development at the High School upon completion of the project. The district continues to include Capital Project upgrades and projects within its annual budget. For the 2019/20 school year Projects include Roofing renovations at Brookside school, renovation of bleachers at Washington and Berkeley schools, replacement of curtain wall at George and High School, and replacement of Auditorium seating at the High School.

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.

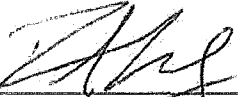
8) INDEPENDENT AUDIT

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.

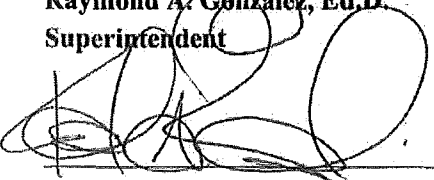
9) ACKNOWLEDGEMENTS

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.

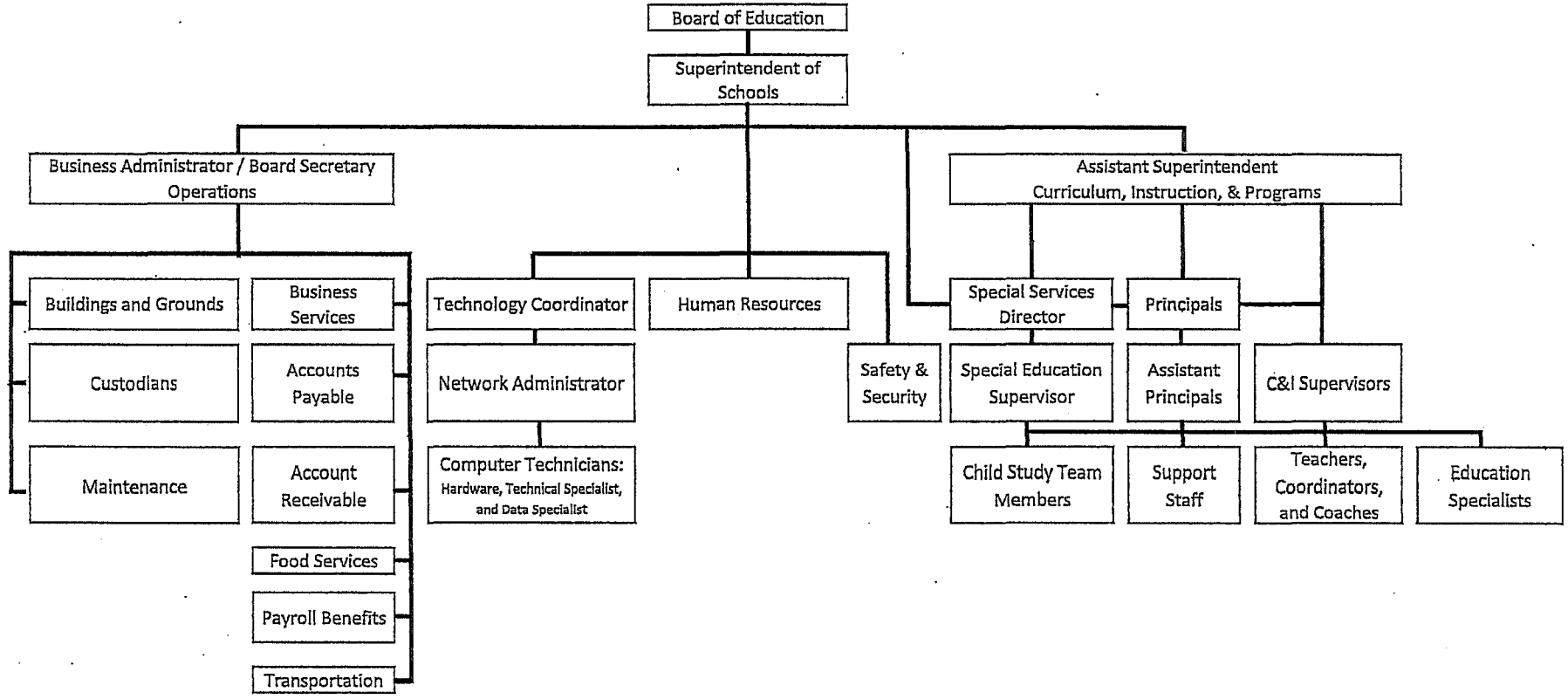
Respectfully submitted,



Raymond A. González, Ed.D.
Superintendent



Keith A. Rosado
Business Administrator/Board Secretary



WESTWOOD REGIONAL SCHOOL DISTRICT

**ROSTER OF OFFICIALS
as of June 30, 2019**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Susan Swietkowski, President	2020
Joseph Blundo, Vice President	2019
Joseph Abou-Daoud	2021
Andrew Gerstmayr	2021
Roberta Hanlon	2019
Stephen Kalish	2020
Darlene Mandeville	2020
Joseph McCallister	2019
Frank Romano	2021

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, 2019**

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, 2019 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, 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 November 22, 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
November 22, 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, 2019**

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, 2019. 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 (2018-2019) and the prior year (2017-2018) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2018-2019 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 \$33,329,510 (net position).
- Overall district-wide revenues were \$76,267,428. General revenues accounted for \$57,421,449, or 75% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$18,845,979, or 25% of total revenues.
- The school district had \$69,033,405 in expenses for governmental activities; only \$17,692,954 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$57,412,569 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 \$30,550,806.
- The General Fund fund balance at June 30, 2019 was \$11,950,016, a decrease of \$11,044,049 when compared with the beginning balance at July 1, 2018. This decrease is primarily due to the utilization of capital reserve fund balance to finance a portion of the 2018 capital improvement referendum.

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

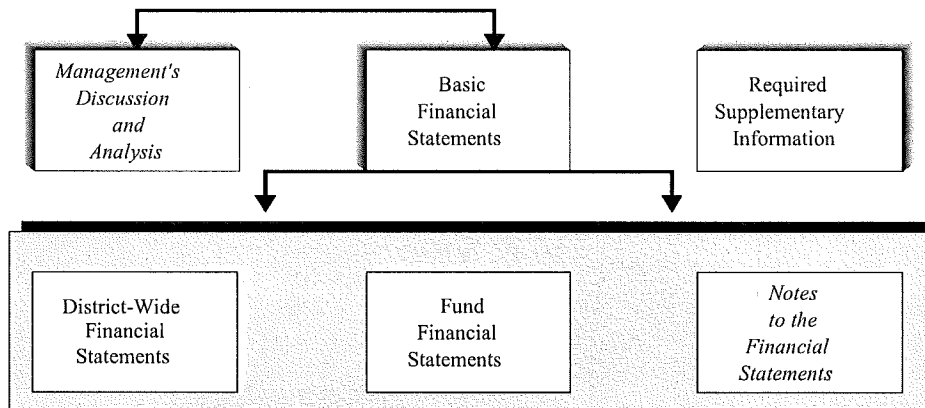
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

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, 2019**

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, deferred outflows of resources, 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, 2019**

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, 2019**

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 and other post-employment benefits other than pensions required under GASB Statement No. 75. 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 \$32,925,104 as of June 30, 2019 and \$26,852,986 as of June 30, 2018, as restated.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

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, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018 (Restated)	2019	2018 (Restated)	2019	2018 (Restated)
Current Assets	\$ 31,938,287	\$ 39,749,950	\$ 395,659	\$ 411,677	\$ 32,333,946	\$ 40,161,627
Capital Assets	<u>35,385,733</u>	<u>30,115,376</u>	<u>71,419</u>	<u>77,173</u>	<u>35,457,152</u>	<u>30,192,549</u>
Total Assets	<u>67,324,020</u>	<u>69,865,326</u>	<u>467,078</u>	<u>488,850</u>	<u>67,791,098</u>	<u>70,354,176</u>
Deferred Outflows of Resources	<u>3,307,618</u>	<u>4,114,304</u>	<u>-</u>	<u>-</u>	<u>3,307,618</u>	<u>4,114,304</u>
Total Assets and Deferred Outflows of Resources	<u>70,631,638</u>	<u>73,979,630</u>	<u>467,078</u>	<u>488,850</u>	<u>71,098,716</u>	<u>74,468,480</u>
Other Liabilities	1,762,792	17,654,306	62,672	153,936	1,825,464	17,808,242
Noncurrent Liabilities	<u>32,158,933</u>	<u>26,647,621</u>	<u>-</u>	<u>-</u>	<u>32,158,933</u>	<u>26,647,621</u>
Total Liabilities	<u>33,921,725</u>	<u>44,301,927</u>	<u>62,672</u>	<u>153,936</u>	<u>33,984,397</u>	<u>44,455,863</u>
Deferred Inflows of Resources	<u>3,784,809</u>	<u>2,824,717</u>	<u>-</u>	<u>-</u>	<u>3,784,809</u>	<u>2,824,717</u>
Total Liabilities and Deferred Inflows of Resources	<u>37,706,534</u>	<u>47,126,644</u>	<u>62,672</u>	<u>153,936</u>	<u>37,769,206</u>	<u>47,280,580</u>
Net Position:						
Net Investment in Capital Assets	23,987,704	17,928,418	71,419	77,173	24,059,123	18,005,591
Restricted	19,560,931	19,073,655			19,560,931	19,073,655
Unrestricted	<u>(10,623,531)</u>	<u>(10,149,087)</u>	<u>332,987</u>	<u>257,741</u>	<u>(10,290,544)</u>	<u>(9,891,346)</u>
Total Net Position	<u>\$ 32,925,104</u>	<u>\$ 26,852,986</u>	<u>\$ 404,406</u>	<u>\$ 334,914</u>	<u>\$ 33,329,510</u>	<u>\$ 27,187,900</u>

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

**Changes in Net Position
For the Fiscal Years Ended June 30, 2019 and 2018**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues						
Program Revenues						
Charges for Services	\$ 77,985	\$ 114,390	\$ 946,426	\$ 872,078	\$ 1,024,411	\$ 986,468
Grants and Contributions	17,614,969	20,373,221	206,599	206,151	17,821,568	20,579,372
General Revenues						
Property Taxes	53,706,181	51,882,911			53,706,181	51,882,911
State and Federal Aid	3,084,350	273,850			3,084,350	273,850
Other	622,038	500,068	8,880	3,001	630,918	503,069
Total Revenues	<u>75,105,523</u>	<u>73,144,440</u>	<u>1,161,905</u>	<u>1,081,230</u>	<u>76,267,428</u>	<u>74,225,670</u>
Expenses						
Instruction						
Regular	28,600,722	30,155,736			28,600,722	30,155,736
Special Education	10,574,343	10,222,353			10,574,343	10,222,353
Other Instruction	1,076,096	1,434,862			1,076,096	1,434,862
School Sponsored Activities and Athletics	1,537,639	1,615,720			1,537,639	1,615,720
Support Services						
Student and Instruction Related Serv.	11,785,211	12,511,438			11,785,211	12,511,438
General Administrative Services	1,564,005	1,790,462			1,564,005	1,790,462
School Administrative Services	3,989,512	4,201,979			3,989,512	4,201,979
Plant Operations and Maintenance	6,842,418	5,927,867			6,842,418	5,927,867
Pupil Transportation	1,289,167	1,506,860			1,289,167	1,506,860
Business and Other Support Services	1,159,143	983,632			1,159,143	983,632
Interest on Long-Term Debt	615,149	616,116			615,149	616,116
Food Services			1,052,198	985,937	1,052,198	985,937
Summer Enrichment	-	-	40,215	51,315	40,215	51,315
Total Expenses	<u>69,033,405</u>	<u>70,967,025</u>	<u>1,092,413</u>	<u>1,037,252</u>	<u>70,125,818</u>	<u>72,004,277</u>
Change in Net Position	<u>\$ 6,072,118</u>	<u>\$ 2,177,415</u>	<u>\$ 69,492</u>	<u>\$ 43,978</u>	<u>\$ 6,141,610</u>	<u>\$ 2,221,393</u>

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

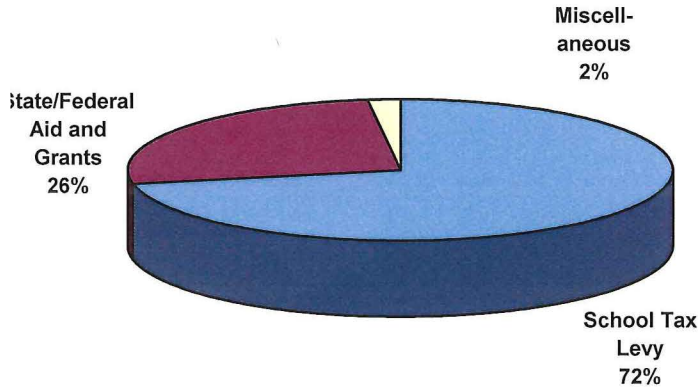
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$75,105,523 for the year ended June 30, 2019, an increase of \$1,961,083 from the previous year. Property taxes of \$53,706,181 represented 72% of revenues. Another significant portion of revenues came from State and Federal aid; total State, Federal and local aid was \$20,699,319. Another source of revenues is miscellaneous income which includes items such as interest earnings, prior year refunds, etc.

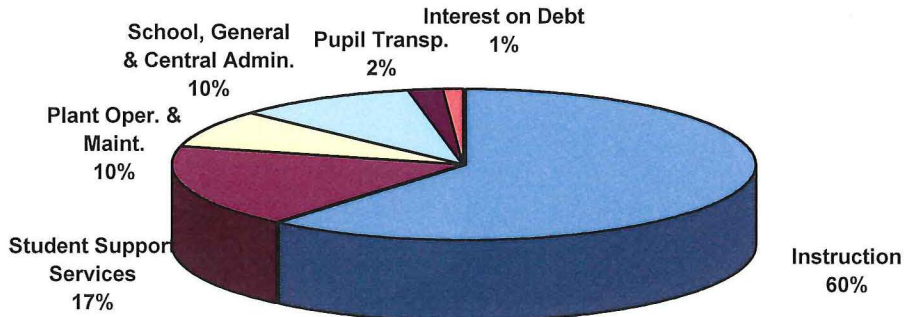
The total cost of all governmental activities programs and services was \$69,033,405. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$41,788,810, or 60%, of total expenditures. Student support services, exclusive of interest on debt, total \$26,629,446, or 38%, of total expenditures.

Total governmental activities revenues surpassed expenses, increasing net position \$6,072,118 over the previous year.

Revenues by Source- Governmental Activities
For Fiscal Year 2019



Expenditures by Type- Governmental Activities
For Fiscal Year 2019



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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

Total and Net Cost of Governmental Activities. The District's total cost of services was \$69,033,405. After applying program revenues derived from: grants and contributions of \$17,614,969 and charges for services of \$77,985, the net cost of services of the District is \$51,340,451.

**Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2019 and 2018**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Instruction				
Regular	\$ 28,600,722	\$ 30,155,736	\$ 20,112,294	\$ 20,051,696
Special Education	10,574,343	10,222,353	5,661,317	5,021,727
Other Instruction	1,076,096	1,434,862	763,667	965,864
School Sponsored Activities and Athletics	1,537,639	1,615,720	1,405,244	1,418,060
Support Services				
Student and Instruction Related Svcs.	11,785,211	12,511,438	10,107,191	10,210,662
General Administrative Services	1,564,005	1,790,462	1,234,888	1,371,238
School Administrative Services	3,989,512	4,201,979	3,124,059	3,093,608
Plant Operations and Maintenance	6,842,418	5,927,867	6,486,907	5,607,580
Pupil Transportation	1,289,167	1,506,860	836,944	1,340,203
Business and Other Support Services	1,159,143	983,632	1,119,960	917,642
Interest on Long-Term Debt	615,149	616,116	487,980	481,134
Total	<u>\$ 69,033,405</u>	<u>\$ 70,967,025</u>	<u>\$ 51,340,451</u>	<u>\$ 50,479,414</u>

Business-Type Activities – The District's total business-type activities revenues were \$1,161,905 for the year ended June 30, 2019. 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 \$1,092,413. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District, the District's summer enrichment program and the District's 1:1 Initiative program.

Total business-type activities revenues surpassed expenses, increasing net position by \$69,492 from the previous year which represents a 20 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, 2019**

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 \$30,550,806.

Revenues for the District's governmental funds were \$69,712,501, while total expenses were \$85,541,355. In addition, the District's other financing sources included bond proceeds of \$7,751,000 and the permanent financing of temporary bond anticipation notes of \$16,140,000 with respect to the capital improvement referendum.

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.

	<u>Fiscal Year Ended June 30, 2019</u>	<u>Fiscal Year Ended June 30, 2018</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
Local Sources				
Property Tax Levy	\$ 52,679,699	\$ 51,021,500	\$ 1,658,199	3%
Interest	547,432	204,098	343,334	168%
Miscellaneous	152,591	332,890	(180,299)	-54%
State/Federal Sources	<u>10,682,421</u>	<u>9,389,441</u>	<u>1,292,980</u>	<u>14%</u>
Total General Fund Revenues	<u>\$ 64,062,143</u>	<u>\$ 60,947,929</u>	<u>\$ 3,114,214</u>	<u>5%</u>

Total General Fund Revenues increased by \$3,114,214, or 5% from the previous year.

State/federal revenues increased \$1,292,980, or 14%. The increase in state aid is related to an increase in TPAF On-Behalf Pension Contributions made by the State of New Jersey on behalf of the District.

Local property taxes increased 3% over the previous year.

Miscellaneous income revenues decreased by \$180,299 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, 2019**

The following schedule presents a summary of General Fund expenditures.

	<u>Fiscal Year Ended June 30, 2019</u>	<u>Fiscal Year Ended June 30, 2018</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
Instruction	\$ 36,452,235	\$ 34,932,676	\$ 1,519,559	4%
Support Services	23,461,841	22,601,394	860,447	4%
Debt Service	233,133		233,133	100%
Capital Outlay	<u>1,011,983</u>	<u>3,504,811</u>	<u>(2,492,828)</u>	-71%
Total Expenditures	<u>\$ 61,159,192</u>	<u>\$ 61,038,881</u>	<u>\$ 120,311</u>	<u>0%</u>

Total General Fund expenditures increased \$120,311 or less than 1% from the previous year.

In 2018-2019 General Fund expenditures and other financing sources exceeded revenues by \$11,044,049. As a result, total fund balance decreased to \$11,950,016 at June 30, 2019. This decrease is primarily due to the utilization of capital reserve fund balance for costs associated with the capital improvement referendum. After deducting statutory restrictions, commitments and designations, the unassigned fund balance decreased from \$977,310 at June 30, 2018 to \$964,826 at June 30, 2019.

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 \$1,418,709 for the year ended June 30, 2019. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 73% of the total revenue for the year. State sources accounted for 27% and the balance of revenues of less than 1% were from local grants.

Expenditures of the Special Revenue Fund were \$1,418,709. Instructional expenditures were \$1,102,329, or 78% and expenditures for the support services were \$316,380, or 22% of total expended for the year ended June 30, 2019.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

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, 2019 amounts to \$35,457,152 (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 2018-2019 amounted to \$1,376,430 for governmental activities and \$7,873 for business-type activities.

**Capital Assets at June 30, 2019 and 2018
(Net of Accumulated Depreciation)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u> (Restated)
Building and Building Improvements	\$ 26,119,135	\$ 26,556,330			\$ 26,119,135	\$ 26,556,330
Machinery and Equipment	2,750,208	2,677,255	\$ 71,419	\$ 77,173	2,821,627	2,754,428
Construction In Progress	<u>6,516,390</u>	<u>881,791</u>	<u>-</u>	<u>-</u>	<u>6,516,390</u>	<u>881,791</u>
Total Capital Assets, Net	<u>\$ 35,385,733</u>	<u>\$ 30,115,376</u>	<u>\$ 71,419</u>	<u>\$ 77,173</u>	<u>\$ 35,457,152</u>	<u>\$ 30,192,549</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, 2019**

LONG TERM LIABILITIES

At year end, the District's long-term liabilities consisted of compensated absences payable of \$1,797,179, net pension liability of \$10,428,849 and bonds payable of \$19,932,905.

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 2019-2020 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, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 29,101,870	\$ 355,787	\$ 29,457,657
Receivables, net	2,836,417	30,670	2,867,087
Inventories		9,202	9,202
Capital Assets Not Being Depreciated	6,516,390		6,516,390
Capital Assets, Net of Accumulated Depreciation	28,869,343	71,419	28,940,762
Total Assets	67,324,020	467,078	67,791,098
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	684,992		684,992
Deferred Amount on Net Pension Liability	2,622,626	-	2,622,626
Total Deferred Outflows of Resources	3,307,618	-	3,307,618
Total Assets and Deferred Outflows of Resources	70,631,638	467,078	71,098,716
LIABILITIES			
Accounts Payable and Other Current Liabilities	1,081,924	11,924	1,093,848
Intergovernmental Payable	29,648		29,648
Unearned Revenue	275,909	50,748	326,657
Accrued Interest Payable	375,311		375,311
Noncurrent Liabilities			
Due Within One Year	956,000		956,000
Due Beyond One Year	31,202,933		31,202,933
Total Liabilities	33,921,725	62,672	33,984,397
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	3,784,809	-	3,784,809
Total Deferred Inflows of Resources	3,784,809	-	3,784,809
Total Liabilities and Deferred Inflows of Resources	37,706,534	62,672	37,769,206
NET POSITION			
Net Investment in Capital Assets	23,987,704	71,419	24,059,123
Restricted for:			
Capital Projects	19,560,931		19,560,931
Unrestricted	(10,623,531)	332,987	(10,290,544)
Total Net Position	\$ 32,925,104	\$ 404,406	\$ 33,329,510

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, 2019**

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	\$ 28,600,722	\$ 49,018	\$ 8,439,410		\$ (20,112,294)		\$ (20,112,294)
Special Education	10,574,343		4,913,026		(5,661,317)		(5,661,317)
Other Instruction	1,076,096		312,429		(763,667)		(763,667)
School Sponsored Activities and Athletics							
	1,537,639		132,395		(1,405,244)		(1,405,244)
Support Services							
Student and Instruction Related Svcs.	11,785,211		1,678,020		(10,107,191)		(10,107,191)
General Administrative Services	1,564,005		329,117		(1,234,888)		(1,234,888)
School Administrative Services	3,989,512		865,453		(3,124,059)		(3,124,059)
Plant Operations and Maintenance	6,842,418	28,967	326,544		(6,486,907)		(6,486,907)
Pupil Transportation	1,289,167		452,223		(836,944)		(836,944)
Business Services	1,159,143		39,183		(1,119,960)		(1,119,960)
Interest on Long-Term Debt	615,149		127,169		(487,980)		(487,980)
Total Governmental Activities	69,033,405	77,985	17,614,969	-	(51,340,451)	-	(51,340,451)
Business-Type Activities							
Food Service	1,052,198	880,319	206,599			\$ 34,720	34,720
Summer Enrichment	40,215	66,107	-	-		25,892	25,892
Total Business-Type Activities	1,092,413	946,426	206,599	-	-	60,612	60,612
Total Primary Government	\$ 70,125,818	\$ 1,024,411	\$ 17,821,568	\$ -	(51,340,451)	60,612	(51,279,839)
General Revenues:							
Property Taxes, Levied for General Purposes					52,679,699		52,679,699
Property Taxes, Levied for Debt Service					1,026,482		1,026,482
State Aid Unrestricted					6,352		6,352
State Aid Restricted for Debt Service Principal					3,077,998		3,077,998
Investment Earnings					547,432	8,880	556,312
Miscellaneous Income					74,606		74,606
Total General Revenues					57,412,569	8,880	57,421,449
Change in Net Position					6,072,118	69,492	6,141,610
Net Position, Beginning of Year (Restated)					26,852,986	334,914	27,187,900
Net Position, End of Year					\$ 32,925,104	\$ 404,406	\$ 33,329,510

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, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash	\$ 12,391,861		\$ 16,710,009		\$ 29,101,870
Receivables, Net					
Receivables From Other Governments	128,675	\$ 239,482	2,286,697		2,654,854
Other Receivables	27,938				27,938
Due from Other Funds	427,533	-	-	-	427,533
Total Assets	<u>\$ 12,976,007</u>	<u>\$ 239,482</u>	<u>\$ 18,996,706</u>	<u>\$ -</u>	<u>\$ 32,212,195</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 1,025,991	\$ 25,182	\$ 30,751		\$ 1,081,924
Due to Other Funds		146,582	127,326		273,908
Intergovernmental Payables		29,648			29,648
Unearned Revenue		38,070	237,839	-	275,909
Total Liabilities	<u>1,025,991</u>	<u>239,482</u>	<u>395,916</u>	<u>-</u>	<u>1,661,389</u>
Fund Balances					
Restricted Fund Balance:					
Capital Reserve	7,726,025				7,726,025
Capital Reserve-Designated for Subsequent Year's Expenditures	1,084,000				1,084,000
Excess Surplus-Designated for Subsequent Year's Expenditures	750,000				750,000
Excess Surplus	750,000				750,000
Capital Projects Fund			18,600,790		18,600,790
Committed Fund Balance					
Year-End Encumbrances	6,650				6,650
Assigned Fund Balance					
Designated for Subsequent Year's Expenditures	505,637				505,637
Year-End Encumbrances	162,878				162,878
Unassigned Fund Balance	964,826	-	-	-	964,826
Total Fund Balances	<u>11,950,016</u>	<u>-</u>	<u>18,600,790</u>	<u>-</u>	<u>30,550,806</u>
Total Liabilities and Fund Balances	<u>\$ 12,976,007</u>	<u>\$ 239,482</u>	<u>\$ 18,996,706</u>	<u>\$ -</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 \$58,782,607 and the accumulated depreciation is \$23,396,874. 35,385,733

The District has financed capital assets through the issuance of general obligation bonds. The accrued interest at year end is: (375,311)

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	\$ (19,932,905)	
Net Pension Liability	(10,428,849)	
Add: Deferred Outflows of Resources	3,307,618	
Less: Deferred Inflows of Resources	(3,784,809)	
Compensated Absences Payable	<u>(1,797,179)</u>	
		<u>(32,636,124)</u>

Net Position of Governmental Activities (Exhibit A-1) \$ 32,925,104

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

WESTWOOD REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 52,679,699			\$ 1,026,482	\$ 53,706,181
Tuition	49,018				49,018
Rentals	28,967				28,967
Interest	504,524				504,524
Interest on Capital Reserve	42,908				42,908
Miscellaneous	74,606	\$ 42,752	-	-	117,358
Total - Local Sources	53,379,722	42,752		1,026,482	54,448,956
State Sources	10,677,582	333,682		3,205,167	14,216,431
Federal Sources	4,839	1,042,275	-	-	1,047,114
Total Revenues	64,062,143	1,418,709	-	4,231,649	69,712,501
EXPENDITURES					
Current					
Instruction					
Regular Instruction	25,053,309	330,755			25,384,064
Special Education Instruction	8,988,281	771,574			9,759,855
Other Instruction	958,530				958,530
School Sponsored Activities and Athletics	1,452,115				1,452,115
Support Services					
Student and Instruction Related Services	10,771,887	157,736			10,929,623
General Administrative Services	1,412,567	5,358			1,417,925
School Administrative Services	3,588,165				3,588,165
Plant Operations and Maintenance	5,331,277	153,286			5,484,563
Pupil Transportation	1,250,191				1,250,191
Central Services	1,107,754				1,107,754
Debt Service					
Principal				16,865,000	16,865,000
Interest and Other Charges	233,133			463,650	696,783
Capital Outlay	1,011,983		\$ 5,634,804	-	6,646,787
Total Expenditures	61,159,192	1,418,709	5,634,804	17,328,650	85,541,355
Excess (Deficiency) of Revenues Over/(Under) Expenditures	2,902,951	-	(5,634,804)	(13,097,001)	(15,828,854)
OTHER FINANCING SOURCES (USES)					
Bond Proceeds			7,751,000		7,751,000
Bond Anticipation Note Permanently Financed			16,140,000		16,140,000
Transfers In			850,000	13,097,000	13,947,000
Transfers Out	(13,947,000)			-	(13,947,000)
Total Other Financing Sources (Uses)	(13,947,000)	-	24,741,000	13,097,000	23,891,000
Net Change in Fund Balances	(11,044,049)	-	19,106,196	(1)	8,062,146
Fund Balance, Beginning of Year	22,994,065		(505,406)	1	22,488,660
Fund Balance, End of Year	\$ 11,950,016	\$ -	\$ 18,600,790	\$ -	\$ 30,550,806

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, 2019**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 8,062,146

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	\$ 6,646,787	
Depreciation Expense	<u>(1,376,430)</u>	5,270,357

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	(150,168)	
Amortization of Original Issue Premium	159,771	
Amortization of Deferred Amount on Refunding	(95,842)	
Net Increase in Compensated Absences Payable	<u>(165,851)</u>	(252,090)

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.

Bonds Issued	(7,751,000)	
Bond Anticipation Notes Permanently Financed	(16,140,000)	
Bond and Note Principal Repayments	<u>16,865,000</u>	(7,026,000)

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

Decrease in Accrued Interest		<u>17,705</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 6,072,118**

**WESTWOOD REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2019**

	Business-Type Activities - Enterprise Fund		
	Food Service	Other Non-Major	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 263,000	\$ 92,787	\$ 355,787
Intergovernmental Accounts Receivable	30,670		30,670
Inventories	9,202	-	9,202
Total Current Assets	<u>302,872</u>	<u>92,787</u>	<u>395,659</u>
Capital Assets			
Furniture, Machinery and Equipment	230,335		230,335
Less Accumulated Depreciation	<u>(158,916)</u>	<u>-</u>	<u>(158,916)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>71,419</u>	<u>-</u>	<u>71,419</u>
Total Assets	<u>374,291</u>	<u>92,787</u>	<u>467,078</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	8,609	3,315	11,924
Unearned Revenue	<u>21,293</u>	<u>29,455</u>	<u>50,748</u>
Total Liabilities	<u>29,902</u>	<u>32,770</u>	<u>62,672</u>
NET POSITION			
Investment in Capital Assets	71,419		71,419
Unrestricted	<u>272,970</u>	<u>60,017</u>	<u>332,987</u>
Total Net Position	<u>\$ 344,389</u>	<u>\$ 60,017</u>	<u>\$ 404,406</u>

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

**WESTWOOD REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Business-Type Activities - Enterprise Fund		
	Food Service	Other Non-Major	Total
Operating Revenues			
Charges for Services			
Daily Sales - Reimbursable Programs	\$ 447,892		\$ 447,892
Daily Sales - Non-Reimbursable Programs	432,427		432,427
Program Fees		\$ 66,107	66,107
Total Operating Revenues	880,319	66,107	946,426
Operating Expenses			
Cost of Sales - Reimbursable Programs	125,496		125,496
Cost of Sales - Non-Reimbursable Programs	329,179		329,179
Cost of Sales - USDA Commodities	42,336		42,336
Salaries and Wages	336,382	29,840	366,222
Employee Benefits	32,541		32,541
Management Fee	41,260		41,260
Repairs and Maintenance	33,965		33,965
Other Expenses	57,706		57,706
Purchased Professional Services	5,151		5,151
Supplies and Materials	7,990	10,175	18,165
Miscellaneous	32,319	200	32,519
Depreciation	7,873		7,873
Total Operating Expenses	1,052,198	40,215	1,092,413
Operating Income/(Loss)	(171,879)	25,892	(145,987)
Nonoperating Revenues			
State Sources			
State School Lunch Program	9,707		9,707
Federal Sources			
School Breakfast Program	1,264		1,264
National School Lunch Program	153,292		153,292
USDA Commodities	42,336		42,336
Interest and Investment Revenue	8,484	396	8,880
Total Nonoperating Revenues	215,083	396	215,479
Change in Net Position	43,204	26,288	69,492
Net Position, Beginning of Year	301,185	33,729	334,914
Net Position, End of Year	\$ 344,389	\$ 60,017	\$ 404,406

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, 2019**

	Business-Type Activities - Enterprise Fund		
	Food Service	Other Non-Major	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 884,083	\$ 64,532	\$ 948,615
Payments for Employees	(368,923)	(29,840)	(398,763)
Payments to Suppliers/Refunds	(723,939)	(11,563)	(735,502)
Net Cash Provided (Used) by Operating Activities	(208,779)	23,129	(185,650)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Receipts from State and Federal Sources	144,218	-	144,218
Net Cash Provided By Non-Capital Financing Activities	144,218	-	144,218
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	(2,119)	-	(2,119)
Net Cash Used by Capital and Related Financing Activities	(2,119)	-	(2,119)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	8,484	396	8,880
Net Cash Provided By Investing Activities	8,484	396	8,880
Net Increase (Decrease) in Cash and Cash Equivalents	(58,196)	23,525	(34,671)
Cash and Cash Equivalents—Beginning of Year	321,196	69,262	390,458
Cash and Cash Equivalents—End of Year	\$ 263,000	\$ 92,787	\$ 355,787
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (171,879)	\$ 25,892	\$ (145,987)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation	7,873		7,873
Food Distribution Program (USDA Commodities) National School Lunch Program	42,336		42,336
Changes in Assets, Liabilities and Deferred Inflows of Resources			
(Increase) Decrease in Inventories	1,392		1,392
Increase (Decrease) in Accounts Payable	(92,265)	(1,188)	(93,453)
Increase (Decrease) in Unearned Revenue	3,764	(1,575)	2,189
Total Adjustments	(36,900)	(2,763)	(39,663)
Net Cash Provided (Used) by Operating Activities	\$ (208,779)	\$ 23,129	\$ (185,650)
Non Cash Investing, Capital and Financing Activities			
Fair Value of Food Distribution Program- National School Lunch Program	\$ 42,336		\$ 42,336

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, 2019**

	<u>Private Purpose Scholarship Trust Funds</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash	\$ 3,290	\$ 618,342	\$ 623,591
Due from Other Funds		-	20,719
Total Assets	<u>3,290</u>	<u>618,342</u>	<u>\$ 644,310</u>
LIABILITIES			
Intergovernmental Payable		7,438	
Due to Other Funds		20,719	\$ 153,625
Payable To Student Groups			217,685
Payroll Deductions Payable/Accrued Salaries		9,766	273,000
Total Liabilities	<u>-</u>	<u>37,923</u>	<u>\$ 644,310</u>
NET POSITION			
Held In Trust For Unemployment Claims and Other Purposes	<u>\$ 3,290</u>	<u>\$ 580,419</u>	

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

**WESTWOOD REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Private Purpose Trust Funds	Unemployment Compensation Trust Fund
ADDITIONS		
Contributions		
Employees		\$ 80,827
Other	\$ 5,700	-
Total Contributions	5,700	80,827
Investment Earnings		
Interest	66	9,253
Total Investment Earnings	66	9,253
Total Additions	5,766	90,080
DEDUCTIONS		
Scholarships	5,700	
Unemployment Claims and Contributions and Other Charges	-	96,669
Total Deductions	5,700	96,669
Change in Net Position	66	(6,589)
Net Position, Beginning of Year	3,224	587,008
Net Position, End of Year	\$ 3,290	\$ 580,419

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

NOTES TO THE FINANCIAL STATEMENTS

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 2019, the District adopted the following GASB statements:

- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. 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.

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.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- 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. 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.

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.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements (Continued)

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.

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.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

The *1 to 1 initiative (laptop insurance program) fund* accounts for the non-refundable deposits charged to students to repair and replenish the District's laptop computers provided to students as part of the 1 to 1 technology initiative 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, 2019**

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, 2019**

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>
Buildings and Building Improvements	45
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, 2019**

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 one type of item which arises only under the accrual basis of accounting that qualify for reporting in this category. The item that qualifies for reporting in this category is the deferred amount 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.

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 and proprietary fund types in the fund 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, 2019

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, 2019**

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 2019/2020 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, 2018 audited excess surplus that was appropriated in the 2019/2020 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2019 audited excess surplus that is required to be appropriated in the 2020/2021 original budget certified for taxes.

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects 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 2019/2020 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, 2019**

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, 2019**

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 2017-2018 and 2018-2019 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, 2019**

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 2018/2019. Also, during 2018/2019 the Board increased the original budget by \$2,005,617. The increase was funded by a capital reserve withdrawal, 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, 2019**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018		\$ 18,795,703
Increased by:		
Interest Earnings	\$ 42,908	
Deposits Approved by Board Resolution	<u>3,918,414</u>	
Total Increases		<u>3,961,322</u>
		22,757,025
Decreased by:		
Withdrawals Approved in District Budget	(13,097,000)	
Withdrawals Approved by Board Resolution	<u>(850,000)</u>	
		<u>(13,947,000)</u>
Balance, June 30, 2019		<u>\$ 8,810,025</u>

\$1,084,000 of the capital reserve balance at June 30, 2019 was designated and appropriated for use in the 2019/2020 original budget certified for taxes.

C. 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, 2019 is \$1,500,000. Of this amount, \$750,000 was designated and appropriated in the 2019/2020 original budget certified for taxes and the remaining amount of \$750,000 will be appropriated in the 2020/2021 original budget certified for taxes.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019, the book value of the Board's deposits were \$30,702,880 and bank and brokerage firm balances of the Board's deposits amounted to \$33,085,663. 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>33,085,663</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, 2019 none of the Board's bank balances were 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, 2019, the Board had no outstanding investments.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2019 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	\$ 27,938				\$ 27,938
Intergovernmental					
Federal		\$ 239,065		\$ 28,819	267,884
State	128,675	417	\$ 2,286,697	1,851	2,417,640
Other	-	-	-	-	-
Gross Receivables	156,613	239,482	2,286,697	30,670	2,713,462
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 156,613</u>	<u>\$ 239,482</u>	<u>\$ 2,286,697</u>	<u>\$ 30,670</u>	<u>\$ 2,713,462</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	\$ 28,175
Unencumbered Grant Draw Downs	9,895
Capital Projects Fund	
Unrealized School Facilities Grants	237,839
Total Unearned Revenue for Governmental Funds	<u>\$ 275,909</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Balance, <u>July 1, 2018</u> (Restated)	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2019</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction In Progress	\$ 881,791	\$ 5,634,599	\$ -	\$ 6,516,390
Total Capital Assets, Not Being Depreciated	<u>881,791</u>	<u>5,634,599</u>	<u>-</u>	<u>6,516,390</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	45,618,859	567,904		46,186,763
Machinery and Equipment	5,635,170	444,284	-	6,079,454
Total Capital Assets Being Depreciated	<u>51,254,029</u>	<u>1,012,188</u>	<u>-</u>	<u>52,266,217</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(19,062,529)	(1,005,099)		(20,067,628)
Machinery and Equipment	(2,957,915)	(371,331)	-	(3,329,246)
Total Accumulated Depreciation	<u>(22,020,444)</u>	<u>(1,376,430)</u>	<u>-</u>	<u>(23,396,874)</u>
Total Capital Assets, Being Depreciated, Net	<u>29,233,585</u>	<u>(364,242)</u>	<u>-</u>	<u>28,869,343</u>
Governmental Activities Capital Assets, Net	<u>\$ 30,115,376</u>	<u>\$ 5,270,357</u>	<u>\$ -</u>	<u>\$ 35,385,733</u>
	Balance, <u>July 1, 2018</u> (Restated)	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2019</u>
Business-Type Activities:				
Capital Assets, being depreciated:				
Machinery and Equipment	\$ 228,216	\$ 2,119	\$ -	\$ 230,335
Total Capital Assets being depreciated	<u>228,216</u>	<u>2,119</u>	<u>-</u>	<u>230,335</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(151,043)	(7,873)	-	(158,916)
Total Accumulated Depreciation	<u>(151,043)</u>	<u>(7,873)</u>	<u>-</u>	<u>(158,916)</u>
Total Capital Assets, being depreciated, net	<u>77,173</u>	<u>(5,754)</u>	<u>-</u>	<u>71,419</u>
Business-Type Activities Capital Assets, net	<u>\$ 77,173</u>	<u>\$ (5,754)</u>	<u>\$ -</u>	<u>\$ 71,419</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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	\$ 39,344
Total Instruction	<u>39,344</u>

Support Services	
Student and Instruction Related Services	88,110
General Administrative Services	23,770
Plant Operations and Maintenance	1,178,377
School Administrative Services	22,242
Pupil Transportation	<u>24,587</u>
Total Support Services	<u>1,337,086</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 1,376,430</u>
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Business-Type Activities:

Food Service Fund	<u>\$ 7,873</u>
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Total Depreciation Expense-Business-Type Activities	<u>\$ 7,873</u>
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Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2019:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Middle School Construction	\$ 3,786,929	15,923,071
Construction Management Services - Middle School	51,138	208,788
Generator Installation - High School		108,562
Partial Roof Replacement - Brookside	<u>-</u>	<u>386,000</u>
Total	<u>\$ 3,838,067</u>	<u>\$ 16,626,421</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2019, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 146,582
General Fund	Capital Projects Fund	127,326
General Fund	Payroll Agency Fund	153,625
Payroll Agency Fund	Unemployment Compensation Trust Fund	<u>20,719</u>
		<u>\$ 448,252</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>Capital</u>	<u>Debt</u>	
	<u>Projects Fund</u>	<u>Service Fund</u>	<u>Total</u>
Transfer Out:			
General Fund	<u>\$ 850,000</u>	<u>\$ 13,097,000</u>	<u>\$ 13,947,000</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.

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets and other purposes permitted by statute. 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, 2019 are comprised of the following issues:

\$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%	\$11,040,000
\$7,751,000, 2018 School Bonds, due in annual installments of \$201,000 to \$400,000 through September 15, 2038, interest at 3.00% to 3.25%	<u>7,751,000</u>
Total	<u>\$18,791,000</u>

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

Governmental Activities:

Fiscal Year Ended June 30,	<u>General Obligation Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2020	\$ 936,000	\$ 793,307	\$ 1,729,307
2021	1,130,000	645,150	1,775,150
2022	1,160,000	606,875	1,766,875
2023	1,220,000	563,150	1,783,150
2024	1,260,000	517,550	1,777,550
2025-2029	6,840,000	1,850,500	8,690,500
2030-2034	4,245,000	592,375	4,837,375
2035-2039	2,000,000	162,250	2,162,250
Total	<u>\$ 18,791,000</u>	<u>\$ 5,731,157</u>	<u>\$ 24,522,157</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2019 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 153,093,546
Less: Net Debt	<u>18,791,595</u>
Remaining Borrowing Power	<u>\$ 134,301,951</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019, was as follows:

	Balance, July 1, 2018	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, 2019	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 11,765,000	\$ 7,751,000	\$ 725,000	\$ 18,791,000	\$ 936,000
Unamortized Premium	1,301,676	-	159,771	1,141,905	-
Total Bonds Payable	13,066,676	7,751,000	884,771	19,932,905	936,000
Compensated Absences	1,631,328	181,826	15,975	1,797,179	20,000
Net Pension Liability	11,949,617	-	1,520,768	10,428,849	-
Governmental Activities Long-Term Liabilities	<u>\$ 26,647,621</u>	<u>\$ 7,932,826</u>	<u>\$ 2,421,514</u>	<u>\$ 32,158,933</u>	<u>\$ 956,000</u>

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

H. Short-Term Debt

The Board's short-term activity for the fiscal year ended June 30, 2019 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, 2019 was as follows:

<u>Purpose</u>	<u>Rate %</u>	<u>Maturity Date</u>	<u>Balance, July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2019</u>
Bond Anticipation Note	2.50%	8/1/2018	\$ 16,140,000	\$ -	\$ 16,140,000	\$ -
			<u>\$ 16,140,000</u>	<u>\$ -</u>	<u>\$ 16,140,000</u>	<u>\$ -</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. The above bond anticipation notes were permanently financed during fiscal year 2018/2019 with capital reserve funds of \$13,097,000 and debt service state aid of \$3,043,000.

\$3,043,000.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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:

Fiscal Year Ended <u>June 30,</u>	District <u>Contributions</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2019	None	\$ 80,827	\$ 96,669	\$ 580,419
2018	None	69,783	67,502	587,008
2017	None	50,585	59,033	581,263

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019, 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, 2019, 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 Board employees who are eligible for pension coverage:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage 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. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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, 2019**

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:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 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 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. For additional information about TPAF, please refer to the State Division of Pensions and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 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, 2019**

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 and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PERS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. 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, 2019**

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. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

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

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2018 is \$19.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 53.60%. The collective net pension liability of the State funded TPAF at June 30, 2018 is \$63.81 billion and the plan fiduciary net position as a percentage of total pension liability is 26.49%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 which were rolled forward to June 30, 2018.

Actuarial Methods and Assumptions

In the July 1, 2017 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

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 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2019.

Annual Pension Costs (APC)

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2019 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than this actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer 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. All PERS and DCRP contributions made by the Board for fiscal years 2019, 2018 and 2017 were equal to the required contributions.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019, 2018 and 2017 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2019	\$ 526,846	\$ 4,399,596	\$ 54,447
2018	475,550	3,205,481	41,799
2017	437,369	2,231,536	25,614

In addition for fiscal years 2019, 2018 and 2017 the District contributed \$3,099, \$8,269 and \$3,173, respectively for PERS and the State contributed \$5,834, \$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 \$1,738,769 during the fiscal year ended June 30, 2019 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. 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 measurement period July 1, 2017 through June 30, 2018. 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 (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense 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, 2019**

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 (sub) 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, 2018 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2018.

At June 30, 2019, the District reported in the statement of net position (accrual basis) a liability of \$10,428,849 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018 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 the District's share of contributions to the pension plan relative to the contributions of all participating governmental entities, actuarially determined. At June 30, 2018, the District's proportionate share was .05296 percent, which was an increase of .00163 percent from its proportionate share measured as of June 30, 2017 of .05133 percent.

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$677,015 for PERS. The pension contribution made by the District during the current 2018/2019 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, 2019 with a measurement date of the prior fiscal year end of June 30, 2018. 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, 2019 for contributions made subsequent to the measurement date. At June 30, 2019, 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	\$ 198,880	\$ 53,775
Changes of Assumptions	1,718,502	3,334,591
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		97,823
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>705,244</u>	<u>298,620</u>
Total	<u>\$ 2,622,626</u>	<u>\$ 3,784,809</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019, 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 June 30,	Total
2020	\$ 145,963
2021	(42,229)
2022	(605,857)
2023	(500,377)
2024	(159,683)
Thereafter	-
	<u>\$ (1,162,183)</u>

Actuarial Assumptions

The District's total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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, 2017 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, 2019**

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	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%
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>
2019	June 30, 2018	5.66%
2018	June 30, 2017	5.00%

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer to total contributions to TPAF during the fiscal year ended June 30, 2018. 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, 2018, 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, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$7,881,388 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State's proportionate share of the net pension liability attributable to the District is \$135,194,863. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2018. At June 30, 2018, the state's share of the net pension liability attributable to the District was .21251 percent, which was an increase of .01412 percent from its proportionate share measured as of June 30, 2017 of .19839 percent.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55-4.55%
Thereafter	2.00-5.45%
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2006

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, 2017 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, 2019**

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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, 2019**

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>
2019	June 30, 2018	4.86%
2018	June 30, 2017	4.25%

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, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. 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 4.86%, 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 (3.86 percent) or 1-percentage-point higher (5.86 percent) than the current rate:

	1% Decrease (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 159,797,761</u>	<u>\$ 135,194,863</u>	<u>\$ 114,799,660</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2018. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2018 was not provided by the pension system.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 for the fiscal year ended June 30, 2018. 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 Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. 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, 2019**

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, 2017:

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
 Total	 <u>362,181</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.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2018 is \$46.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2017 which were rolled forward to June 30, 2018.

Actuarial Methods and Assumptions

In the June 30, 2017 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2018.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2019, 2018 and 2017 were \$1,995,649, \$2,070,352 and \$1,859,371, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan 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.

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 Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. 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 measurement period July 1, 2017 through June 30, 2018. 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, 2019, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$3,906,879. 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, 2019 the State's proportionate share of the OPEB liability attributable to the District is \$74,880,729. 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, 2018 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2018. At June 30, 2018, the state's share of the OPEB liability attributable to the District was 0.16 percent, which was an increase of .00065 percent from its proportionate share measured as of June 30, 2017 of .15935 percent.

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

The OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. 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 Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disable Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

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.

The actuarial assumptions used in the June 30, 2017 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.

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight 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 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For prescription drug benefits, the initial trend rate is 8.0 percent and decreases to a 5.0 percent long-term trend rate after seven 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.

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, 2018.

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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)

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>
2019	June 30, 2018	3.87%
2018	June 30, 2017	3.58%

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.

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, 2019 (measurement date June 30, 2018) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2017 Measurement Date	\$ 85,475,479
Changes Recognized for the Fiscal Year:	
Service Cost	3,472,423
Interest on the Total OPEB Liability	3,150,037
Differences Between Expected and Actual Experience	(6,691,190)
Changes of Assumptions	(8,592,938)
Gross Benefit Payments	(2,002,284)
Contributions from the Member	69,202
Net Changes	\$ (10,594,750)
Balance, June 30, 2018 Measurement Date	\$ 74,880,729

**WESTWOOD REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 (Continued)

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58 percent in 2017 to 3.87 percent in 2018.

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, 2018. 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, 2018 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 3.87% 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 (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	1% Decrease <u>(2.87%)</u>	Current Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>88,524,265</u>	\$ <u>74,880,729</u>	\$ <u>64,035,527</u>

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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ <u>61,893,284</u>	\$ <u>74,880,729</u>	\$ <u>92,057,123</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018 were not provided by the pension system.

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

F. Tax Abatements

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

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

REQUIRED SUPPLEMENTARY INFORMATION PART II

BUDGETARY COMPARISON SCHEDULES

**WESTWOOD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Property Taxes	\$ 52,679,699		\$ 52,679,699	\$ 52,679,699	
Tuition	50,000		50,000	49,018	\$ (982)
Rents and Royalties	21,000		21,000	28,967	7,967
Interest on Investments				504,524	504,524
Interest on Capital Reserve	10,000		10,000	42,908	32,908
Unrestricted Miscellaneous Revenue	87,680	-	87,680	74,606	(13,074)
Total Local Sources	<u>52,848,379</u>	<u>-</u>	<u>52,848,379</u>	<u>53,379,722</u>	<u>531,343</u>
State Sources					
Special Education Aid	1,563,802		1,563,802	1,563,802	
Transportation Aid	422,522		422,522	422,522	
Security Aid	55,037		55,037	55,037	
Extraordinary Aid				643,107	643,107
Additional Nonpublic Transportation Aid				42,423	42,423
TPAF Pension System Contribution (Normal Costs) (Non-Budgeted)				4,309,389	4,309,389
TPAF Pension System Contribution (NCGI) (Non-Budgeted)				90,207	90,207
TPAF Pension System Contribution (Post- Retirement Medical Contribution) (Non-Budgeted)				1,995,649	1,995,649
TPAF Pension System Contribution (LTDI) (Non-Budgeted)				5,834	5,834
TPAF Social Security Reimbursements (Non-Budget)	-	-	-	1,738,769	1,738,769
Total State Sources	<u>2,041,361</u>	<u>-</u>	<u>2,041,361</u>	<u>10,866,739</u>	<u>8,825,378</u>
Federal Sources					
Medicaid Reimbursement	7,320	-	7,320	4,839	(2,481)
Total Federal Sources	<u>7,320</u>	<u>-</u>	<u>7,320</u>	<u>4,839</u>	<u>(2,481)</u>
Total Revenues	<u>54,897,060</u>	<u>-</u>	<u>54,897,060</u>	<u>64,251,300</u>	<u>9,354,240</u>
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	752,765	\$ 84,019	836,784	836,175	609
Grades 1-5	5,081,774	90,546	5,172,320	5,168,448	3,872
Grades 6-8	3,890,400	50,091	3,940,491	3,940,141	350
Grades 9-12	4,847,224	177,668	5,024,892	4,978,479	46,413
Regular Programs - Home Instruction					
Salaries of Teachers	51,450	12,250	63,700	63,700	
Purchased Professional/Educational Services	8,000	10,651	18,651	17,800	851
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	286,000	(126,300)	159,700	98,098	61,602
Purchased Professional/Educational Services	24,250	(13,575)	10,675	10,284	391
Purchased Technical Services	1,000	(300)	700	700	
Other Purchased Services	185,250	2,528	187,778	158,754	29,024
General Supplies	410,493	(13,240)	397,253	383,947	13,306
Textbooks	286,317	(21,323)	264,994	249,724	15,270
Other Objects	10,175	-	10,175	8,683	1,492
Total Regular Programs	<u>15,835,098</u>	<u>253,015</u>	<u>16,088,113</u>	<u>15,914,233</u>	<u>173,880</u>
Learning and/or Language Disabilities					
Salaries of Teachers	409,918	102,275	512,193	512,193	
Other Salaries for Instruction	34,950	95,008	129,958	129,957	1
Purchased Professional/Educational Services	20,000	(18,750)	1,250	1,250	
General Supplies	30,000	(12,394)	17,606	16,455	1,151
Total Learning and/or Language Disabilities	<u>494,868</u>	<u>166,139</u>	<u>661,007</u>	<u>659,855</u>	<u>1,152</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Behavioral Disabilities					
Purchased Professional/Educational Services	-	\$ 12,960	\$ 12,960	\$ 12,960	-
Total Behavioral Disabilities	-	12,960	12,960	12,960	-
Resource Room/Resource Center					
Salaries of Teachers	\$ 2,691,484	171,899	2,863,383	2,863,383	
Other Salaries for Instruction	31,765	(31,765)			
Purchased Professional Educational Services	35,000	(7,250)	27,750	27,750	
General Supplies	15,200	(6,777)	8,423	8,422	\$ 1
Total Resource Room/Resource Center	2,773,449	126,107	2,899,556	2,899,555	1
Autism					
Salaries of Teachers	139,515	882	140,397	140,397	
Other Salaries for Instruction	132,355	(3,313)	129,042	121,490	7,552
Purchased Professional Educational Services	10,000	(8,400)	1,600	1,600	
General Supplies	20,000	(14,897)	5,103	5,103	
Other Objects	1,000	(1,000)	-	-	-
Total Autism	302,870	(26,728)	276,142	268,590	7,552
Preschool Disabilities - Part-Time					
Salaries of Teachers	140,296	25,883	166,179	166,178	1
Other Salaries for Instruction	101,649	(62,459)	39,190	39,189	1
Purchased Professional Educational Services	2,300	(1,600)	700	700	
General Supplies	10,000	(9,869)	131	131	-
Total Preschool Disabilities - Part-Time	254,245	(48,045)	206,200	206,198	2
Preschool Disabilities - Full-Time					
Salaries of Teachers	185,626		185,626	180,259	5,367
Other Salaries for Instruction	229,769	(77,675)	152,094	139,880	12,214
Purchased Professional Educational Services		775	775	700	75
General Supplies	7,000	-	7,000	5,518	1,482
Total Preschool Disabilities - Full-Time	422,395	(76,900)	345,495	326,357	19,138
Home Instruction					
Purchased Professional Educational Services	50,000	(35,333)	14,667	7,365	7,302
Total Home Instruction	50,000	(35,333)	14,667	7,365	7,302
Total Special Education	4,297,827	118,200	4,416,027	4,380,880	35,147
Basic Skills/Remedial - Instruction					
Salaries of Teachers	395,485	-	395,485	229,415	166,070
Total Basic Skills/Remedial	395,485	-	395,485	229,415	166,070
Bilingual Education - Instruction					
Salaries of Teachers	338,920	12,896	351,816	351,816	-
General Supplies	-	-	-	-	-
Total Bilingual Education	338,920	12,896	351,816	351,816	-
School Sponsored Co/Extra Curricular Activities - Instruction					
Salaries	203,297		203,297	175,279	28,018
Purchased Services	7,705	(300)	7,405	7,313	92
Supplies and Materials	8,500	37,940	46,440	44,524	1,916
Other Objects	1,000	1,220	2,220	2,215	5
Total School Sponsored Co/Extra Curricular Activities	220,502	38,860	259,362	229,331	30,031

**WESTWOOD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
School Sponsored Athletics - Instruction					
Salaries	\$ 683,289	\$ (30,000)	\$ 653,289	\$ 648,567	\$ 4,722
Purchased Services	109,000	(59,801)	49,199	48,197	1,002
Supplies and Materials	73,500	31,787	105,287	104,062	1,225
Other Objects	47,045	34,606	81,651	66,208	15,443
Total School Sponsored Athletics	912,834	(23,408)	889,426	867,034	22,392
Total Instruction	22,000,666	399,563	22,400,229	21,972,709	427,520
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Special	570,000	(49,000)	521,000	490,560	30,440
Tuition to Co. Voc. School Dist.- Reg.	260,000	(37,713)	222,287	200,826	21,461
Tuition to Co. Voc. School Dist.- Special	162,000	(320)	161,680	107,881	53,799
Tuition to CSSD and Regional Day Schools	400,660	130,720	531,380	443,183	88,197
Tuition to Priv. Sch. for the Disabled - State	1,477,304	(287,081)	1,190,223	1,095,812	94,411
Tuition to Priv. Sch. Disabled & Other LEAs - Out State	53,850	(12,716)	41,134	12,208	28,926
Tuition - Other	85,000	(33,571)	51,429	32,906	18,523
Total Undistributed Expenditures - Instruction	3,008,814	(289,681)	2,719,133	2,383,376	335,757
Attendance and Social Work					
Salaries	1,545	-	1,545	1,500	45
Total Attendance and Social Work	1,545	-	1,545	1,500	45
Health Services					
Salaries	583,160	41,794	624,954	621,559	3,395
Purchased Professional and Technical Services	37,000	-	37,000	37,000	-
Other Purchased Services	-	597	597	596	1
Supplies and Materials	16,000	(786)	15,214	14,396	818
Other Objects	-	-	-	-	-
Total Health Services	636,160	41,605	677,765	673,551	4,214
Speech, OT, PT and Related Services					
Salaries	770,335	-	770,335	755,571	14,764
Purchased Prof. Ed. Services	547,400	(184,496)	362,904	312,678	50,226
Other Purchased Services	-	823	823	823	-
Supplies and Materials	19,500	(6,107)	13,393	5,556	7,837
Total Speech, OT, PT and Related Services	1,337,235	(189,780)	1,147,455	1,074,628	72,827
Other Support Services - Students - Extraordinary Serv.					
Salaries	2,013,738	(371,801)	1,641,937	1,147,149	494,788
Purchased Prof. Ed. Services	754,179	232,721	986,900	786,738	200,162
Supplies and Materials	25,000	(17,443)	7,557	7,044	513
Other Objects	-	1,233	1,233	1,233	-
Total Other Supp.Serv. Student - Extraordinary Serv.	2,792,917	(155,290)	2,637,627	1,942,164	695,463

**WESTWOOD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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	\$ 1,080,546	-	\$ 1,080,546	\$ 1,020,363	\$ 60,183
Salaries of Secretarial & Clerical Assistants	112,100		112,100	112,100	-
Purchased Professional-Educational Services	13,860	\$ (5,720)	8,140	8,139	1
Other Purchased Services	4,230	(1,811)	2,419	2,200	219
Supplies and Materials	7,800	2,232	10,032	9,222	810
Other Objects	250	-	250	75	175
Total Guidance	1,218,786	(5,299)	1,213,487	1,152,099	61,388
Child Study Teams					
Salaries of Other Professional Staff	867,470	18,193	885,663	884,621	1,042
Salaries of Secretarial & Clerical Assistants	205,347	-	205,347	205,346	1
Purchased Professional/Educational Services	221,000	(54,718)	166,282	23,272	143,010
Other Purchased Services	16,500	(3,391)	13,109	7,238	5,871
Supplies and Materials	33,000	(1,198)	31,802	18,481	13,321
Other Objects	7,849	-	7,849	93	7,756
Total Child Study Teams	1,351,166	(41,114)	1,310,052	1,139,051	171,001
Improvement of Instr. Services					
Salaries of Supervisors of Instruction	377,721	-	377,721	277,357	100,364
Salaries of Other Professional Staff	248,764	14,070	262,834	262,833	1
Other Salaries	40,760	-	40,760	26,068	14,692
Purchased Professional-Educational Services	9,250	-	9,250	8,975	275
Other Purchased Services	-	-	-	-	-
Supplies and Materials	-	207	207	207	-
Miscellaneous Expenditures	-	-	-	-	-
Total Other Support Services - Impvmt. of Instructional Staff	676,495	14,277	690,772	575,440	115,332
Educational Media/School Library					
Salaries	274,300		274,300	269,300	5,000
Salaries of Technology Coordinators	294,180	15,215	309,395	309,394	1
Purchased Professional and Technical Services	282,110	(39,952)	242,158	241,436	722
Other Purchased Services	10,000	880	10,880	3,181	7,699
Supplies and Materials	326,215	259,950	586,165	496,866	89,299
Other Objects	500	4,493	4,993	4,493	500
Total Educational Media/School Library	1,187,305	240,586	1,427,891	1,324,670	103,221
Instructional Staff Training Services					
Other Salaries	8,000	-	8,000	1,775	6,225
Purchased Professional-Educational Services	106,250	(14,070)	92,180	42,500	49,680
Other Purchased Services	64,400	1,228	65,628	60,141	5,487
Supplies and Materials	-	-	-	-	-
Total Instructional Staff Training Services	178,650	(12,842)	165,808	104,416	61,392
Support Services General Administration					
Salaries	616,523	-	616,523	602,309	14,214
Legal Services	150,000		150,000	79,395	70,605
Audit Fees	40,000	31,600	71,600	35,515	36,085
Architectural/Engineering Services	60,000	12,692	72,692	51,272	21,420
Other Purchased Professional Services	37,000	37,641	74,641	22,360	52,281
Purchased Technical Services	19,000	6,727	25,727	25,726	1
Communications/Telephone	168,000	44,966	212,966	105,115	107,851
BOE Other Purchased Services	32,500	34	32,534	12,021	20,513
Miscellaneous Purchased Services	65,000	-	65,000	60,240	4,760
General Supplies	15,000	(2,130)	12,870	12,546	324
BOE In-House Training/Meeting Supplies	3,000	(1,800)	1,200	420	780
Judgments Against the School District	90,000	(40,182)	49,818	10,986	38,832
Miscellaneous Expenditures	15,000	5,803	20,803	15,739	5,064
BOE Membership Dues and Fees	25,000	(1,473)	23,527	23,453	74
Total Support Services General Administration	1,336,023	93,878	1,429,901	1,057,097	372,804

**WESTWOOD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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	\$ 1,544,747	\$ 12,272	\$ 1,557,019	\$ 1,521,359	\$ 35,660
Salaries of Other Professional Staff	212,858	126	212,984	212,858	126
Salaries of Secretarial and Clerical Assistants	590,644	6,262	596,906	592,541	4,365
Purchased Technical Services		-			
Other Purchased Services	64,000	-	64,000	36,791	27,209
Supplies and Materials	33,500	(2,328)	31,172	13,127	18,045
Other Objects	7,900	539	8,439	1,671	6,768
Total Support Services School Administration	2,453,649	16,871	2,470,520	2,378,347	92,173
Central Services					
Salaries	559,716	5,314	565,030	557,775	7,255
Purchased Professional Services	2,000	(1,000)	1,000	1,000	-
Purchased Technical Services	15,000	6,572	21,572	21,571	1
Misc. Purchased Services	12,000	(2,030)	9,970	8,664	1,306
Supplies and Materials	15,000	(3,150)	11,850	11,009	841
Interest on Bond Anticipation Notes	233,134		233,134	233,133	1
Miscellaneous Expenditures	5,000	(422)	4,578	1,323	3,255
Total Central Services	841,850	5,284	847,134	834,475	12,659
Admin Info. Tech.					
Salaries	128,123	-	128,123	107,869	20,254
Purchased Professional Services	5,725	-	5,725	138	5,587
Purchased Technical Services	141,490	5,311	146,801	133,325	13,476
Other Purchased Services	2,400	-	2,400	2,400	-
Supplies and Materials	6,000	-	6,000	5,904	96
Total Admin Info. Tech.	283,738	5,311	289,049	247,236	41,813
Required Maintenance for School Facilities					
Salaries	398,985	-	398,985	352,094	46,891
Cleaning, Repair & Maintenance Services	195,000	368,639	563,639	558,291	5,348
General Supplies	152,500	103,671	256,171	256,167	4
Miscellaneous Expenditures	-	1,195	1,195	1,194	1
Total Allowable Maintenance for School Facilities	746,485	473,505	1,219,990	1,167,746	52,244
Custodial Services					
Salaries	1,328,334	9,973	1,338,307	1,306,203	32,104
Salaries of Non-Instructional Aides	110,000	15,139	125,139	125,139	-
Cleaning, Repair and Maintenance Services	134,000	(109,144)	24,856	24,855	1
Other Purchased Property Services	55,620	(8,521)	47,099	47,096	3
Insurance	374,000	(42,845)	331,155	331,155	-
Misc. Purchased Services	2,000	-	2,000	650	1,350
General Supplies	123,000	(48,030)	74,970	74,968	2
Energy (Natural Gas)	281,250	(17,953)	263,297	203,262	60,035
Energy (Electricity)	610,000	(78,975)	531,025	444,920	86,105
Energy (Gasoline)	52,000	(27,970)	24,030	24,030	-
Other Objects	1,000	348	1,348	1,347	1
Total Custodial Services	3,071,204	(307,978)	2,763,226	2,583,625	179,601
Care and Upkeep of Grounds					
Salaries	189,379		189,379	160,581	28,798
Cleaning, Repair & Maintenance Svc.	18,000	55,496	73,496	72,127	1,369
General Supplies	30,000	28,586	58,586	56,649	1,937
Other Objects	-	303	303	303	-
Total Care and Upkeep of Grounds	237,379	84,385	321,764	289,660	32,104
Security					
Salaries	58,332	6,329	64,661	64,660	1
Purchased Professional and Technical Services	17,610	32,274	49,884	49,884	-
Cleaning, Repair & Maintenance Svc.	441,223	(312,235)	128,988	102,283	26,705
General Supplies	49,000	260,919	309,919	291,317	18,602
Other Objects	-	-	-	-	-
Total Security	566,165	(12,713)	553,452	508,144	45,308

**WESTWOOD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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	-	\$ 50,000	\$ 44,634	\$ 5,366
Sal. For Pupil Trans (Between Home & Sch)-Reg.	30,000	\$ (9,796)	20,204	15,959	4,245
Sal. For Pupil Trans (Between Home & Sch)-Spec. Ed	70,496	17,582	88,078	88,077	1
Sal. For Pupil Trans (Other than Between Home & Sch)	20,000	17,716	37,716	37,715	1
Cleaning, Repair & Maint. Services	50,000	(13,291)	36,709	30,352	6,357
Contracted Services - Aid In Lieu of Payments-Non Public	137,500	13,500	151,000	131,500	19,500
Contracted Services (Between Home and School) - Vendors	360,000	(101,596)	258,404	162,908	95,496
Contracted Services (Other Than Between Home and School) - Vendors	150,000	(32,209)	117,791	42,673	75,118
Contracted Services (Special Ed. Students) - Vendors	800,000	(5,000)	795,000	613,155	181,845
Transportation Supplies	-	7,262	7,262	7,261	1
Other Objects	4,000	(65)	3,935	3,386	549
Total Student Transportation Services	1,671,996	(105,897)	1,566,099	1,177,620	388,479
Unallocated Benefits- Employee Benefits					
Group Insurance	20,850	-	20,850	10,285	10,565
Social Security Contributions	660,000	(30,289)	629,711	581,452	48,259
Other Retirement Contrib. - PERS	500,000	29,946	529,946	529,945	1
Other Retirement Contrib. - Regular	50,000	4,447	54,447	54,447	-
Unemployment Compensation	50,000	(4,104)	45,896	45,896	-
Workmen's Compensation	286,000	-	286,000	275,706	10,294
Health Benefits	8,853,704	(175,734)	8,677,970	7,894,137	783,833
Tuition Reimbursement	70,000	2,288	72,288	72,288	-
Unused Sick Payment to Terminated/Retired Staff	20,000	(2,288)	17,712	778	16,934
Total Unallocated Benefits	10,510,554	(175,734)	10,334,820	9,419,038	915,782
TPAF Pension System Contribution (Normal Costs) (Non-Budgeted)					
				4,309,389	(4,309,389)
TPAF Pension System Contribution (NCGI) (Non-Budgeted)					
				90,207	(90,207)
TPAF Pension Systems Contribution (Post Retirement Medical Contributions)(Non-Budgeted)					
				1,995,649	(1,995,649)
TPAF Pension System Contribution (LTDI) (Non-Budgeted)					
				5,834	(5,834)
Reimbursed TPAF Social Security Reimbursements (Non-Budgeted)					
	-	-	-	1,738,769	(1,738,769)
Total On-Behalf TPAF Contributions	-	-	-	8,139,848	(8,139,848)
Total Undistributed Expenditures	34,108,116	(320,626)	33,787,490	38,173,731	(4,386,241)
Total Current Expenditures	56,108,782	78,937	56,187,719	60,146,440	(3,958,721)

**WESTWOOD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures					
Instruction	\$ 26,450	\$ 25,810	\$ 52,260	\$ 52,037	\$ 223
School Sponsored Activities and Athletics		55,479	55,479	55,478	1
Learning and/or Language Disabilities		7,000	7,000	7,000	
Related and Extra Services	6,000	(3,286)	2,714		2,714
Instructional Staff Training Services	24,000	76,975	100,975	95,082	5,893
Admin Info Tech	85,000	(21,674)	63,326	62,826	500
Required Maintenance for School Facilities	46,000	62,553	108,553	107,702	851
Security		10,951	10,951	10,951	
Care and Upkeep		17,813	17,813	17,813	-
Non-Instructional Services	4,000	31,396	35,396	35,395	1
Special Schools (All Programs)	10,000	(10,000)	-	-	-
Total Equipment	201,450	253,017	454,467	444,284	10,183
Facilities Acquisition and Construction Serv.					
Architectural/Engineering Services		54,115	54,115	33,750	20,365
Construction Services	130,000	531,042	661,042	533,949	127,093
Assessment for Debt Service on SDA Funding	769	-	769	769	-
Total Facilities Acquisition and Construction Serv.	130,769	585,157	715,926	568,468	147,458
Interest Deposit to Capital Reserve					
	10,000	-	10,000	-	10,000
Total Capital Outlay	342,219	838,174	1,180,393	1,012,752	167,641
Total Expenditures					
	56,451,001	917,111	57,368,112	61,159,192	(3,791,080)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(1,553,941)	(917,111)	(2,471,052)	3,092,108	5,563,160
Other Financing Sources (Uses)					
Capital Reserve - Transfer to Capital Projects		(850,000)	(850,000)	(850,000)	
Capital Reserve - Transfer to Repayment of Debt	(13,097,000)	-	(13,097,000)	(13,097,000)	-
Total Other Financing Sources (Uses)	(13,097,000)	(850,000)	(13,947,000)	(13,947,000)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under)					
Expenditures and Other Financing Uses	(14,650,941)	(1,767,111)	(16,418,052)	(10,854,892)	5,563,160
Fund Balance, Beginning of Year					
	23,602,998	-	23,602,998	23,602,998	-
Fund Balance, End of Year	\$ 8,952,057	\$ (1,767,111)	\$ 7,184,946	\$ 12,748,106	\$ 5,563,160
Recapitulation:					
Restricted Fund Balance					
Capital Reserve				\$ 7,726,025	
Capital Reserve-Designated for Subsequent Year's Expenditures - 2019/2020				1,084,000	
Excess Surplus-Designated for Subsequent Year's Expenditures - 2019/2020				750,000	
Excess Surplus				750,000	
Committed Fund Balance					
Year-End Encumbrances				6,650	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures - 2019/2020				505,637	
Year-End Encumbrances				162,878	
Unassigned Fund Balance				1,762,916	
				12,748,106	
Reconciliation to Governmental Funds Statements (GAAP):					
Less:					
2018/2019 Extraordinary Aid Not Recognized on a GAAP Basis			\$ (643,107)		
2018/2019 State Aid Not Recognized on a GAAP Basis			(154,983)		
				(798,090)	
Fund Balance per Governmental Funds (GAAP)				\$ 11,950,016	

**WESTWOOD REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

EXHIBIT C-2

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
State Sources		\$ 328,270	\$ 328,270	\$ 298,623	\$ (29,647)
Federal Sources	\$ 1,025,655	108,503	1,134,158	1,041,552	(92,606)
Local	251,089	(198,267)	52,822	24,647	(28,175)
Total Revenues	1,276,744	238,506	1,515,250	1,364,822	(150,428)
EXPENDITURES					
Instruction					
Salaries of Teachers	232,086	(105,816)	126,270	126,045	225
Purchased Prof./Educ. Svcs.	51,972	101,302	153,274	99,575	53,699
Tuition	744,880	(14,997)	729,883	729,883	
Other Purchased Services		1,860	1,860		1,860
General Supplies	123,387	87,149	210,536	175,455	35,081
Textbooks	38,565	(171)	38,394	38,196	198
Total Instruction	1,190,890	69,327	1,260,217	1,169,154	91,063
Support Services					
Other Salaries	10,000	(8,585)	1,415	1,415	
Personal Services - Employee Benefits		33,358	33,358	33,358	
Purchased Prof./Educ. Svcs.	75,854	42,999	118,853	69,743	49,110
Other Purchased Services		94,433	94,433	85,630	8,803
Supplies and Materials		1,511	1,511	59	1,452
Other Objects		105	105	105	
Indirect Costs	-	5,358	5,358	5,358	-
Total Support Services	85,854	169,179	255,033	195,668	59,365
Total Expenditures	1,276,744	238,506	1,515,250	1,364,822	150,428
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

REQUIRED SUPPLEMENTARY INFORMATION PART III
PENSION INFORMATION
AND
OTHER POST-EMPLOYMENT BENEFITS INFORMATION

**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, 2019**

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) \$ 64,251,300	(C-2) \$ 1,364,822
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, 2018		63,782
Encumbrances, June 30, 2019		(9,895)
Certain State Aid payments recognized for GAAP purposes, not recognized for budgetary statements. (2018/2019 State Aid)	(798,090)	
Certain State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2017/2018 State Aid)	<u>608,933</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>64,062,143</u>	\$ <u>1,418,709</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule	(C-1) \$ 61,159,192	(C-2) \$ 1,364,822
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, 2018		63,782
Encumbrances, June 30, 2019	<u>-</u>	<u>(9,895)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>61,159,192</u>	(B-2) \$ <u>1,418,709</u>

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

Public Employees Retirement System

Last Six Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.05296%	0.05133%	0.04923%	0.05184%	0.05286%	0.05025%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 10,428,849	\$ 11,949,617	\$ 14,581,071	\$ 11,639,209	\$ 9,897,582	\$ 9,605,283
District's Covered-Employee Payroll	\$ 3,578,807	\$ 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	291%	347%	429%	339%	277%	272%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.59%	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 Six Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 526,846	\$ 475,550	\$ 437,369	\$ 445,768	\$ 436,163	\$ 378,683
Contributions in Relation to the Contractually Required Contribution	<u>526,846</u>	<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>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 3,578,807	\$ 3,445,724	\$ 3,395,633	\$ 3,426,258	\$ 3,575,863	\$ 3,536,307
Contributions as a Percentage of Covered-Employee Payroll	14.72%	13.80%	12.88%	13.01%	12.20%	10.65%

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

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

Teachers Pension and Annuity Fund

Last Six Fiscal Years

	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	\$ 135,194,863	\$ 133,763,993	\$ 160,852,300	\$ 124,770,765	\$ 107,340,110	\$ 101,325,234
Total	<u>\$ 135,194,863</u>	<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	\$ 24,048,741	\$ 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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.48%	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, 2019**

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 Two Fiscal Years*

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service Cost	\$ 3,472,423	\$ 4,208,442
Interest on Total OPEB Liability	3,150,037	2,705,826
Differences Between Expected and Actual Experience	(6,691,190.0)	
Changes of Assumptions	(8,592,938)	(11,292,547)
Gross Benefit Payments	(2,002,284)	(2,310,229)
Contribution from the Member	<u>69,202</u>	<u>85,068</u>
Net Change in Total OPEB Liability	(10,594,750)	(6,603,440)
Total OPEB Liability - Beginning	<u>85,475,479</u>	<u>92,078,919</u>
Total OPEB Liability - Ending	<u>\$ 74,880,729</u>	<u>\$ 85,475,479</u>
District's Proportionate Share of OPEB Liability	\$0	\$0
State's Proportionate Share of OPEB Liability	<u>74,880,729</u>	<u>85,475,479</u>
Total OPEB Liability - Ending	<u>\$ 74,880,729</u>	<u>\$ 85,475,479</u>
District's Covered-Employee Payroll	<u>\$ 27,627,548</u>	<u>\$ 26,167,920</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	0%	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, 2019**

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, 2019**

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	IDEA		ESEA					Local Grants	Subtotal Page 2	Total
	Basic	Preschool	Title I	Title II-A	Title III	Title III Immigrant	Title IV			
REVENUES										
Intergovernmental										
State									\$ 298,623	\$ 298,623
Federal	\$ 749,186	\$ 41,691	\$ 178,707	\$ 54,398	\$ 13,533	\$ 3,620	-		417	1,041,552
Local	-	-	-	-	-	-	-	\$ 24,647	-	24,647
Total Revenues	<u>\$ 749,186</u>	<u>\$ 41,691</u>	<u>\$ 178,707</u>	<u>\$ 54,398</u>	<u>\$ 13,533</u>	<u>\$ 3,620</u>	<u>\$ -</u>	<u>\$ 24,647</u>	<u>\$ 299,040</u>	<u>\$ 1,364,822</u>
EXPENDITURES										
Instruction										
Salaries of Teachers			\$ 122,811		\$ 3,234				-	\$ 126,045
Other Salaries									-	-
Purchased Professional-Educational Svs.		\$ 40,432	15,975						\$ 43,168	99,575
Tuition	\$ 729,883									729,883
General Supplies		1,259	1,266		5,700			\$ 24,647	142,583	175,455
Textbooks	-	-	-	-	-	-	-	-	38,196	38,196
Total Instruction	<u>729,883</u>	<u>41,691</u>	<u>140,052</u>	<u>-</u>	<u>8,934</u>	<u>-</u>	<u>-</u>	<u>24,647</u>	<u>223,947</u>	<u>1,169,154</u>
Support Services										
Other Salaries					615	\$ 800				1,415
Personal Services - Employee Benefits			33,297			61				33,358
Purchased Professional and Technical Services	19,303			\$ 46,040	1,700	2,700				69,743
Other Purchased Services				8,358	2,179				75,093	85,630
General Supplies						59				59
Other Objects					105					105
Indirect Costs	-	-	5,358	-	-	-	-	-	-	5,358
Total Support Services	<u>19,303</u>	<u>-</u>	<u>38,655</u>	<u>54,398</u>	<u>4,599</u>	<u>3,620</u>	<u>-</u>	<u>-</u>	<u>75,093</u>	<u>195,668</u>
Facilities Acquisition and Construction Services										
Equipment										
Non-Instructional	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 749,186</u>	<u>\$ 41,691</u>	<u>\$ 178,707</u>	<u>\$ 54,398</u>	<u>\$ 13,533</u>	<u>\$ 3,620</u>	<u>\$ -</u>	<u>\$ 24,647</u>	<u>\$ 299,040</u>	<u>\$ 1,364,822</u>

WESTWOOD REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Chapter 192	Chapter 193			NJ Nonpublic Aid				Subtotal Page 1
	Auxiliary Services	Supplemental Instruction	Examination and Classification	Corrective Speech	Technology	Nursing	Textbooks	Security	
REVENUES	Home Instruction								
Intergovernmental									
State		\$ 15,939	\$ 20,206	\$ 6,606	\$ 24,356	\$ 75,093	\$ 38,196	\$ 118,227	\$ 298,623
Federal	\$ 417	-	-	-	-	-	-	-	417
Total Revenues	\$ 417	\$ 15,939	\$ 20,206	\$ 6,606	\$ 24,356	\$ 75,093	\$ 38,196	\$ 118,227	\$ 299,040
EXPENDITURES									
Instruction									
Salaries of Teachers									-
Other Salaries									-
Purchased Professional Education Services	\$ 417	\$ 15,939	\$ 20,206	\$ 6,606				\$ 118,227	\$ 43,168
Supplies and Materials					\$ 24,356				142,583
Textbooks	-	-	-	-	-	-	\$ 38,196	-	38,196
Total Instruction	417	15,939	20,206	6,606	24,356	-	38,196	118,227	223,947
Support Services									
Personal Services - Employee Benefits									-
Other Purchased Services						\$ 75,093			75,093
Supplies and Materials									-
Total Support Services						75,093			75,093
Facilities Acquisition and Construction Services									
Equipment									
Non-Instructional									-
Total Facilities Acquisition and Construction Services									-
Total Expenditures	\$ 417	\$ 15,939	\$ 20,206	\$ 6,606	\$ 24,356	\$ 75,093	\$ 38,196	\$ 118,227	\$ 299,040

**WESTWOOD REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION PROGRAM AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOT APPLICABLE

CAPITAL PROJECTS FUND

WESTWOOD REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

<u>Issue/Project Title</u>	<u>Expenditures to Date</u>			<u>Prior Year Transfers</u>	<u>Cancelled</u>		<u>Unexpended Balance, June 30, 2019</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 Ketler Elementary School (2007 Referendum Project)	\$ 14,694,075	\$ 14,330,425		\$ (171,339)	\$ 93,352		\$ 98,959
Athletic Field at High School	3,080,000	3,251,339		171,339			
High School Façade Replacement	3,623,890	3,601,320					22,570
High School Partial Roof Replacement	2,760,152	2,274,497					485,655
Maintenance Building Replacement Project	235,725	235,520	\$ 205				
Gym Floor Replacement Project	199,892	192,982					6,910
Construction of New Middle School	23,891,520	881,791	5,634,599				17,375,130
Replacement of Existing HVAC Units at Middle School	850,000	-	-	-	-	-	850,000
	<u>\$ 49,335,254</u>	<u>\$ 24,767,874</u>	<u>\$ 5,634,804</u>	<u>\$ -</u>	<u>\$ 93,352</u>	<u>\$ -</u>	<u>\$ 18,839,224</u>
Project Balance							\$ 18,839,224
Debt Authorized Not Issued							(595)
Fund Balance - Budgetary Basis							<u>\$ 18,838,629</u>
<u>Recapitulation of Fund Balance - Budgetary Basis:</u>							
Year End Encumbrances Available for Capital Projects							\$ 16,486,831
							<u>2,351,798</u>
Total Fund Balance (Budgetary Basis)- Restricted for Capital Projects							<u>\$ 18,838,629</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, 2019**

Revenues and Other Financing Sources

Other Financing Sources	
Bond Proceeds	\$ 7,751,000
Transfer from Capital Reserve	850,000
Temporary Notes Permanently Financed	<u>16,140,000</u>
 Total Revenues and Other Financing Sources	 <u>24,741,000</u>

Expenditures and Other Financing Uses

Purchased Professional and Technical Services	1,406,713
Construction Services	<u>4,228,091</u>
 Total Expenditures and Other Financing Uses	 <u>5,634,804</u>

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	19,106,196
Fund Balance - Beginning of Year	<u>(267,567)</u>
Fund Balance - End of Year	<u>\$ 18,838,629</u>

Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:

Fund Balance, Budgetary Basis	\$ 18,838,629
Less: Unearned SDA Revenue	<u>(237,839)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 18,600,790</u>

Recapitulation of Fund Balance:

Year End Encumbrances	\$ 16,486,831
Available for Capital Projects	<u>2,113,959</u>
 Total Fund Balance - Restricted for Capital Projects	 <u>\$ 18,600,790</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, 2019**

	<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, 2019

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

WESTWOOD REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
2007 REFERENDUM - BROOKSIDE ELEMENTARY SCHOOL REHABILITATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<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, 2019**

	<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, 2019

	<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	<u>15,002</u>	<u>-</u>	<u>15,002</u>	<u>-</u>
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, 2019**

	<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
ATHLETIC FIELD AT HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	1,978,000	-	\$ 171,339	2,149,339	2,149,339
	<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	3,251,339	-	-	3,251,339	3,251,339
	<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	\$ (171,339)	\$ -	\$ 171,339	\$ -	\$ -
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 FAÇADE REPLACEMENT
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<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>3,392,430</u>	<u>-</u>	<u>3,392,430</u>	<u>3,415,000</u>
 Total Expenditures and Other Financing Uses	 <u>3,601,320</u>	 <u>-</u>	 <u>3,601,320</u>	 <u>3,623,890</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 22,570</u>	 <u>\$ -</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, 2019**

	<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>2,137,697</u>	<u>-</u>	<u>2,137,697</u>	<u>2,623,352</u>
Total Expenditures and Other Financing Uses	<u>2,274,497</u>	<u>-</u>	<u>2,274,497</u>	<u>2,760,152</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 485,655</u>	<u>\$ -</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
MAINTENANCE BUILDING REPLACEMENT PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<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	235,520	\$ 205	235,725	235,725
Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>235,520</u>	<u>205</u>	<u>235,725</u>	<u>235,725</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 205</u>	<u>\$ (205)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issues	N/A			
Original Authorized Cost	\$ 235,725			
Adjustment				
Revised Authorized Cost	235,725			
Percentage Increase Over Original Authorized Cost	-			
Percentage Completion	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, 2019

	<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	192,982	-	192,982	199,892
Total Expenditures and Other Financing Uses	192,982	-	192,982	199,892
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 6,910	\$ -	\$ 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, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds		\$ 7,751,000	\$ 7,751,000	\$ 7,751,520
Transfer from Debt Service Fund				
Capital Reserve		13,097,000	13,097,000	13,097,000
Debt Service State Aid	-	3,043,000	3,043,000	3,043,000
	<u>-</u>	<u>23,891,000</u>	<u>23,891,000</u>	<u>23,891,520</u>
Total Revenues and Other Financing Sources	<u>-</u>	<u>23,891,000</u>	<u>23,891,000</u>	<u>23,891,520</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	\$ 834,247	1,406,508	2,240,755	4,664,054
Construction Services	47,544	4,228,091	4,275,635	19,227,466
	<u>881,791</u>	<u>5,634,599</u>	<u>6,516,390</u>	<u>23,891,520</u>
Total Expenditures and Other Financing Uses	<u>881,791</u>	<u>5,634,599</u>	<u>6,516,390</u>	<u>23,891,520</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (881,791)</u>	<u>\$ 18,256,401</u>	<u>\$ 17,374,610</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	12/12/2017			
Bonds Authorized	\$ 23,891,520			
Bonds Issued	\$ 7,751,000			
Original Authorized Cost	\$ 23,891,520			
Adjustment	-			
Revised Authorized Cost	23,891,520			
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	27%			
Original Target Completion Date	2019/20			
Revised Target Completion Date	2019/20			

**WESTWOOD REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
REPLACEMENT OF EXISTING HVAC UNITS AT MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	-	\$ 850,000	\$ 850,000	\$ 850,000
Total Revenues and Other Financing Sources	-	850,000	850,000	850,000
Expenditures and Other Financing Uses				
Construction Services	-	-	-	850,000
Total Expenditures and Other Financing Uses	-	-	-	850,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 850,000	\$ 850,000	\$ -
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$	850,000		
Adjustment	-			
Revised Authorized Cost	850,000			
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	0%			
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, 2019**

	Summer Enrichment Program	1:1 Initiative	Total Non-Major Enterprise Funds
ASSETS			
Cash and Cash Equivalents	\$ 66,463	\$ 26,324	\$ 92,787
Total Assets	<u>66,463</u>	<u>26,324</u>	<u>92,787</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	3,025	290	3,315
Unearned Revenue	<u>29,455</u>	<u>-</u>	<u>29,455</u>
Total Current Liabilities	<u>32,480</u>	<u>290</u>	<u>32,770</u>
NET POSITION			
Unrestricted	<u>33,983</u>	<u>26,034</u>	<u>60,017</u>
Total Net Position	<u>\$ 33,983</u>	<u>\$ 26,034</u>	<u>\$ 60,017</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, 2019**

	<u>Summer Enrichment Program</u>	<u>1:1 Initiative</u>	<u>Total Non-Major Enterprise Funds</u>
OPERATING REVENUES			
Charges for Services			
Program Fees	\$ 35,085	\$ 31,022	\$ 66,107
Total Operating Revenues	<u>35,085</u>	<u>31,022</u>	<u>66,107</u>
OPERATING EXPENSES			
Salaries and Wages	29,840		29,840
Supplies and Materials	4,791	5,384	10,175
Miscellaneous	<u>200</u>	<u>-</u>	<u>200</u>
Total Operating Expenses	<u>34,831</u>	<u>5,384</u>	<u>40,215</u>
Operating Income	<u>254</u>	<u>25,638</u>	<u>25,892</u>
NON-OPERATING REVENUES			
Interest and Investment Income	<u>-</u>	<u>396</u>	<u>396</u>
Total Non-Operating Revenues	<u>-</u>	<u>396</u>	<u>396</u>
Change in Net Position	<u>254</u>	<u>26,034</u>	<u>26,288</u>
Total Net Position, Beginning of Year	<u>33,729</u>	<u>-</u>	<u>33,729</u>
Total Net Position, End of Year	<u>\$ 33,983</u>	<u>\$ 26,034</u>	<u>\$ 60,017</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND - NON-MAJOR
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Summer Enrichment Program	1:1 Initiative	Total Non-Major Enterprise Funds
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 33,510	\$ 31,022	\$ 64,532
Cash Payments for Employees			
Salaries & Benefits	(29,840)		(29,840)
Cash Payments for Suppliers for Goods and Services	(6,469)	(5,094)	(11,563)
Net Cash Provided by (Used for) Operating Activities	(2,799)	25,928	23,129
Cash Flows from Investing Activities			
Interest Received	-	396	396
Net Cash Provided by Investing Activities	-	396	396
Net Increase (Decrease) in Cash and Cash Equivalents	(2,799)	26,324	23,525
Cash and Cash Equivalents, Beginning of Year	69,262	-	69,262
Cash and Cash Equivalents, End of Year	<u>\$ 66,463</u>	<u>\$ 26,324</u>	<u>\$ 92,787</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	\$ 254	\$ 25,638	\$ 25,892
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities			
Changes in Assets and Liabilities			
Increase/(Decrease) in Accounts Payable	(1,478)	290	(1,188)
Increase/(Decrease) in Unearned Revenue	(1,575)	-	(1,575)
Total Adjustments	(3,053)	290	(2,763)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (2,799)</u>	<u>\$ 25,928</u>	<u>\$ 23,129</u>

FIDUCIARY FUNDS

**WESTWOOD REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2019**

	<u>Agency</u>		
	<u>Student</u> <u>Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS			
Cash	\$ 217,685	\$ 405,906	\$ 623,591
Due from Other Funds	<u>-</u>	<u>20,719</u>	<u>20,719</u>
Total Assets	<u>\$ 217,685</u>	<u>\$ 426,625</u>	<u>\$ 644,310</u>
LIABILITIES			
Due to Student Groups	\$ 217,685		\$ 217,685
Payroll Deductions Payable/Accrued Salaries		\$ 273,000	273,000
Due to Other Funds	<u>-</u>	<u>153,625</u>	<u>153,625</u>
Total Liabilities	<u>\$ 217,685</u>	<u>\$ 426,625</u>	<u>\$ 644,310</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019**

<u>School</u>	<u>Balance July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2019</u>
ELEMENTARY SCHOOLS				
Berkeley Avenue	\$ 7,706	\$ 7,749	\$ 8,773	\$ 6,682
Brookside Elementary	6,791	18,274	19,595	5,470
Washington	3,458	14,809	17,961	306
Jessie F. George	22,415	8,498	5,993	24,920
MIDDLE SCHOOL	39,993	23,953	14,568	49,378
Jr./SR. HIGH SCHOOL				
Central	97,577	350,121	324,609	123,089
ATHLETICS				
Athletic Fund	9,582	79,028	80,770	7,840
Total	<u>\$ 187,522</u>	<u>\$ 502,432</u>	<u>\$ 472,269</u>	<u>\$ 217,685</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Balance, July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2019</u>
Payroll Deductions and Withholdings	\$ 495,120	\$ 18,668,677	\$ 18,885,066	\$ 278,731
Accrued Salaries and Wages	(4,250)	19,517,665	19,519,146	(5,731)
Due from/to Other Funds				
General Fund	4,163	149,462		153,625
Unemployment Trust Fund	(20,719)	-	-	(20,719)
	<u>\$ 474,314</u>	<u>\$ 38,335,804</u>	<u>\$ 38,404,212</u>	<u>\$ 405,906</u>

LONG-TERM DEBT

**WESTWOOD REGIONAL SCHOOL DISTRICT
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2019</u>
			<u>Date</u>	<u>Amount</u>					
2008 School Bonds	9/15/2008	\$ 16,672,000	8/1/2018	\$ 725,000	4.00%	\$ 725,000		\$ 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%	11,040,000		\$ 11,040,000	
2018 School Bonds	9/20/2018	7,751,000	9/15/2019	201,000	3.000%				
			9/15/2020-2021	375,000	3.000%				
			9/15/2022-2025	400,000	3.000%				
			9/15/2026-2034	400,000	3.125%				
			9/15/2035-2038	400,000	3.250%				
						-	\$ 7,751,000	-	7,751,000
						<u>\$ 11,765,000</u>	<u>\$ 7,751,000</u>	<u>\$ 725,000</u>	<u>\$ 18,791,000</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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, 2018</u>	<u>Retired</u>	<u>Balance, June 30, 2019</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, 2019**

	<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	\$ 1,026,482		\$ 1,026,482	\$ 1,026,482	
State Sources					
Debt Service Aid - Type II	3,205,167		3,205,167	3,205,167	-
Total Revenues	<u>4,231,649</u>	<u>-</u>	<u>4,231,649</u>	<u>4,231,649</u>	<u>-</u>
EXPENDITURES:					
Debt Service:					
Redemption of Principal	16,865,000		16,865,000	16,865,000	
Interest on Bonds	463,650	-	463,650	463,650	-
Total Regular Debt Service	<u>17,328,650</u>	<u>-</u>	<u>17,328,650</u>	<u>17,328,650</u>	<u>-</u>
Total Expenditures	<u>17,328,650</u>	<u>-</u>	<u>17,328,650</u>	<u>17,328,650</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,097,001)</u>	<u>-</u>	<u>(13,097,001)</u>	<u>(13,097,001)</u>	<u>-</u>
OTHER FINANCING SOURCES					
Operating Transfer In - Capital Reserve	<u>13,097,000</u>	<u>-</u>	<u>13,097,000</u>	<u>13,097,000</u>	<u>-</u>
Total Other Financing Sources	<u>13,097,000</u>	<u>-</u>	<u>13,097,000</u>	<u>13,097,000</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(1)	-	(1)	(1)	-
Fund Balance, Beginning of Year	<u>1</u>		<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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)

	2010	2011 (Restated)	2012 (Restated)	2013 (Restated)	2014 (Restated)	2015	2016	2017	2018	2019
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 23,987,704
Restricted	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	19,560,931
Unrestricted	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)	(10,623,531)
Total governmental activities net position	\$ 7,721,236	\$ 12,002,089	\$ 16,372,843	\$ 19,559,625	\$ 14,903,104	\$ 20,081,733	\$ 25,157,617	\$ 28,494,558	\$ 30,671,973	\$ 32,925,104
Business-Type Activities										
Net Investment in Capital Assets	\$ 70,993	\$ 62,625	\$ 39,001	\$ 73,125	\$ 25,266	\$ 82,203	\$ 70,157	\$ 79,730	\$ 80,376	\$ 71,419
Restricted										
Unrestricted	62,633	65,140	86,531	97,871	127,755	134,374	164,967	214,409	257,741	332,987
Total business-type activities net position	\$ 133,626	\$ 127,765	\$ 125,532	\$ 170,996	\$ 153,021	\$ 216,577	\$ 235,124	\$ 294,139	\$ 338,117	\$ 404,406
District-Wide										
Net Investment in Capital Assets	\$ 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	\$ 24,059,123
Restricted	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	19,560,931
Unrestricted	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)	(10,290,544)
Total district net position	\$ 7,854,862	\$ 12,129,854	\$ 16,498,375	\$ 19,730,621	\$ 15,056,125	\$ 20,298,310	\$ 25,392,741	\$ 28,788,697	\$ 31,010,090	\$ 33,329,510

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)

	2010	2011	2012 (Restated)	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 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	\$ 28,600,722
Special Education	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	10,574,353
Other Instruction	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	1,076,096
School Sponsored Activities and Athletics	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	1,537,639
Support Services:										
Student & Instruction Related Services	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	11,785,211
School Administrative Services	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	3,989,512
General Administrative	1,079,243	1,058,664	895,101	994,148	883,832	1,130,717	1,313,684	1,390,777	1,790,462	1,564,005
Plant Operations and Maintenance	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	6,842,418
Pupil Transportation	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	1,289,167
Other Support Services	1,074,406	1,037,502	1,055,595	1,129,302	924,881	936,045	1,017,308	977,767	983,632	1,159,143
Interest on Long-Term Debt	785,479	756,321	676,550	649,226	621,983	597,394	628,127	441,592	616,116	615,149
Loss on Disposal of Capital Assets	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	48,666,047	48,054,362	49,273,198	51,669,335	51,452,694	57,444,549	60,843,496	67,749,323	70,967,025	69,033,415
Business-Type Activities:										
Food Service	861,154	795,126	847,148	817,588	855,312	798,375	920,552	930,915	985,937	1,052,198
Summer Enrichment	50,706	23,753	29,913	29,660	29,276	29,276	27,416	28,625	51,315	40,215
Total Business-Type Activities Expense	911,860	818,879	877,061	847,248	884,588	827,651	947,968	959,540	1,037,252	1,092,413
Total District Expenses	\$ 49,577,907	\$ 48,873,241	\$ 50,150,259	\$ 52,516,583	\$ 52,337,282	\$ 58,272,200	\$ 61,791,464	\$ 68,708,863	\$ 72,004,277	\$ 70,125,828
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 132,491	\$ 63,826	\$ 59,486	\$ 49,020	\$ 49,400	\$ 68,939	\$ 48,700	\$ 52,500	\$ 92,070	\$ 49,018
Rentals	25,929	26,867	28,235	23,318	18,994	28,560	21,513	21,601	22,320	28,967
Operating Grants and Contributions	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	17,614,969
Capital Grants and Contributions	-	-	-	-	324,225	1,076,388	985,476	69,098	4,208	-
Total Governmental Activities Program Revenues	6,320,749	6,224,186	7,074,706	8,120,694	8,140,437	13,857,343	16,047,519	19,432,381	20,487,611	17,692,954
Business-Type Activities:										
Charges for Services										
Food Service	700,781	652,930	695,456	662,380	683,450	683,450	740,990	768,851	824,078	880,319
Summer Enrichment	38,300	22,875	38,975	37,870	28,325	28,325	28,255	41,290	48,000	66,107
Operating Grants and Contributions	117,520	136,205	139,793	146,338	178,290	178,290	196,636	206,571	206,151	206,599
Total Business Type Activities Program Revenues	856,601	812,010	874,224	846,588	890,065	890,065	965,881	1,016,712	1,078,229	1,153,025
Total District Program Revenues	\$ 7,177,350	\$ 7,036,196	\$ 7,948,930	\$ 8,967,282	\$ 9,030,502	\$ 14,747,408	\$ 17,013,400	\$ 20,449,093	\$ 21,565,840	\$ 18,845,979
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (51,340,461)
Business-Type Activities	(55,259)	(6,869)	(2,837)	(660)	5,477	62,414	17,913	57,172	40,977	60,612
Total District-Wide Net Expense	\$ (42,400,557)	\$ (41,837,045)	\$ (42,201,329)	\$ (43,549,301)	\$ (43,306,780)	\$ (43,524,792)	\$ (44,778,064)	\$ (48,259,770)	\$ (50,438,437)	\$ (51,279,849)

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

	2010	2011	2012 (Restated)	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, net	\$ 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	\$ 52,679,699
Taxes Levied for Debt Service	994,675	1,097,169	1,223,912	882,294	880,072	877,348	784,276	842,135	861,411	1,026,482
Unrestricted Grants and Contributions	285,855	147,699	-	-	2,180	52,774	56,730	82,201	83,193	6,352
Federal and State Aid - Restricted	151,724	28,245	54,915	160,505	166,195	173,687	180,747	217,877	190,657	3,077,998
Investment Earnings	112,508	103,223	89,397	69,207	77,701	66,461	72,137	116,501	204,098	547,432
Miscellaneous Income	364,065	99,908	-	234,674	80,836	114,320	347,102	374,091	295,970	74,606
Transfers	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	43,435,057	46,256,299	47,043,141	47,660,902	47,757,225	48,765,835	49,871,861	51,653,883	52,656,829	57,412,569
Business-Type Activities:										
Investment Earnings	1,675	1,008	604	940	1,142	1,142	634	1,843	3,001	8,880
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	1,675	1,008	604	940	1,142	1,142	634	1,843	3,001	8,880
Total District-Wide	\$ 43,436,732	\$ 46,257,307	\$ 47,043,745	\$ 47,661,842	\$ 47,758,367	\$ 48,766,977	\$ 49,872,495	\$ 51,655,726	\$ 52,659,830	\$ 57,421,449
Change in Net Position										
Governmental Activities	\$ 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	\$ 6,072,108
Business-Type Activities	(53,584)	(5,861)	(2,233)	280	6,619	63,556	18,547	59,015	43,978	69,492
Total District	\$ 1,036,175	\$ 4,420,262	\$ 4,842,416	\$ 4,112,541	\$ 4,451,587	\$ 5,242,185	\$ 5,094,431	\$ 3,395,956	\$ 2,221,393	\$ 6,141,600

Source: District's financial statements

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 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	\$ 10,316,675
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	668,515
Unassigned	319,739	913,300	853,466	877,374	868,900	867,411	847,827	900,366	977,310	964,826
Total General Fund	\$ 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	\$ 11,950,016
All Other Governmental Funds										
Reserved	\$ 2,309,937									
Restricted		\$ 2,418,309	\$ 186,479	\$ 1,282,130	\$ 1,935,988	\$ 2,638,452	\$ 633,919	\$ 664,165	\$ (505,405)	\$ 18,600,790
Unreserved	2,622,449	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 4,932,386	\$ 2,418,309	\$ 186,479	\$ 1,282,130	\$ 1,935,988	\$ 2,638,452	\$ 633,919	\$ 664,165	\$ (505,405)	\$ 18,600,790

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Property Tax Levy	\$ 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	\$ 53,706,181
Tuition Charges	132,491	63,826	59,486	49,020	49,400	68,939	48,700	52,500	92,070	49,018
Interest Earnings	112,508	103,223	54,915	69,207	77,701	66,461	72,137	116,501	204,098	547,432
Miscellaneous	472,175	244,998	250,846	480,686	281,665	180,552	425,724	443,895	241,736	146,325
State Sources	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	14,216,431
Federal Sources	954,205	1,553,016	1,161,494	916,992	927,544	900,851	1,012,981	1,058,700	1,027,951	1,047,114
Total Revenue	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	69,712,501
Expenditures										
Instruction										
Regular Instruction	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	25,384,064
Special Education Instruction	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	9,759,855
Other Special Instruction										
Vocational Education	360,842	262,093	279,335							
Other Instruction	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	958,530
School Sponsored Activities and Athletics	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	1,452,115
Support Services:										
Tuition										
Student & Inst. Related Services	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	10,929,623
General Administration	1,071,146	1,044,411	866,112	969,298	833,739	989,865	1,150,211	1,150,793	1,481,861	1,417,925
School Administrative Services	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	3,588,165
Plant Operations and Maintenance	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	5,484,563
Pupil Transportation	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	1,250,191
Other Support Services	1,073,237	1,057,995	1,049,647	1,119,203	923,704	917,904	983,691	906,734	886,813	1,107,754
Employee Benefits										
Capital Outlay	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	6,646,787
Debt Service:										
Principal	823,214	704,266	781,550	637,027	593,155	615,000	640,000	750,000	695,000	16,865,000
Interest and Other Charges	727,964	706,461	685,995	659,528	631,877	607,644	728,004	437,443	492,050	696,783
Total Expenditures	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	85,541,355
Excess (Deficiency) of Revenues over (under) Expenditures	(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)	(15,828,854)
Other Financing Sources (Uses)										
Bond Proceeds										7,751,000
Refunding Bond Proceeds							11,125,000			
Original Issue Premium							1,593,127		77,470	
Payment to Refunded Bond Escrow Agent							(12,572,667)			
Bond Anticipation Notes										16,140,000
Transfers In	-	-	-	2,470,469	2,421,165	2,209,709		435,617	127,326	13,947,000
Transfers Out	-	-	-	(2,470,469)	(2,421,165)	(2,209,709)	-	(435,617)	(127,326)	(13,947,000)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	145,460	-	77,470	23,891,000
Net Change in Fund Balances	\$ (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)	\$ 8,062,146
Debt Service as a Percentage of Noncapital Expenditures	3.16%	2.89%	2.95%	2.51%	2.40%	2.36%	2.53%	2.10%	1.98%	22.26%

* 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
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
2019	547,432	28,967				49,018	74,606	700,023

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
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
2019	5,652,000	1,327,245,900			431,533,500	49,687,400	167,370,900	1,981,489,700	-	1,981,489,700	-	1.477

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
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
2019	7,236,400	1,569,503,300		\$ 2,000	47,216,000			1,623,957,700	719,264	1,624,676,964	-	1.556

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>
2019	\$ 2.429	\$ 1.556	\$ 0.602	\$ 0.271
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

Source: Abstract of Ratables, County Board of Taxation.

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

<u>Calendar Year</u>	<u>Total</u>	<u>Westwood Regional School District</u>	<u>Borough of Westwood</u>	<u>County</u>
2019	\$ 2.520	\$ 1.477	\$ 0.787	\$ 0.256
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

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

2019		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Hackensack UMC at Pascack Valley	\$ 93,517,000	4.72%
CPF Westwood, LLC	53,226,800	2.69%
First Real Estate Investment Trust of NJ	37,889,800	1.91%
Westwood Hills, LLC	32,984,000	1.66%
Puccio III, LLC	16,432,600	0.83%
Westwood Charles Coventry, LLC	15,391,600	0.78%
WW Madison Realty LLC NJ	12,359,600	0.62%
PVP Westwood, LLC	11,811,000	0.60%
Westwood CTR Stanford	11,587,900	0.58%
WVA, LLC	10,239,600	0.52%
		0.0%
	<u>\$ 295,439,900</u>	<u>14.91%</u>

Source: Municipal Tax Assessor

2010		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
HUMCA/Touro LLC	\$ 68,536,300	4.02%
Cenrose Westwood, LLC	32,000,000	1.88%
First Real Estate Investment Trust of NJ	27,000,000	1.58%
Westwood Hills, LLC	21,232,400	1.25%
Coventry Square, Inc	9,476,600	0.56%
Millenium Healthcare, Inc.	8,075,500	0.47%
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>\$ 190,799,800</u>	<u>11.20%</u>

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

Washington Township

Taxpayer	2019	
	Taxable Assessed Value	% of Total District Net Assessed Value
Washington Town Center, LLC	\$ 7,990,200	0.49%
Washington Town Center, LLC	5,988,300	0.37%
Bing-Wash Twsp Corp	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%
34 Maple Avenue LLC	1,974,400	0.12%
Individual Taxpayer #1	1,388,300	0.09%
	<u>\$ 39,449,900</u>	<u>2.43%</u>

Source: Municipal Tax Assessor

Taxpayer	2010	
	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	
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
2019	53,706,181	53,706,181	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				
2010	\$ 17,277,000	\$ 178,128	\$ 26,112	\$ 17,481,240	10,952	9,120	\$ 871
2011	16,647,000	301,819	19,913	16,968,732	11,018	9,171	840
2012	16,107,000	66,678	13,504	16,187,182	11,050	9,203	799
2013	15,542,000	1,286	6,869	15,550,155	11,076	9,231	766
2014	14,957,000			14,957,000	11,097	9,253	735
2015	14,342,000			14,342,000	11,127	9,277	703
2016	11,765,000			11,765,000	11,111	9,254	578
2017	12,460,000			12,460,000	11,147	9,246	611
2018	11,765,000			11,765,000	11,155	9,246	577
2019	18,791,000			18,791,000	11,155 *	9,246 *	921

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)
2010	\$ 17,277,000		\$ 17,277,000	1.01%	0.90%	\$ 861
2011	16,647,000		16,647,000	0.96%	0.88%	825
2012	16,107,000		16,107,000	0.93%	0.86%	795
2013	15,542,000		15,542,000	0.91%	0.83%	765
2014	14,957,000		14,957,000	0.86%	0.92%	735
2015	14,342,000		14,342,000	0.82%	0.89%	703
2016	13,210,000		13,210,000	0.76%	0.82%	649
2017	12,460,000		12,460,000	0.66%	0.77%	611
2018	11,765,000		11,765,000	0.61%	0.72%	577
2019	18,791,000		18,791,000	0.95%	1.16%	921

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, 2018
(Unaudited)

	<u>Gross Debt</u>
Municipal Debt: (1)	
Regional High School - Washington Township's Share	\$ 8,777,805
Township of Washington	<u>9,266,042</u>
	<u>\$ 18,043,847</u>
Municipal Debt: (1)	
Regional High School - Westwood's Share	\$ 10,013,790
Borough of Westwood	<u>16,614,923</u>
	<u>\$ 26,628,713</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen- Washington Township's Share (A)	\$ 14,559,940
County of Bergen- Westwood's Share (A)	16,087,315
Bergen County Utilities Authority - Water Pollution (B)-Washington Township's Share	1,862,028
Bergen County Utilities Authority -Water Pollution (B)- Westwood's Share	<u>2,487,157</u>
	<u>34,996,440</u>
Total Direct and Overlapping Debt	<u>\$ 61,625,153</u>

Source:

(1) Township/Borough's 2018 Annual Debt Statement

(A) The debt for this entity was apportioned to Washington Township and Westwood by dividing the municipality's 2018 equalized value by the total 2018 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 2019

		Borough of Westwood	Township of Washington
	2018	\$ 2,156,697,040	\$ 1,800,596,450
	2017	2,066,335,437	1,793,231,536
Equalized Valuation Basis	2016	<u>1,923,607,084</u>	<u>1,741,548,422</u>
		<u>\$ 6,146,639,561</u>	<u>\$ 5,335,376,408</u>
Average Equalized Valuation of Taxable Property		\$ 2,048,879,854	\$ 1,778,458,803
Debt Limit (4 % of average equalization value)		81,955,194	71,138,352
Total Net Debt Applicable to Limit		<u>10,013,790</u>	<u>8,777,805</u>
Legal Debt Margin		<u>\$ 71,941,404</u>	<u>\$ 62,360,547</u>

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 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	\$ 153,093,546
Total net debt applicable to limit	<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>	<u>18,791,595</u>
Legal debt margin	<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>	<u>\$ 134,301,951</u>
Total net debt applicable to the limit as a percentage of debt limit	10.93%	10.58%	10.28%	10.13%	9.97%	9.86%	9.10%	8.54%	23.86%	12.27%

Source: Annual Debt Statements

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

Township of Washington

Year	Population	Per Capita Personal Income ^c	Unemployment Rate
2010	9,120	\$ 65,992	8.20%
2011	9,171	68,865	8.10%
2012	9,203	71,789	8.20%
2013	9,231	71,100	7.40%
2014	9,253	73,637	5.00%
2015	9,277	76,821	4.30%
2016	9,254	77,901	4.10%
2017	9,246	81,203	3.80%
2018	9,246	N/A	3.30%
2019	9,246 (E)	N/A	N/A

Borough of Westwood

2010	10,952	\$ 65,992	4.90%
2011	11,018	68,865	4.80%
2012	11,050	71,789	4.90%
2013	11,076	71,100	7.60%
2014	11,097	73,637	5.00%
2015	11,127	76,821	4.30%
2016	11,111	77,901	3.80%
2017	11,147	81,203	3.60%
2018	11,155	N/A	3.40%
2019	11,155 (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>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>	<u>2019</u>
Instruction										
Regular	217	185	190	190	190	190	186	173	195	195
Special Education		57	52	56	57	61	68	47	49	49
Support Services:										
Student & instruction Related Services	64	96	96	107	112	112	118	110	113	113
General Administration	3	4	4	4	5	5	5	5	6	6
School Administrative Services	23	21	21	21	16	17	17	23	24	24
Central Services	10	10	10	10	9	8	7	7	9	9
Plant Operations and Maintenance *	31	72	76	34	34	35	36	35	36	36
Other Support Services	2	2	2	2	2	2	2	6	6	6
Total	<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>438</u>	<u>438</u>

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

Source: District records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teacher/Pupil Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle	Junior/Senior High School				
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	2,796.0	57,533,000	20,577	3.23%	251.0	11.84	10.15	10.91	2,795.1	2,669.6	0.62%	95.51%
2019	2,779.0	61,332,785	22,070	7.26%	244.0	17.39	13.34	12.81	2,771.8	2,637.9	-0.83%	95.17%

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
District Building										
<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	N/A
Enrollment	258	315	303	305	311	298	292	300	298	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	N/A
Enrollment ^a	315	353	270	253	250	250	247	262	255	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	N/A
Enrollment	313	379	381	376	369	382	389	401	420	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	N/A
Enrollment	251	294	272	294	309	288	295	300	291	291
<u>Middle School</u>										
Square Feet	47,400	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	N/A
Enrollment	419	414	451	464	431	433	430	419	416	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	N/A
Enrollment	1,178	966	1,021	931	1,020	1,068	1,080	1,097	1,069	1,069

Number of Schools at June 30, 2019

- 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>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>	<u>2019</u>
Berkeley Elementary	60	\$ 63,740	\$ 70,650	\$ 72,109	\$ 62,750	\$ 67,255	\$ 77,469	\$ 71,052	\$ 77,523	\$ 81,505	\$ 116,348
George Elementary	65	57,107	63,298	64,605	56,220	60,256	69,407	63,658	58,538	55,639	75,494
Washington Elementary	80	74,494	82,570	84,275	73,337	78,602	90,539	83,039	84,762	72,494	133,398
Brookside Elementary	62	72,028	79,837	81,486	70,910	76,000	87,543	80,292	125,076	78,549	159,731
Middle School	70	71,392	79,132	80,766	70,284	75,329	86,769	79,582	132,402	91,131	146,799
Westwood Junior/Senior High School	50	<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>	<u>535,976</u>
Grand Total		<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>	<u>\$ 1,167,746</u>

Source: District Records

WESTWOOD REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2019
(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, 2019
(Unaudited)**

Article III - Equipment Breakdown

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

Deductibles:
 \$5,000 per Accident for Property Damage
 12 Hours for Indirect Coverages
 Service Interruption Waiting Period - 24 Hours

Article IV - Crime

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

Article V - Comprehensive General Liability

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

Source: District Records

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

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
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CHRIS SOHN, 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, 2019 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 November 22, 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.

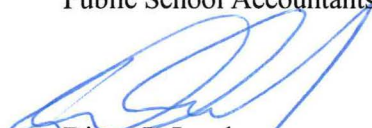
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Westwood Regional School District in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated November 22, 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
November 22, 2019



LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY 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, 2019. 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, 2019.

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.

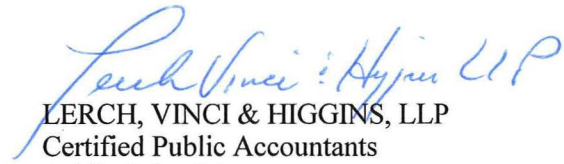
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

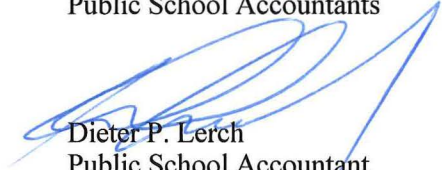
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable 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 Westwood Regional School District, as of and for the fiscal year ended June 30, 2019 and have issued our report thereon dated November 22, 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
November 22, 2019

WESTWOOD REGIONAL SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal/Grantor/Pass-Through Grant/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2018		Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment- Carryover Receivables	Adjustments	Balance, June 30, 2019			MEMO GAAP Receivable
						Accounts Receivable	Unearned Revenue						(Accounts 'Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education																
Passed-through State Department of Education																
Special Revenue Fund:																
IDEA Part B Basic	84.027	H027A170100	IDEA575518	7/1/18-6/30/19	\$ 752,008			\$ 39,526	\$ 670,684	\$ 749,186	\$ (39,526)		\$ (120,850)	\$ 42,348		\$ 78,502
IDEA Part B Basic	84.027	H027A170100	IDEA575517	7/1/17-6/30/18	744,880	\$ (245,586)	\$ 39,526	(39,526)	206,060		39,526					
IDEA Preschool	84.173	H173A160117	IDEA575518	7/1/18-6/30/19	36,340			34,650	15,559	41,691	(34,650)		(55,431)	29,299		26,132
IDEA Preschool	84.173	H173A160117	IDEA575517	7/1/17-6/30/18	35,620	(39,724)	33,926	(34,650)	5,074		34,650	\$ 724				
Special Education Cluster Total						(285,310)	73,452	-	897,377	790,877	-	724	(176,281)	71,647	-	104,634
ESEA Title I	84.01	S010A180030	NCLB5755-18	7/1/18-6/30/19	175,284			18,809	77,004	178,707	(18,809)		(117,089)	15,386		101,703
ESEA Title I	84.01	S010A170030	NCLB5755-17	7/1/17-6/30/18	172,128	(82,655)	18,809	(18,809)	63,846		18,809					
ESEA Title IIA	84.367A	S367A180029	NCLB5755-18	7/1/18-6/30/19	56,561			3,699	33,112	54,398	(3,699)		(27,148)	5,862		21,286
ESEA Title IIA	84.367A	S367A170029	NCLB5755-17	7/1/17-6/30/18	45,308	(8,846)	3,699	(3,699)	5,147		3,699					
ESEA Title III	84.365	S365A180030	NCLB5755-18	7/1/18-6/30/19	11,253			2,398	4,911	13,533	(2,398)		(8,740)	118		8,622
ESEA Title III	84.365	S365A170030	NCLB5755-17	7/1/17-6/30/18	14,650	(5,847)	2,398	(2,398)	3,449		2,398					
ESEA Title III-Immigrant	84.365	S365A180030	NCLB5755-18	7/1/18-6/30/19	3,425			207	800	3,620	(207)		(2,832)	12		2,820
ESEA Title III-Immigrant	84.365	S365A170030	NCLB5755-17	7/1/17-6/30/18	3,069	(207)	207	(207)			207					
ESEA Title IV			NCLB5755-17	7/1/17-6/30/18	10,000	(7,030)	2,098		4,932							
Temporary Emergency Impact Aid	84.938C	S938C18005	N/A	7/1/17-6/30/18	19,000	(19,000)	5,500	-	9,000	-	-	4,500	-	-	-	-
Total Special Revenue Fund						(408,895)	106,163	-	1,099,578	1,041,135	-	5,224	(332,090)	93,025	-	239,065
U.S. Department of Health and Human Services																
Passed-through State Department of Education																
General Fund																
Medical Assistance Program	93.778	1605NJ5MAP		7/1/18-6/30/19	4,839	-	-	-	4,839	4,839	-	-	-	-	-	-
U.S. Department of Agriculture																
Passed-through State Department of Education																
Enterprise Fund:																
School Breakfast Program	10.553	191NJ304N1099		7/1/18-6/30/19	1,264				977	1,264			(287)			287
School Breakfast Program	10.553	181NJ304N1099		7/1/17-6/30/18	651	(37)			37							
National School Lunch Program	10.555															
Non-Cash Assistance		191NJ304N1099		7/1/18-6/30/19	42,336				42,336	42,336						
Non-Cash Assistance		181NJ304N1099		7/1/17-6/30/18	53,185											
Cash Assistance		191NJ304N1099		7/1/18-6/30/19	153,293				124,760	153,292			(28,532)			28,532
Cash Assistance		181NJ304N1099		7/1/17-6/30/18	143,317	(9,975)	-	-	9,975	-	-	-	-	-	-	-
Total Enterprise Fund / Child Nutrition Cluster						(10,012)	-	-	178,085	196,892	-	-	(28,819)	-	-	28,819
Total Federal Awards						\$ (418,907)	\$ 106,163	\$ -	\$ 1,282,502	\$ 1,242,866	\$ -	\$ 5,224	\$ (360,909)	\$ 93,025	\$ -	\$ 267,884

**WESTWOOD REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

EXHIBIT K-4

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2018	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Cancelled Prior Year Accounts Payable	(Accounts Receivable) June 30, 2019	Unearned Revenue June 30, 2019	Due to Grantor June 30, 2019	Memo		
												GAAP Acct. Receivable	Total Cumulative Expenditures	
State Department of Education														
General Fund:														
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	\$ 1,563,802		\$ 1,445,075	\$ 1,563,802			\$ (118,727)					\$ 1,563,802
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	1,563,802	(118,171)	118,171									
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	55,037		50,839	55,037			(4,178)					55,037
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	55,037	(4,159)	4,159									
Additional Adjustment Aid	18-495-034-5120-085	7/1/17-6/30/18	2,322	(175)	175									
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	27,080	(2,046)	2,046									
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	27,080	(2,046)	2,046									
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	27,590	(2,085)	2,085									
State Aid - Public Cluster Total				(128,682)	1,624,616	1,618,839			(122,905)					1,618,839
Transportation Aid	19-495-034-5120-015	7/1/18-6/30/19	422,522		390,444	422,522			(32,078)					422,522
Transportation Aid	18-495-034-5120-015	7/1/17-6/30/18	110,956	(8,385)	8,385				(42,423)				\$ 42,423	42,423
Additional Nonpublic Transportation Aid	N/A	7/1/18-6/30/19	42,423			42,423								
Additional Nonpublic Transportation Aid	N/A	7/1/17-6/30/18	33,771	(33,771)	33,771									
Transportation Aid - Cluster Total				(42,156)	432,600	464,945			(74,501)					464,945
Extraordinary Special Education Costs Aid	19-495-034-5120-473	7/1/18-6/30/19	643,107			643,107			(643,107)					643,107
Extraordinary Special Education Costs Aid	18-495-034-5120-473	7/1/17-6/30/18	471,866	(471,866)	471,866									
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	7/1/18-6/30/19	1,738,769		1,652,517	1,738,769			(86,252)				86,252	1,738,769
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	7/1/17-6/30/18	1,726,131	(83,719)	83,719									
On-Behalf TPAF Pension System Contributions (NCGI)	19-495-034-5094-007	7/1/18-6/30/19	90,207		90,207	90,207								90,207
On-Behalf TPAF Pension System Contributions (Normal Costs and Accrued Liability)	19-495-034-5094-006	7/1/18-6/30/19	4,309,389		4,309,389	4,309,389								4,309,389
On-Behalf TPAF Pension System Contributions (LTD)	19-495-034-5094-007	7/1/18-6/30/19	5,834		5,834	5,834								5,834
On-Behalf TPAF Pension System Contributions (Post Retirement)	19-495-034-5094-001	7/1/18-6/30/19	1,995,649		1,995,649	1,995,649								1,995,649
Total General Fund				(726,423)	10,666,397	10,866,739			(926,765)				128,675	10,866,739
Social Revenue Fund:														
N.J. Nonpublic Aid:														
Auxiliary Services:														
Home Instruction	19-100-034-5120-067	7/1/18-6/30/19	417			417			(417)				417	417
Chapter 192 Cluster Total						417			(417)				417	417
Handicapped Services (Chapter 193):														
Examination & Classification	19-100-034-5120-066	7/1/18-6/30/19	33,123		33,123	20,206					\$ 12,917			20,206
Examination & Classification	18-100-034-5120-066	7/1/17-6/30/18	34,582	15,835			\$ 15,835							
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	9,820		9,820	6,606					3,214			6,606
Corrective Speech	17-100-034-5120-066	7/1/16-6/30/17	5,301											
Supplemental Instruction	19-100-034-5120-066	7/1/18-6/30/19	26,167		26,167	15,939					10,228			15,939
Supplemental Instruction	18-100-034-5120-066	7/1/17-6/30/18	5,710	476			476							
Chapter 193 Cluster Total				16,311	69,110	42,751	16,311				26,359			42,751
Security Aid		7/1/18-6/30/19	118,350		118,350	118,227					123			118,227
Security Aid		7/1/17-6/30/18	58,650	6				6						
Technology Aid	19-100-034-5120-373	7/1/18-6/30/19	25,884		25,884	24,356					1,528			24,356
Technology Aid	18-100-034-5120-373	7/1/17-6/30/18	26,048	394				394						
Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	38,394		38,394	38,196					198			38,196
Textbook Aid	18-100-034-5120-064	7/1/17-6/30/18	38,565	135				135						
Nursing Aid	19-100-034-5120-070	7/1/18-6/30/19	76,533		76,533	75,093					1,440			75,093
Nursing Aid	18-100-034-5120-070	7/1/17-6/30/18	75,834	6				6						
Total Special Revenue Fund				16,852	328,271	299,040	16,852		(417)		29,648		417	299,040
Capital Projects Fund:														
NJEDA-SDA Grants:														
High School Facade 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	
Total Capital Projects Fund /SDA Cluster Total				(2,048,858)					(2,286,697)	237,839			2,286,697	
Debt Service Fund:														
Debt Service State Support	19-495-034-5120-075	7/1/18-6/30/19	3,205,167		3,205,167	3,205,167								3,205,167
Total Debt Service Fund					3,205,167	3,205,167								3,205,167
State Department of Agriculture														
Enterprise Fund:														
National School Lunch Program	19-100-010-3550-063	7/1/18-6/30/19	9,707		7,856	9,707			(1,851)				1,851	9,707
National School Lunch Program	18-100-010-3550-063	7/1/17-6/30/18	8,738	(613)	613									
Total Enterprise Fund				(613)	8,469	9,707			(1,851)				1,851	9,707
Total State Financial Assistance				(2,759,042)	14,208,304	14,380,653	16,852		(3,215,730)	237,839	29,648		2,417,640	14,380,653
Less: Amounts Not Subject to Single Audit and Major Program Determination														
On-Behalf TPAF Pension System Contributions (Normal Costs, Accrued Liability and NCGI)					(4,399,596)	(4,399,596)								(4,399,596)
On-Behalf TPAF Pension System Contributions (LTD)					(5,834)	(5,834)								(5,834)
On-Behalf TPAF Pension System Contributions (Post Retirement)					(1,995,649)	(1,995,649)								(1,995,649)
Total State Financial Assistance Subject to Single Audit and Major Program Determination Calculation				\$ (2,759,042)	\$ 7,807,225	\$ 7,979,574	\$ 16,852	\$ -	\$ (3,215,730)	\$ 237,839	\$ 29,648	\$ -	\$ 2,417,640	\$ 7,979,574

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 a decrease of \$189,157 for the general fund and an increase of \$53,887 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	\$ 4,839	\$ 10,677,582	\$ 10,682,421
Special Revenue Fund	1,042,275	333,682	1,375,957
Capital Projects Fund			-
Debt Service Fund		3,205,167	3,205,167
Food Service Fund	196,892	9,707	206,599
	<hr/>	<hr/>	<hr/>
Total Financial Assistance	\$ 1,244,006	\$ 14,226,138	\$ 15,470,144

**WESTWOOD REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 \$1,738,769 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, 2019. The amount reported as TPAF Pension System Contributions in the amount of \$4,399,596, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,995,649 and TPAF Long-Term Disability Insurance in the amount of \$5,834 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2019.

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, 2019**

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>
--	------------------

Auditee qualified as low-risk auditee?	_____ <u>X</u> yes	_____ no
--	--------------------	----------

**WESTWOOD REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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>
19-495-034-5120-089	Special Education Aid
19-495-034-5120-084	Security Aid
19-495-034-5120-015	Transportation Aid
19-495-034-5120-075	Debt Service Aid

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, 2019**

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, 2019**

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, 2019**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.