

**WEST MORRIS REGIONAL
HIGH SCHOOL DISTRICT**

**West Morris Regional High School District Board of Education
Chester, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011**

**Comprehensive Annual
Financial Report**

of the

**West Morris Regional
High School District**

Chester, New Jersey

For the Fiscal Year Ended June 30, 2011

Prepared by

**West Morris Regional High School District
Board of Education**

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2011

INTRODUCTORY SECTION

Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors.....	7

FINANCIAL SECTION..... 8

Independent Auditors' Report.....	9
-----------------------------------	---

Required Supplementary Information.....	11
Management's Discussion and Analysis (Unaudited).....	12

Basic Financial Statements (Sections A. and B.)	21
---	----

A. District-Wide Financial Statements.....	22
--	----

A-1 Statement of Net Assets.....	23
A-2 Statement of Activities.....	24

B. Fund Financial Statements.....	26
-----------------------------------	----

B-1 Balance Sheet – Governmental Funds	27
B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds.....	28
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
B-4 Statement of Net Assets – Proprietary Funds	31
B-5 Statement of Revenue, Expenses and Changes in Fund Net Assets – Proprietary Funds	32
B-6 Statement of Cash Flows – Proprietary Funds.....	33
B-7 Statement of Fiduciary Net Assets – Fiduciary Funds.....	34
B-8 Statement of Changes in Fiduciary Net Assets – Fiduciary Funds.....	35

Notes to the Basic Financial Statements	36
---	----

Supplementary Schedules (Sections C. to I.)

C. Budgetary Comparison Schedules.....	59
--	----

C-1 Budgetary Comparison Schedule – General Fund.....	60
C-2 Budgetary Comparison Schedule – Special Revenue Fund.....	73
C-3 Budgetary Comparison Schedule – Note to Required Supplementary Information.....	75

D. School Level Schedules (Not Applicable).....	77
---	----

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

FINANCIAL SECTION (Cont'd)

E.	Special Revenue Fund	78
E-1	Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis.....	79
E-2	Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	
F.	Capital Projects Fund.....	82
F-1	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis.....	83
F-1a	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Central and Mendham High Schools – Renovations.....	84
F-1b	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Mendham High School – Tennis Court Project	85
F-1c	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Central High School – Partial Roof Replacement (C-Wing) Project	86
F-1d	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Mendham High School – Partial Roof Replacement (Library) Project	87
F-1e	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Central High School – Partial Roof Replacement (Auxiliary Gym) Project.....	88
F-1f	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Mendham High School – Partial Roof Replacement (Auxiliary Gym) Project.....	89
F-1g	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Board Office – Roof Replacement Project.....	90
F-1h	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Central High School – Partial Roof Replacement (F-Wing) Project.....	91
F-1i	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Central and Mendham High Schools – Resurfacing Running Tracks Project	92
F-1j	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Central High School – Electrical Panel Project.....	93
F-1k	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Central High School – HVAC Panel Project.....	94
F-1l	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Central and Mendham High Schools – Energy Savings Plan Project.....	95
F-1m	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Central High School – Partial Roof Replacement (D & E Wing) Project.....	96
F-1n	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Mendham High School – Baseball Fencing Project.....	97

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

FINANCIAL SECTION (Cont'd)

G. Proprietary Funds.....	98
Enterprise Fund:	
G-1 Statement of Net Assets.....	99
G-2 Statement of Revenue, Expenses and Changes in Fund Net Assets	100
G-3 Statement of Cash Flows	101
H. Fiduciary Funds	102
H-1 Combining Statement of Fiduciary Net Assets.....	103
H-2 Combining Statement of Changes in Fiduciary Net Assets.....	104
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements.....	105
H-4 Student Activity Agency Fund Statement of Activity	106
H-5 Payroll Agency Fund Schedule of Receipts and Disbursements	107
I. Long-Term Debt.....	108
I-1 Schedule of Serial Bonds.....	109
I-2 Schedule of Obligations Under Capital Leases (Not Applicable)	110
I-3 Budgetary Comparison Schedule – Debt Service Fund.....	111
J. Statistical Section (Unaudited).....	112
J-1 Net Assets by Component.....	113
J-2 Changes in Net Assets	114
J-3 Fund Balances - Governmental Funds.....	117
J-4 Changes in Fund Balances - Governmental Funds	118
J-5 General Fund Other Local Revenue by Source	120
J-6 Assessed Value and Estimated Actual Value of Taxable Property.....	121
J-7 Direct and Overlapping Property Tax Rates	123
J-8 Principal Property Taxpayers.....	126
J-9 Property Tax Levies and Collections	131
J-10 Ratios of Outstanding Debt by Type	134
J-11 Ratios of Net General Bonded Debt Outstanding.....	137
J-12 Ratios of Overlapping Governmental Activities Debt.....	140
J-13 Legal Debt Margin Information.....	141
J-14 Demographic and Economic Statistics	142
J-15 Principal Employers.....	145
J-16 Full-Time Equivalent District Employees by Function/Program	146
J-17 Operating Statistics	147
J-18 School Building Information	148
J-19 Schedule of Required Maintenance for School Facilities	149
J-20 Insurance Schedule	150

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

FINANCIAL SECTION (Cont'd)

K.	Single Audit Section.....	152
K-1	Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	153
K-2	Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular NJOMB 04-04.....	155
	Schedule of Expenditures of Federal Awards.....	157
	Schedule of Expenditures of State Awards.....	158
	Notes to the Schedules of Expenditures of Federal and State Awards	160
	Schedule of Findings and Questioned Costs.....	162
	Summary Schedule of Prior Audit Findings.....	164

INTRODUCTORY SECTION

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

ADMINISTRATION BUILDING • 10 SOUTH FOUR BRIDGES ROAD
CHESTER, NEW JERSEY 07930 • 908-879-6404 Fax: 908-879-8861

September 2, 2011

The Honorable President and Members
of the Board of Education
West Morris Regional High School District
County of Morris, New Jersey

Dear Honorable President and Board Members:

The Comprehensive Annual Financial Report of the West Morris Regional High School District (the "District") for the fiscal year ended June 30, 2011 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 West Morris Regional High School District Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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 and consultants. The financial section includes the Independent Auditor's Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, 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 Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, and the New Jersey OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: West Morris Regional High School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The West Morris Regional High School District Board of Education and all its schools constitute the District's reporting entity.

The District, serving the Boroughs of Chester and Mendham and the Townships of Chester, Mendham and Washington, was formed on September 1, 1958, pursuant to Chapter 13 of Title 18A of New Jersey Statutes, which authorizes two or more municipalities to create a regional school district upon the approval of the voters of each of said municipalities. The School District is one of "limited purpose" in that it does not operate a K-8 school system; instead K-8 students of the municipalities attend separate K-8 school districts maintained by four of the five municipalities. Chester Borough and Chester Township schools are consolidated under the name "Chester Township School District" and the remaining three municipalities constitute separate districts.

The Honorable President and Members
of the Board of Education
West Morris Regional High School District
Page 2
September 2, 2011

While some residents commute to jobs in the Newark-New York City area, many residents work in nearby communities. They primarily are professionals, executives, clerical and skilled workers, a few farmers and local independent business people. Housing throughout the School District varies from apartments, townhouses, colonial and Victorian residences to new developments and large contemporary homes on several acres.

The School District operates two, grade 9-12, comprehensive high schools: West Morris Mendham High School, which is located in Mendham Borough, and West Morris Central High School, which is located in Washington Township. Both schools are members of and fully accredited by the Middle States Association of Colleges and Secondary Schools. Students residing in Washington Township generally attend West Morris Central High; students residing in Chester Borough, Chester Township, Mendham Township and Mendham Borough generally attend West Morris Mendham High.

The School District is administered by a nine-member Board of education (“the Board”), with three members elected each year for three-year terms. A candidate for the Board must have resided in the School District for at least one year and not be interested directly in any claim or contract with the Board. Board members serve without compensation. The Board annually chooses a President and a Vice President from among its members and also appoints the Treasurer of School Monies, Board Secretary/Business Administrator and Assistant Board Secretary. The Superintendent of Schools is appointed by the Board on a renewable contractual basis for a minimum of three and a maximum of five years. Annually, on the third Tuesday of April, voters in the School District approve or disapprove the School District’s budget for the ensuing year. Bonds authorized by the Board for capital projects must be approved or disapproved by the voters in the School District in a referendum election which may be held at various specific times in accordance with State statute.

The District provides a full range of educational services appropriate to grade levels 9 through 12. These include regular, vocational as well as special education for students with educational disabilities. The District completed the 2010/2011 fiscal year with an enrollment of 2,726 students. The following table illustrates the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	
	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-2011	2,726	1.49%
2009-2010	2,686	1.47%
2008-2009	2,647	1.11%
2007-2008	2,618	3.68%
2006-2007	2,525	0.60%
2005-2006	2,510	1.16%
2004-2005	2,481	2.61%
2003-2004	2,418	5.79%
2002-2003	2,286	4.33%
2001-2002	2,191	5.13%

The Honorable President and Members
of the Board of Education
West Morris Regional High School District
Page 3
September 2, 2011

2. ECONOMIC CONDITION AND OUTLOOK: The five communities which compromise the District have been affected by unemployment and the economic environment experienced throughout the state and nation. Housing development remains slow; however, we anticipate enrollments to remain consistent as empty nesters' homes are purchased by young families with school-age children.

3. MAJOR INITIATIVES: The District continues to rank high on state and national tests, with students scoring well above the state and nation in S.A.T. scores, and International Baccalaureate examinations. Approximately 96% of our students continue their formal education at two or four year colleges. The District has been recognized by the national firm, School Match and Newsweek Magazine, as being in the top nine percent of the nation's schools in meeting parents' needs and by N.J. Monthly as two of N.J.'s top 75 high schools.

Programs are continually monitored and enhanced through a school/community long range planning process. As a result of this planning process, each of the two high schools has the International Baccalaureate Program, two of only nine public schools in N.J. Other major initiatives include an integrated technology system, a leading edge staff development program, the Bartley Academy (alternate program), and a curriculum based on sound research and "best practices." District initiatives are supported by an active and successful partnership program and grant acquisition efforts as well as public funds.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system 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 awards and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2011.

The Honorable President and Members
of the Board of Education
West Morris Regional High School District
Page 4
September 2, 2011

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

7. DEBT ADMINISTRATION: At June 30, 2011, the District's outstanding debt consists of \$22,751,000 of serial bonds issued in May 2004 to finance the construction of improvements to the District's two high schools and will be fully retired on May 1, 2024.

8. 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", Note 3. 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"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

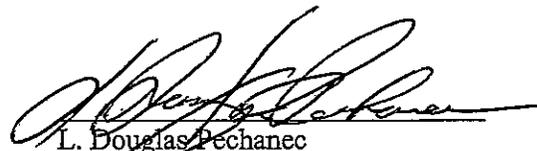
9. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property, contents, and fidelity bonds. The Board oversees Risk Management for the District. A schedule of insurance coverage is found in Exhibit J-20.

10. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and New Jersey OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information 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.

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

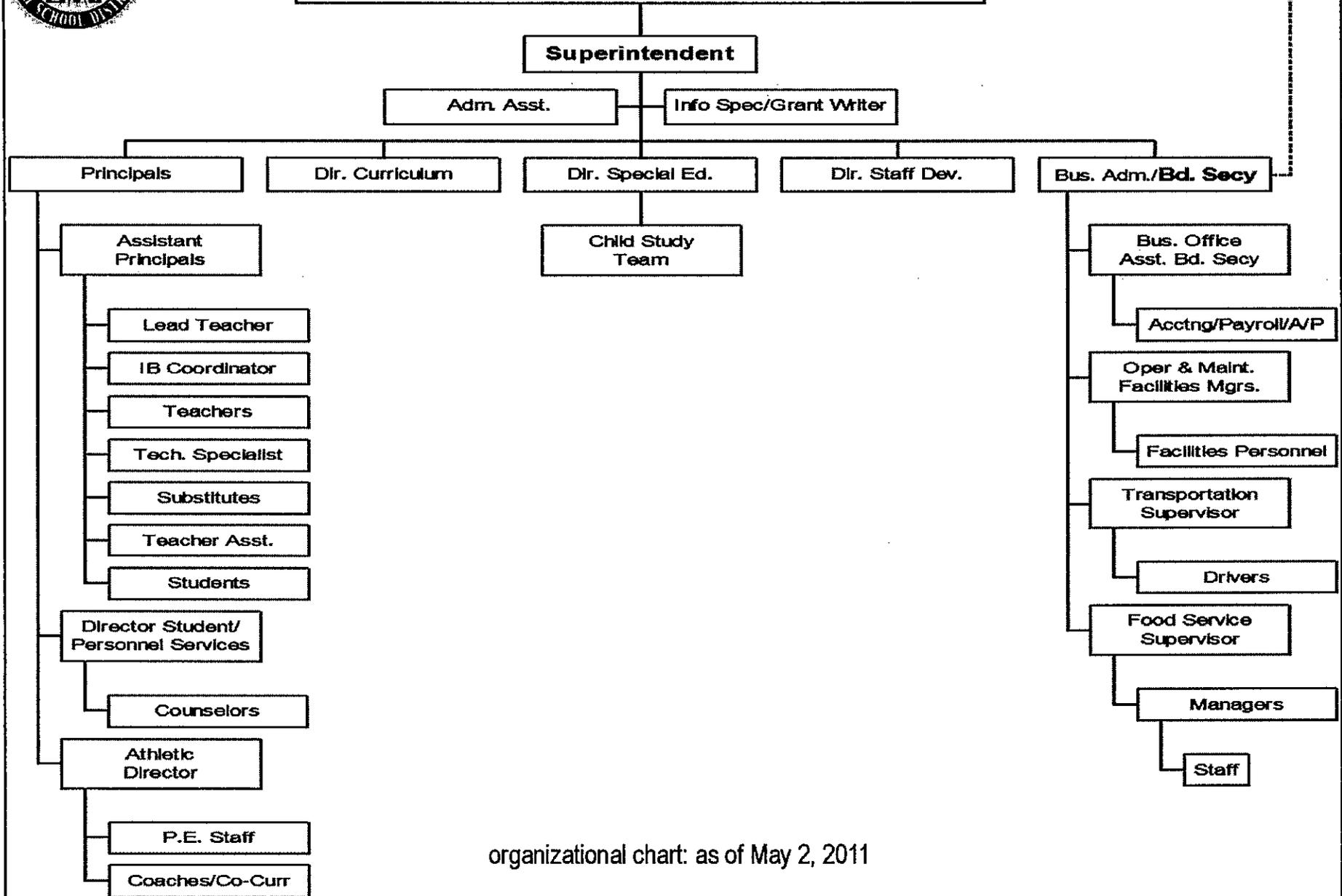
Respectfully submitted,


Anthony di Battista, Ph. D.
Superintendent


L. Douglas Pechanec
Business Administrator/Board Secretary



**WEST MORRIS REGIONAL HIGH SCHOOL
BOARD OF EDUCATION**
10 South Four Bridges Road
Chester, New Jersey



**WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CHESTER, NEW JERSEY**

**ROSTER OF OFFICIALS
AS OF JUNE 30, 2011**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Cristen C. Forrester	President	2014
James Johnston	Vice President	2013
Marcia Asdal	Member	2014
James C. Button	Member	2014
Joseph Galayda	Member	2012
M. David Lobron	Member	2012
John Meyer	Member	2012
Thomas Richar	Member	2012
Jacqueline Schram	Member	2013

Other Officials

Dr. Anthony di Battista, Superintendent of Schools

L. Douglas Pechanec, Business Administrator/Board Secretary

Jon Rheinhardt, Treasurer

Russell Weiss, Esq., Board Attorney

Glen Clark, Esq., Lease/Purchase Litigation Attorney

David J. Ruitenber, Esq., Construction Attorney

**WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CHESTER, NEW JERSEY**

CONSULTANTS AND ADVISORS

Auditor

Nisivoccia, LLP
Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mount Arlington, New Jersey 07856-1320

Conflict Attorney

Riker, Danzig, Scherer, Hyland & Perretti
Headquarters Plaza
One Speedwell Avenue
Morristown, New Jersey 07962-1981

Architect

Di Cara/Rubino Architects
30 Galesi Drive
West Wing
Wayne, New Jersey 07470

Official Depository

TD Bank
56 Flanders-Bartley Road
Flanders, New Jersey 07836

Attorney

Parker, McCay & Criscuolo, P.A.
1009 Lenox Drive
Building Four East, Suite 102
Lawrenceville, New Jersey 08648

Bond Counsel

McManimon & Scotland
1037 Raymond Boulevard, Suite 400
Newark, New Jersey 07102-5311

Construction Attorney

Horan, Aronwitz & Ruitenber, LLP
714 A Main Street
Boonton, New Hersey 07005

Wilentz, Goldman & Spitzer
90 Woodbridge Center Drive, Suite 900, Box 10
Woodbridge, New Jersey 07095-0958

FINANCIAL SECTION



Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
973-328-1825 | 973-328-0507 Fax
Lawrence Business Center
11 Lawrence Road
Newton, NJ 07860
973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
West Morris Regional High School District
County of Morris, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Board of Education of the West Morris Regional High School District in the County of Morris as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the Board of Education's management. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of the Board of Education of the West Morris Regional High School District in the County of Morris as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, there of for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2011 on our consideration of the Board of Education of the West Morris Regional High School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Honorable President and Members
of the Board of Education
West Morris Regional High School District
Page 2

The Management's Discussion and Analysis and Budgetary Comparison Information on Schedules C-1 through C-3 and I-3 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the West Morris Regional Board of Education's basic financial statements. The accompanying introductory section, other supplementary information such as the combining and individual fund financial statements and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*; and New Jersey OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. The supplementary combining and individual fund financial statements, supplementary schedules and schedules of expenditures of federal and state awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Nisivoccia, LLP

September 2, 2011
Mount Arlington, New Jersey

NISIVOCCIA, LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**



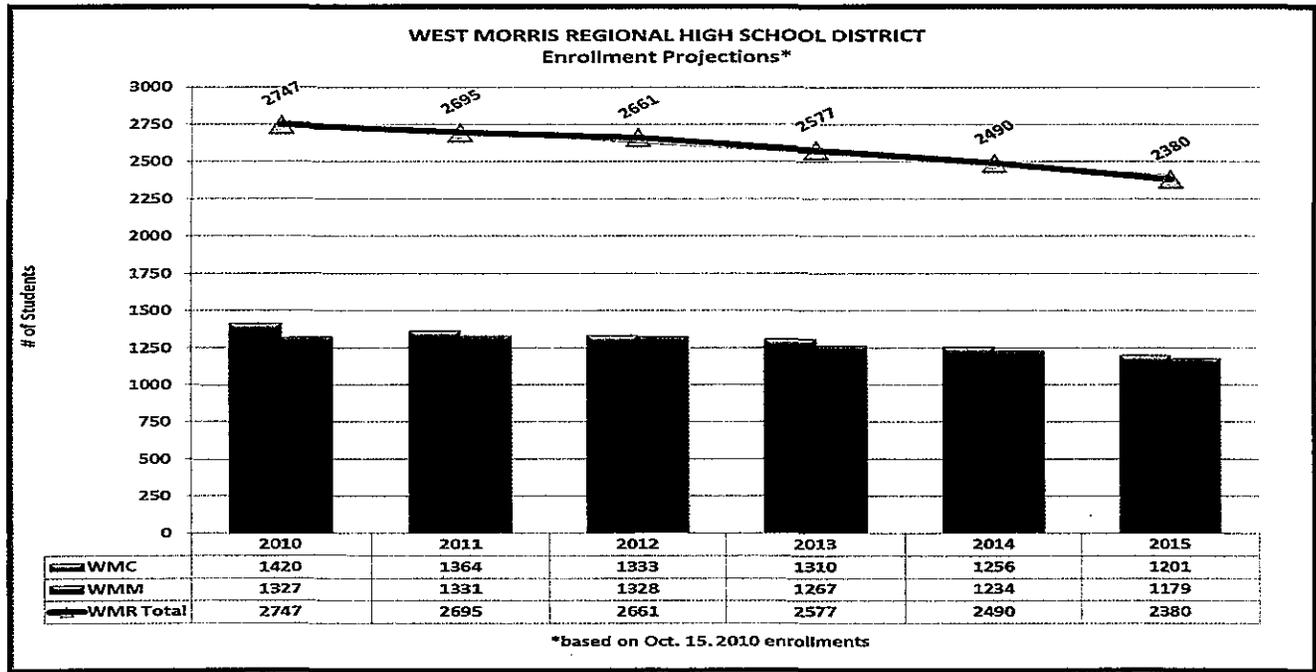
WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
Management Discussion and Analysis
for Fiscal Year End June 30, 2011

Management Discussion and Analysis

The discussion and analysis of West Morris Regional High School District’s financial performance provides an overall review of the district’s financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to review the district’s financial performance in aggregate; readers should also review the basic financial statements and notes to enhance their understanding of the district’s financial performance.

Municipalities Comprising the Regional District & Enrollments:

The West Morris Regional High School District provides a full range of educational, co-curricular and athletic services for grades 9 through 12 to the students of Chester Borough, Chester Township, Mendham Borough, Mendham Township and Washington Township in Morris County, New Jersey. The district has an excellent academic reputation with two highly regarded high schools, West Morris Central and West Morris Mendham. The chart below reflects each school’s enrollment as of October 15, 2010 and a five year projection.

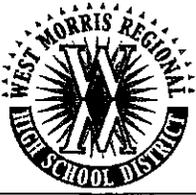


District’s Mission

The educational, social and recreational programs of the district stem from the district’s mission statement:

The West Morris Regional High School community will provide each student with an intellectually stimulating experience in a safe environment. This experience will promote a shared passion for learning, academic excellence, involved citizenship, personal responsibility and respect for diversity; fostering the development of creative, confident, compassionate and resilient individuals who will contribute to their future communities.

From this mission statement, the staff integrates innovations into the district’s curriculum while providing dynamic experiences in the classrooms that empower its students to learn and succeed. The district’s students continue to achieve above state and national averages due to these efforts.



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
Management Discussion and Analysis
for Fiscal Year End June 30, 2011

Summary of Financial Performance & Factors Affecting the District's Future:

West Morris Regional High School District enrollment is projected to decline over the next five years. For 2010-2011 district enrollment increased slightly over the prior school year.

The district's budget is prepared four months prior to the start of the fiscal year in accordance with New Jersey State statutes. This time delay results in periodic adjustments to the original appropriations of the annual operating budget throughout the fiscal year. Though State statute mandates a 10% cap on transfers between major accounts, revisions were minimal this fiscal year due to the effective budget procedures established by the Board of Education's Finance Committee. The following chart provides a summary of anticipated revenues for the 2010-2011 fiscal year budget and the change from the prior year.

SOURCE OF REVENUES		2010-11	\$ incr/(decr)	% incr/(decr)
Local Taxes to be Voted		\$38,638,243	\$966,009	
Local Debt Svc. (Bonds)		\$2,374,400	(\$2,488)	
GENERAL FUND REVENUES		\$41,012,643	\$963,521	2.41%
State Aid Revenue		\$3,139,647	(\$2,290,215)	
Misc. Revenues		\$412,896	(\$31,876)	
Budgeted Fund Balance		\$1,888,757	(\$423,715)	
Special Revenue-Fed/IDEA Funds		\$489,040	\$10,400	
TOTAL ANTICIPATED REVENUE/BUDGET		\$46,942,983	(\$1,771,885)	-3.64%

The state mandated tax levy cap of 4% is the target that all NJ Public Schools must meet as the budget is developed. The actual increase over last year was held at 2.41% reflecting the Board of Education's goal to minimize the tax impact to our local communities. The state level budget process reduced state aid by \$2.3 million from the prior year. Despite the constraint of revenues all financial obligations were met for the fiscal year due to the strong leadership of district management. Despite the reduction in anticipated revenues, management's restraint in spending generated an excess surplus of \$1,848,977.

Staffing costs represent 70.0% of the annual budget. The district participates in collective bargaining with its staff and strives to contain labor costs within the competitive market. All four bargaining unit contracts are currently enforce. As of June 30, 2012 three of the four contracts will expire and negotiations will begin in January 2012. The contract of the largest group, the West Morris Regional Educational Association contains a salary increase of 14.6% over the four year duration of the contract. This settlement was above the state annual average of 2.1% as of April 2011.

Finally, the West Morris Regional High School District has committed itself to financial excellence. The district's financial planning, budgeting and internal controls provide structural integrity to its financial system. The school district plans to adhere to its practice of sound fiscal management and to continue to meet its financial responsibilities into the future.



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
Management Discussion and Analysis
for Fiscal Year End June 30, 2011

Explanation of the Comprehensive Annual Financial Report (C.A.F.R.):

The Comprehensive Annual Financial Report presents the district's financial position as of June 30, 2010 and it is the annual financial report of the district. This report consists of three parts: Management Discussion and Analysis (this section); Basic Financial Statements; Notes to the financial statements and Required Supplementary Information.

Basic Financial Statements

The Basic Financial Statements present the district's financial activity from two different points of view: District-Wide and Fund Based.

District-Wide: The first two statements in this Report, Statement of Net Assets and Statement of Changes in Net Assets, are district-wide financial statements that provide both short-term and long-term information about the district's overall financial position. These statements consider the financial activities for the entire operating entity (as if specific-purpose funds did not exist) and quantify whether the district's overall financial position has improved or diminished during the fiscal year. In these statements, assets and liabilities are reported using the accrual basis of accounting; revenues are recorded when earned and expenses when incurred, regardless of when cash is received or paid. Additionally, in the Statement of Net Assets and Statement of Changes in Net Assets, the district's financial activity is divided into two kinds of activity, Governmental and Business Type.

Fund Based: The remaining statements are fund financial statements that focus on specific purposes of the district and report the operations of these purposes in more detail than the district-wide statements.

The district's Governmental Funds provide a short-term view of the district's general operations for regular and special education, transportation and administration. These Governmental Funds include the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund. Assets and liabilities are reported using a modified-accrual accounting basis, in which cash and all other financial assets are recorded when they can be readily converted to cash. Revenues are recorded when cash is received or is expected to be received soon after year-end. Expenditures are recorded when goods (or services) have been received and the related liability is due and payable.

The Proprietary Fund (Business Activity) contains services that are provided on a charge-for-service basis, such as the district's food service program. Assets and liabilities are reported using the accrual basis of accounting; revenues are recorded when earned and expenses when incurred, regardless of when cash is received or paid.

The Fiduciary Fund contains monies that the district does not own, but is holding in trust or as an agent for another agency, such as student scholarships. Assets and liabilities are reported using the accrual basis of accounting; additions are recorded when earned and deductions when incurred, regardless of when cash is received or paid.

The Notes to the Financial Statements explain some of the information in the statements and provide more detailed data than noted in the Basic Financial Statements.

Finally, the section of Required Supplementary Information explains and supports the financial statements with a comparison of district data over multiple years.



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
Management Discussion and Analysis
for Fiscal Year End June 30, 2011

District-Wide Viewpoint:

The below table summarizes the **Statement of Net Assets**.

Net Assets	Governmental Activities		Business Activities		TOTAL	TOTAL	Percent Change
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	
ASSETS:							
Current & Other Assets	\$9,744,889	\$7,532,007	\$61,334	\$75,483	\$9,806,223	\$7,607,490	28.90%
Capital Assets	\$56,923,996	\$58,240,719	\$57,593	\$64,266	\$56,981,589	\$58,304,985	-2.27%
TOTAL ASSETS	\$66,668,885	\$65,772,726	\$118,927	\$139,749	\$66,787,812	\$65,912,475	1.33%
LIABILITIES:							
Long Term Liabilities	\$24,937,526	\$26,180,376	\$32,275	\$34,800	\$24,969,801	\$26,215,176	-4.75%
Other Liabilities	\$2,453,095	\$790,880	\$13,540	\$40,683	\$2,466,635	\$831,563	196.63%
TOTAL LIABILITIES	\$27,390,621	\$26,971,256	\$45,815	\$75,483	\$27,436,436	\$27,046,739	1.44%
NET ASSETS:							
Investment in Capital Assets, Net of Debt	\$34,172,996	\$34,204,719	\$57,593	\$64,266	\$34,230,589	\$34,268,985	-0.11%
Restricted Net Assets	\$6,219,146	\$6,188,213	\$0	\$0	\$6,219,146	\$6,188,213	0.50%
Unrestricted Assets	(\$1,113,878)	(\$1,591,462)	\$15,519	\$0	(\$1,098,359)	(\$1,591,462)	-30.98%
TOTAL NET ASSETS	\$39,278,264	\$38,801,470	\$73,112	\$64,266	\$39,351,376	\$38,865,736	1.25%

The Statement of Net Assets shows significant changes during 2010-2011. Total Net Assets for Governmental Activities increased \$476,794 while Net Assets from Business Activities (Proprietary Funds) increased slightly by \$8,846 for an overall increase in Net Assets of \$485,640 which represents a 1.25% increase from the prior year.

Current and Other Assets increased by 28.90% due to unutilized budget appropriations.

Net Assets "Invested in Capital Assets" decreased \$(38,396) as a result of \$779,664 in asset additions and a \$1,285,000 reduction in related debt offset by \$(2,097,810) in depreciation expense and \$(5,250) of asset disposals.

Restricted Net Assets increased \$30,933 primarily as a result of the creation of the Maintenance Reserve in the amount of \$500,000 and interest on the capital reserve account of \$8,428 offset by \$(489,453) in capital projects expenditures reduced by \$276,036 SDA grants realized, the decrease in encumbrances of \$(224,298) and in excess surplus of \$(39,780).

Unrestricted Net Assets increased \$493,103 essentially due to \$2,700,472 generated in operations [comprised of \$2,104,521 in unexpended budget appropriations and \$1,208 in interest earned on capital projects balances, a \$283,684 excess in local revenue, a \$312,267 excess in state revenue] offset by \$(1,888,758) of surplus used to support the 2010-2011 budget, and \$(288,099) of prior year encumbrances.



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
Management Discussion and Analysis
for Fiscal Year End June 30, 2011

Statement of Changes in Net Assets from Operating Results

The impact of school operations resulted in an overall increase of 146.80% or \$1,523,289 over the 2009-2010 results. Revenues increased in total by 1.17% or \$580,908. Expenses decreased by 1.86% or \$942,381. The revenue increase is attributable primarily to the increase in federal and state grants and capital grants for capital projects and a increase in other revenues. School year property taxes increased by \$963,521, a 2.41% increase over last year. The decrease in expenses is due primarily to the reduction of additional costs for tuition expenses and student support service.

Changes in Net Assets from Operating Results	Governmental Activities		Business Activities		TOTAL		Percent Change
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	
REVENUES:							
Program Revenues							
Charges for Service	\$65,086	\$14,477	\$746,384	\$759,541	\$811,470	\$774,018	4.84%
Operating Grants & Contrib.	\$6,726,130	\$6,581,091	\$0	\$0	\$6,726,130	\$6,581,091	2.20%
Capital Grants & Contrib.	\$276,036	\$322,262	\$0	\$0	\$276,036	\$322,262	-14.34%
General Revenues							
Property Taxes	\$41,012,643	\$40,049,122	\$0	\$0	\$41,012,643	\$40,049,122	2.41%
Federal & State Aid	\$785,096	\$1,425,925	\$0	\$0	\$785,096	\$1,425,925	-44.94%
Other	\$632,702	\$510,638	\$123	\$236	\$632,825	\$510,874	23.87%
TOTAL REVENUES	\$49,497,693	\$48,903,515	\$746,507	\$759,777	\$50,244,200	\$49,663,292	1.17%
PROGRAM EXPENSES:							
Instruction	\$26,548,321	\$26,451,232	\$0	\$0	\$26,548,321	\$26,451,232	0.37%
Pupil & Instruction Services	\$9,084,712	\$9,302,467	\$0	\$0	\$9,084,712	\$9,302,467	-2.34%
Administration & Business	\$4,106,908	\$4,588,187	\$0	\$0	\$4,106,908	\$4,588,187	-10.49%
Maintenance & Operations	\$3,631,588	\$3,647,911	\$0	\$0	\$3,631,588	\$3,647,911	-0.45%
Transportation	\$2,680,860	\$2,939,987	\$0	\$0	\$2,680,860	\$2,939,987	-8.81%
Other Expenses	\$2,968,510	\$2,977,996	\$737,661	\$793,161	\$3,706,171	\$3,771,157	-1.72%
TOTAL EXPENSES	\$49,020,899	\$49,907,780	\$737,661	\$793,161	\$49,758,560	\$50,700,941	-1.86%
Transfers		(\$36,751)		\$36,751			
CHANGE IN NET ASSETS	\$476,794	(\$1,041,016)	\$8,846	\$3,367	\$485,640	(\$1,037,649)	146.80%

Fund Based Viewpoint:

As seen above in the Statement of Changes in Net Assets, significant activity is generated by the Governmental Activities. These activities constitute 98.51% of the total revenues and 98.52% of expenses shown on this statement.

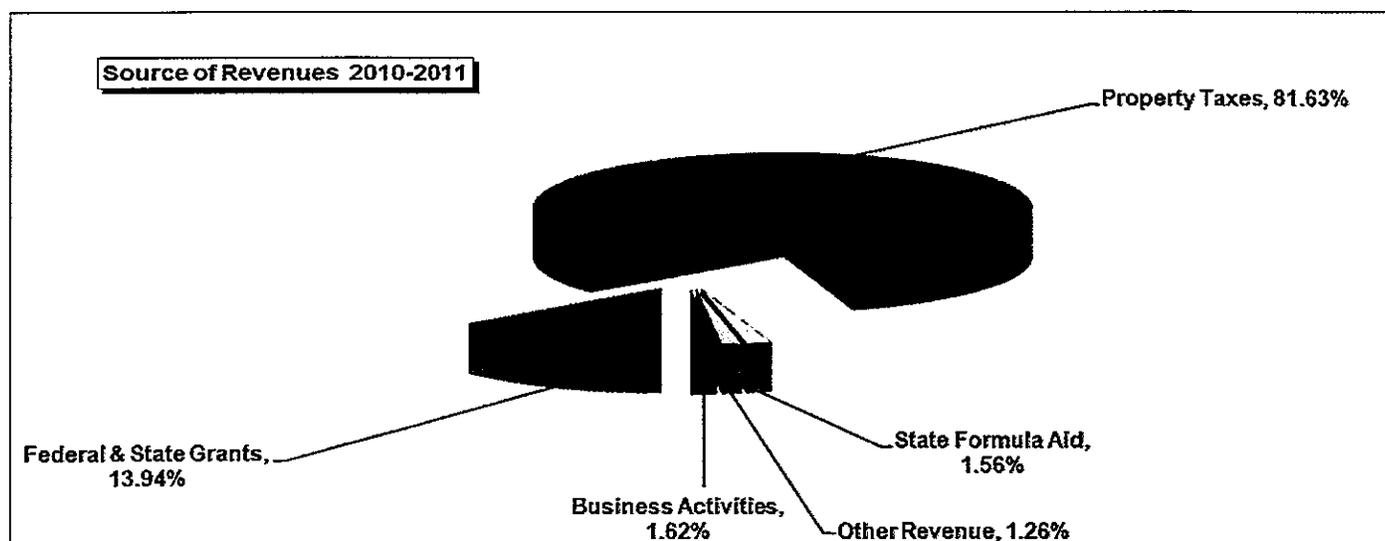


WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
Management Discussion and Analysis
for Fiscal Year End June 30, 2011

Governmental and Business Activities Revenue Sources:

As demonstrated by the various statements and schedules included in the Basic Financial Statements, the district continues to meet its fiduciary responsibility with sound financial management. The following schedule represents the revenues of the Governmental and Proprietary (Business) Funds for the fiscal years ended June 30, 2011 and 2010 and the percentage of increases (decreases) in relation to prior year revenues. As seen in the chart below, 81.63% of the district revenues are raised through local property taxes. In accordance with New Jersey State law, the voters of the district annually approve these taxes and the district's appropriations. Though property tax revenue increased 2.41% above last year as a percentage of total revenue, the tax portion of total revenue increased only 0.99% over last year. The increase in grants and state aid by 1.43% or \$98,813 mitigated the tax increase experienced. The "Other" category increase over last year is due to additional tuition received from out of district students.

Revenue Source	2010-2011 Revenue Amount	2010-2011 Percent of Total	2009-2010 Revenue Amount	2009-2010 Percent of Total	Variance from 2011 to 2010 (in percent)
Governmental Activities:					
Federal & State Grants	\$7,002,166	13.94%	\$6,903,353	13.90%	1.43%
Property Taxes	\$41,012,643	81.63%	\$40,049,122	80.64%	2.41%
State Formula Aid	\$785,096	1.56%	\$1,425,925	2.87%	-44.94%
Other (tuition & interest)	\$632,825	1.26%	\$510,874	1.03%	23.87%
Business-Type Activities:					
Charges for Services	\$811,470	1.62%	\$774,018	1.56%	4.84%
TOTAL	\$50,244,200	100.00%	\$49,663,292	100.00%	1.17%



Federal and State Categorical Aid includes special ed. revenue, transportation special ed. extra-ordinary, non-public transportation aid, TPAF on-behalf pension and reimbursed social security contributions. State Formula Aid includes security, equalization and adjustment aid.



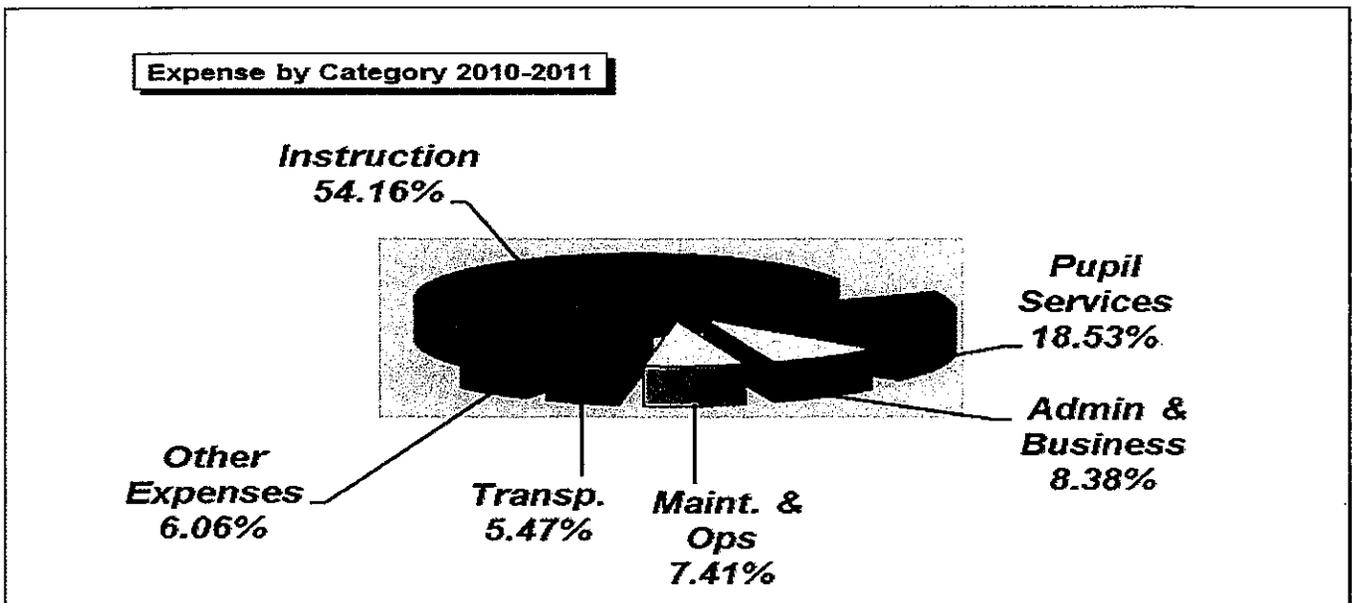
WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
Management Discussion and Analysis
for Fiscal Year End June 30, 2011

Governmental Activities Expenses:

The following schedule represents the expenses of the Governmental Funds for the fiscal years ended June 30, 2011 and 2010, and the percentage of increases (decreases) in relation to prior year expenses. As seen in the chart below 72.69% of the total expenses relate to the educational, social and recreational programs at the schools, a 1.05% increase over 2010 of 71.64%. The decreases in Pupil & Instruction Services are related primarily to out of district tuition costs. Administrative costs decreased (\$481,279) due to the reduction of positions, resulting in a slight decrease in respect to total expenses incurred of (0.81%). This represents 8.38% of total costs, meaning that 92 cents of every dollar is spent on educational, social, recreational, safety or maintenance programs that benefit the students. Other expenses decreased (0.90%) which represents the recording of accumulated depreciation and interest on long term debt to this category.

Expense Category	2010-2011 Expense Amount	2010-2011 Percent of Total	2009-2010 Expense Amount	2009-2010 Percent of Total	Variance from 2011 to 2010 (in percent)
Governmental Activities:					
Instruction	\$ 26,548,321	54.16%	\$ 26,451,232	53.00%	0.37%
Pupil & Instruction Services	\$ 9,084,712	18.53%	\$ 9,302,467	18.64%	-2.34%
Administration & Business	\$ 4,106,908	8.38%	\$ 4,588,187	9.19%	-10.49%
Maintenance & Operations	\$ 3,631,588	7.41%	\$ 3,647,911	7.31%	-0.45%
Transportation	\$ 2,680,860	5.47%	\$ 2,939,987	5.89%	-8.81%
Other	\$ 2,968,510	6.06%	\$ 2,977,996	5.97%	-0.32%
TOTAL	\$ 49,020,899	100.00%	\$ 49,907,780	100.00%	-1.78%

The combination of "Instruction and Pupil & Instruction & Services" is 72.69% of expenses.





WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
Management Discussion and Analysis
for Fiscal Year End June 30, 2011

Business Type Activities:

In the Statement of Net Assets and Statement of Changes in Net Assets the financial activity for the district's food service program is presented as Business-Activities. (see page 15 &16).

The following points highlight its activities during fiscal year 2010-2011.

- The Food Service Program operated at a profit for the first time in six years. The Food Service Dept. pays for all related expenses including payroll, benefits and is required by state statute to be self-sufficient. The removal of food products with high sugar content from offerings impacted profitability, however healthier options have been implemented to mitigate the down turn in sales. The first year of returning control of the vending operations to the district increased revenues over \$86,000 (2009-2010) with an additional 1.92% increase in 2010-2011.
- Charges for Service constitute 99.9% of its total revenue. These fees were the amounts paid by patrons of the daily food service.
- The school district does not participate in the National School Lunch Program. The Food Service Program provides for those students in need. This is the third year the Food Service Management has been outsourced.
- Annual losses incurred the Board of Education have been reversed due to the implementing of health care contributions by all food service employees at a rate of 20% of premiums during fiscal year 2010-2011. For 2011-12 the rate will be increased to 22%.

Net Cost of Services:

As part of the Basic Financial Statements, total costs discussed above are also shown net of related income sources. The following schedule represents the total expenses of the Governmental Funds for the fiscal years ended June 30, 2011 and 2010 net of their related revenues. The decrease in net costs for Pupil and Instruction Services relates to the reduced tuition for out of district placements.

Expense Category	2010-2011 Total Cost of Services	2009-2010 Total Cost of Services	2010-2011 Net Cost of Services	2009-2010 Net Cost of Services
Governmental Activities:				
Instruction	\$ 26,548,321	\$ 26,451,232	\$ 22,123,655	\$ 22,254,709
Pupil & Instruction Services	\$ 9,084,712	\$ 9,302,467	\$ 7,856,418	\$ 7,925,664
Administration & Business	\$ 4,106,908	\$ 4,588,187	\$ 3,933,409	\$ 4,397,457
Maintenance & Operations	\$ 3,631,588	\$ 3,647,911	\$ 3,355,552	\$ 3,325,649
Transportation	\$ 2,680,860	\$ 2,939,987	\$ 1,716,103	\$ 2,108,475
Other	\$ 2,968,510	\$ 2,977,996	\$ 2,968,510	\$ 2,977,996
sub total	\$ 49,020,899	\$ 49,907,780	\$ 41,953,647	\$ 42,989,950
Business Activities:				
Food Service	\$ 737,661	\$ 793,161	\$ 737,535	\$ 792,925
TOTAL	\$ 49,758,560	\$ 50,700,941	\$ 42,691,182	\$ 43,782,875



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
Management Discussion and Analysis
for Fiscal Year End June 30, 2011

Capital Assets (Net of Depreciation):

At the end of fiscal year 2011, the district had \$56,981,589 invested in land, building, furniture, equipment and vehicles, net of depreciation. The table below compares this balance to fiscal year 2010. The (2.27%) overall decrease is primarily attributable to depreciation of our fixed assets during the year. Capital additions were \$489,453 from capital projects and \$290,211 from capital outlay offset by \$(5,250) of asset disposals. Depreciation was \$2,091,137 for governmental activities and \$6,673 for business type activities. The district transferred \$489,453 of Construction in Progress to Site Improvements \$74,190 and \$415,263 for Building and Building Improvements for capital projects completed during the fiscal year.

	Governmental Activities		Business Activities		TOTAL	TOTAL	Percent Change
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	
Sites	\$130,448	\$130,448	\$0	\$0	\$130,448	\$130,448	0.00%
Site Improvements	\$1,089,729	\$957,963	\$0	\$0	\$1,089,729	\$957,963	13.75%
Building & Improv	\$53,891,289	\$55,214,435	\$0	\$0	\$53,891,289	\$55,214,435	-2.40%
Machinery & Equip	\$949,145	1,074,488	\$ 57,593	\$ 64,266	1,006,738	1,138,754	-11.59%
Construction in Progress	\$863,385	\$863,385	\$0	\$0	\$863,385	\$863,385	0.00%
TOTAL	\$56,923,996	\$58,240,719	\$57,593	\$64,266	\$56,981,589	\$58,304,985	-2.27%

Outstanding Long-Term Debt:

At the end of fiscal year 2011, the district had \$24,969,801 in outstanding long-term debt, a reduction of (4.75%) from 2010. The table below compares this balance to fiscal year 2010. The general obligation bonds approved by referendum in March of 2004 for the expansion and renovation at both schools of \$26,631,000 were reduced by \$1,285,000. Compensated Absences increased by \$42,150 for the governmental funds and decreased (\$2,525) for the proprietary funds, based on the outstanding days due to eligible staff.

	2010-2011 Long-Term Debt	2009-2010 Long-Term Debt	Percent Change
General Obligation Bonds (Financed w/Property Taxes)	\$22,751,000	\$24,036,000	-5.35%
Other Liabilities-Governmental Activities	\$2,186,526	\$2,144,376	1.97%
Other Liabilities-Business-Type Activities	\$32,275	\$34,800	-7.26%
TOTAL	\$24,969,801	\$26,215,176	-4.75%

Conclusion:

The West Morris Regional High School District is in sound financial condition as of June 30, 2011. The school district is proud of its community support of the public schools. However, it is continually concerned with the increased reliance on local property taxes as state-aid dwindles.

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the school district's finances. If you have questions about this report or need additional information, contact Mr. L. Douglas Pechanec, Business Administrator/Board Secretary, West Morris Regional Board of Education, 10 South Four Bridges Road, Chester, NJ 07930, (dpechanec@wmhsd.org).

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 7,139,378	\$ 50,840	\$ 7,190,218
Receivables from Other Governments	643,997		643,997
Internal Balances	4,190	(4,190)	
Other Receivables	9,064		9,064
Inventory		14,684	14,684
Unamortized Bond Issuance Costs	61,909		61,909
Restricted Assets:			
Capital Reserve Account - Cash	1,386,351		1,386,351
Maintenance Reserve Account - Cash	500,000		500,000
Capital Assets, Net:			
Sites (Land) and Construction in Progress	993,833		993,833
Depreciable Buildings and Building Improvements, Site Improvements, and Furniture, Machinery & Equipment	55,930,163	57,593	55,987,756
Total Assets	66,668,885	118,927	66,787,812
LIABILITIES			
Current Liabilities:			
Accounts Payable - Vendors	2,252,632	13,540	2,266,172
Accrued Interest Expense	172,197		172,197
Payable to State Government	3,771		3,771
Payable to Federal Government	1,164		1,164
Deferred Revenue	23,331		23,331
Noncurrent Liabilities:			
Due Within One Year	1,340,000		1,340,000
Due Beyond One Year	23,597,526	32,275	23,629,801
Total Liabilities	27,390,621	45,815	27,436,436
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	34,172,996	57,593	34,230,589
Restricted for:			
Capital Projects	2,865,770		2,865,770
Other Purposes	3,353,376		3,353,376
Unrestricted (Deficit)	(1,113,878)	15,519	(1,098,359)
Total Net Assets	\$ 39,278,264	\$ 73,112	\$ 39,351,376

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expenses)/Revenues and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 20,223,962		\$ 1,738,612		\$ (18,485,350)		\$ (18,485,350)
Special Education	3,418,895		2,466,558		(952,337)		(952,337)
Other Instruction	2,905,464		219,496		(2,685,968)		(2,685,968)
Support Services:							
Tuition	2,959,570	\$ 65,086	492,621		(2,401,863)		(2,401,863)
Student & Instruction Related Services	6,125,142		670,587		(5,454,555)		(5,454,555)
General Administration Services	942,224				(942,224)		(942,224)
School Administration Services	2,013,144		173,499		(1,839,645)		(1,839,645)
Central Services	532,619				(532,619)		(532,619)
Administrative Information Technology	618,921				(618,921)		(618,921)
Plant Operations and Maintenance	3,631,588			\$ 276,036	(3,355,552)		(3,355,552)
Pupil Transportation	2,680,860		964,757		(1,716,103)		(1,716,103)
Interest on Long-Term Debt	1,084,793				(1,084,793)		(1,084,793)
Unallocated Depreciation	1,883,717				(1,883,717)		(1,883,717)
Total Governmental Activities	49,020,899	65,086	6,726,130	276,036	(41,953,647)		(41,953,647)

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expenses)/Revenues and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Business-Type Activities:							
Food Service	\$ 737,661	\$ 746,384				\$ 8,723	\$ 8,723
Total Business-Type Activities	737,661	746,384				8,723	8,723
Total Primary Government	\$ 49,758,560	\$ 811,470	\$ 6,726,130	\$ 276,036	\$ (41,953,647)	8,723	(41,944,924)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					38,638,243		38,638,243
Taxes Levied for Debt Service					2,374,400		2,374,400
Federal and State Aid Not Restricted					785,096		785,096
Investment Earnings					24,465	123	24,588
Other Miscellaneous Income					608,237		608,237
Total General Revenues, Special Items, Extraordinary Items and Transfers					42,430,441	123	42,430,564
Change in Net Assets					476,794	8,846	485,640
Net Assets - Beginning					38,801,470	64,266	38,865,736
Net Assets - Ending					\$ 39,278,264	\$ 73,112	\$ 39,351,376

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

Exhibit B-1

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 6,860,973		\$ 278,405	\$ 7,139,378
Receivables from Federal Government	6,569	\$ 73,778		80,347
Receivables from State Government	380,107		183,543	563,650
Other Receivables	9,064			9,064
Interfund Receivable	34,537		1,017,471	1,052,008
Restricted Cash and Cash Equivalents	1,886,351			1,886,351
Total Assets	\$ 9,177,601	\$ 73,778	\$ 1,479,419	\$10,730,798
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 2,237,467	\$ 15,165		\$ 2,252,632
Payable to State Government		3,771		3,771
Payable to Federal Government		1,164		1,164
Interfund Payable	1,017,471	30,347		1,047,818
Deferred Revenue		23,331		23,331
Total Liabilities	3,254,938	73,778		3,328,716
Fund Balances:				
Restricted:				
Capital Reserve Account	1,386,351			1,386,351
Maintenance Reserve Account	500,000			500,000
Excess Surplus	1,848,977			1,848,977
Excess Surplus - Designated for Subsequent Year's Expenditures	940,598			940,598
Capital Projects Fund Committed			\$ 939,315	939,315
Assigned:			540,104	540,104
Year-End Encumbrances	63,801			63,801
Designated for Subsequent Year's Expenditures	307,756			307,756
Unassigned	875,180			875,180
Total Fund Balances	5,922,663		1,479,419	7,402,082
Total Liabilities and Fund Balances	\$ 9,177,601	\$ 73,778	\$ 1,479,419	\$10,730,798

Amounts Reported for Governmental Activities in the Statement of Net assets (A-1) are Different Because:

Total Fund Balances - Governmental Funds (Above)	\$ 7,402,082
Capital Assets used in Governmental Activities are not financial resources and are not reported in the Funds. The cost of the assets is \$77,273,578 and the accumulated depreciation is \$20,349,582.	56,923,996
Interest on Long-Term Debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(172,197)
Bond Issuance Costs are reported as expenditures in the Governmental Funds. The cost is \$95,250 and the accumulated amortization is \$33,341.	61,909
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. (See Note 8).	(24,937,526)
Net Assets of Governmental Activities (Exhibit A-1)	\$39,278,264

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 38,638,243			\$ 2,374,400	\$ 41,012,643
Tuition Revenue	65,086				65,086
Miscellaneous	631,494	\$ 15,746	\$ 1,208		648,448
Total - Local Sources	39,334,823	15,746	1,208	2,374,400	41,726,177
State Sources	6,504,655	56,220	276,036		6,836,911
Federal Sources	9,964	924,641			934,605
Total Revenue	45,849,442	996,607	277,244	2,374,400	49,497,693
EXPENDITURES:					
Current:					
Regular Instruction	14,958,119	45,089			15,003,208
Special Education Instruction	2,315,813	256,105			2,571,918
Other Instruction	2,235,421				2,235,421
Support Services and Undistributed Costs:					
Tuition	2,466,949	492,621			2,959,570
Student & Instruction Related Services	4,454,447	160,374			4,614,821
General Administration Services	846,592				846,592
School Administration Services	1,534,665				1,534,665
Central Services	444,115				444,115
Administrative Information Technology	443,472				443,472
Plant Operations and Maintenance	3,117,606				3,117,606
Pupil Transportation	2,611,165				2,611,165
Unallocated Benefits	9,230,522				9,230,522

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd):					
Debt Service:					
Principal				\$ 1,285,000	\$ 1,285,000
Interest and Other Charges				1,089,400	1,089,400
Capital Outlay	\$ 432,287	\$ 42,418	\$ 489,453		964,158
Total Expenditures	45,091,173	996,607	489,453	2,374,400	48,951,633
Excess/(Deficit) of Revenue Over/(Under) Expenditures	758,269	- 0 -	(212,209)	- 0 -	546,060
OTHER FINANCING SOURCES/(USES):					
Transfers In	1,208		636,723		637,931
Transfers Out	(636,723)		(1,208)		(637,931)
Total Other Financing Sources/(Uses)	(635,515)	- 0 -	635,515	- 0 -	-0-
Net Change in Fund Balances	122,754	- 0 -	423,306	- 0 -	546,060
Fund Balance—July 1	5,799,909	- 0 -	1,056,113	- 0 -	6,856,022
Fund Balance—June 30	\$ 5,922,663	\$ - 0 -	\$ 1,479,419	\$ - 0 -	\$ 7,402,082

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ 546,060

Amounts Reported for Governmental Activities in the Statement of Activities (Exhibit A-2) are different because:

Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and the disposal of capital assets exceeded capital outlays in the period.

	Depreciation Expense	\$ (2,091,137)	
	Capital Outlays	779,664	
Disposal of Capital Assets, Net of Accumulated Depreciation		<u>(5,250)</u>	(1,316,723)

In the Statement of Activities, certain operating expenses, e.g., compensated absences (sick and vacation) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).

(42,150)

Repayment of serial bonds is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and is not reported in the Statement of Activities.

1,285,000

In the Statement of Activities, interest on long-term debt is accrued, regardless of when it is due. In the Governmental Funds, interest is reported when it is due. The accrued interest is an addition in the reconciliation. (+)

9,370

The Governmental Funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. (-)

(4,763)

Change in Net Assets of Governmental Activities (Exhibit A-2)

\$ 476,794

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	<u>Business-type Activities - Enterprise Funds</u> <u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 50,840
Inventories	14,684
	65,524
Total Current Assets	
Non-Current Assets:	
Capital Assets	147,693
Less: Accumulated Depreciation	(90,100)
	57,593
Total Non-Current Assets	
Total Assets	123,117
LIABILITIES:	
Current Liabilities:	
Accounts Payable - Vendors	13,540
Interfund Payable	4,190
	17,730
Total Current Liabilities	
Non-Current Liabilities:	
Accrued Compensated Absences Payable	32,275
	50,005
Total Liabilities	
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	57,593
Unrestricted	15,519
	73,112
Total Net Assets	\$ 73,112

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
 AN INTEGRAL PART OF THIS STATEMENT

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Business-type Activities - Enterprise Funds
	Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Non-reimbursable Programs	\$ 738,825
Special Events	7,559
Total Operating Revenue	746,384
Operating Expenses:	
Cost of Sales	327,106
Salaries, Benefits & Payroll Taxes	341,420
Supplies, Insurance and Other Costs	62,462
Depreciation Expense	6,673
Total Operating Expenses	737,661
Operating Income	8,723
Non-Operating Income:	
Interest Income	123
Total Non-Operating Income	123
Change in Net Assets	8,846
Net Assets - Beginning of Year	64,266
Net Assets - End of Year	\$ 73,112

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 746,384
Payments to Employees	(330,981)
Payments to Suppliers	(415,443)
Net Cash Used for Operating Activities	<u>(40)</u>
Cash Flows from Investing Activities:	
Interest Income	<u>123</u>
Net Cash Provided by Investing Activities	<u>123</u>
Net Increase in Cash and Cash Equivalents	83
Cash and Cash Equivalents, July 1	<u>50,757</u>
Cash and Cash Equivalents, June 30	<u>\$ 50,840</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Income	\$ 8,723
Adjustment to Reconcile Operating Income to Net Cash Used for Operating Activities:	
Depreciation	6,673
Changes in Assets and Liabilities:	
Decrease in Inventory	1,268
Decrease in Interfund Receivable	8,774
Decrease in Accounts Payable	(27,143)
Increase in Interfund Payable	4,190
Decrease in Accrued Compensated Absences Payable	(2,525)
Net Cash Used for Operating Activities	<u>\$ (40)</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>	<u>Flexible Benefits Trust</u>
ASSETS:				
Cash and Cash Equivalents	\$ 629,602	\$ 86,200	\$ 117,385	\$ 8,400
Total Assets	629,602	86,200	117,385	8,400
LIABILITIES:				
Accounts Payable - Vendors	9,738			
Payroll Deductions and Withholdings	204,220			
Due to Student Groups	415,644			
Total Liabilities	629,602			
NET ASSETS:				
Held in Trust for:				
Unemployment Claims		86,200		
Scholarships			117,385	
Flexible Benefits				8,400
Total Net Assets	\$ - 0 -	\$ 86,200	\$ 117,385	\$ 8,400

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Flexible Benefits Trust
ADDITIONS:			
Contributions:			
Employee	\$ 198,405		\$ 3,773
Employer	50,000		
Donations		\$ 15,256	
Total Contributions	<u>248,405</u>	<u>15,256</u>	<u>3,773</u>
Investment Earnings:			
Interest	<u>245</u>	<u>267</u>	
Net Investment Earnings	<u>245</u>	<u>267</u>	
Total Additions	<u>248,650</u>	<u>15,523</u>	<u>3,773</u>
DEDUCTIONS:			
Unemployment Compensation Claims	339,157		
Scholarships Awarded		38,890	
Flexible Benefits			5,972
Total Deductions	<u>339,157</u>	<u>38,890</u>	<u>5,972</u>
Change in Net Assets	(90,507)	(23,367)	(2,199)
Net Assets - Beginning of the Year	<u>176,707</u>	<u>140,752</u>	<u>10,599</u>
Net Assets - End of the Year	<u>\$ 86,200</u>	<u>\$ 117,385</u>	<u>\$ 8,400</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of the West Morris Regional High School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of 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.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significances) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include West Morris Mendham high school located in Mendham Borough and West Morris Central high school located in Washington Township. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net assets and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall District in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by the NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expenses by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

The District reports the following proprietary fund:

Enterprise (Food Service) Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and include the Student Activities Fund, Payroll Agency Fund, Flexible Benefits Trust Fund, Unemployment Compensation Insurance Trust Fund and Private Purpose Trust Fund.

C. Measurement Focus and Basis of Accounting:

The district-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resource and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net assets may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

Reports for the District's Enterprise Fund are prepared following the Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989; Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with Governmental Accounting Standards Board (GASB) pronouncements.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General and Special Revenue and Debt Service Funds. The budgets are submitted to the County office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget Amendments/Transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the June state aid payments for the current year. Since the State is recording the June state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

The Capital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA grants. These grants are recognized on the budgetary basis in full when they are awarded but recognized on the GAAP basis only to the extent of expenditures which have been submitted for reimbursement.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 45,614,788	\$ 989,978
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		6,629
State Aid Payment Recognized for GAAP Statements, not Recognized for Budgetary Purposes (Prior Year)	529,937	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements (Current Year)	(295,283)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 45,849,442	\$ 996,607
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 45,091,173	\$ 989,978
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.		6,629
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 45,091,173	\$ 996,607
		Capital Projects Fund
	Revenue	Fund Balance
Summary Schedule of Revenue, Expenditures and Changes in Fund Balance (Budgetary Basis) (per Exhibit F-1)	\$ 160,000	\$ 1,829,456
Reconciliation to Governmental Funds Statement (GAAP):		
SDA Grants are Recognized as Revenue on the Budgetary Basis when awarded but are not Recongnized on the GAAP Basis until Expended.	116,036	(350,037)
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds (GAAP Basis) (per Exhibit B-2)	\$ 276,036	\$ 1,479,419

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents, and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net assets, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, 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.

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. Encumbrances: (Cont'd)

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings	50 years
Building and Site Improvements	20 years
Machinery and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net assets, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond issuance costs, as well as applicable bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, governmental fund types recognize discounts, as well as bond issuance costs, as expenditures in 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 expenditures.

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2011.

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy or employee agreements. Upon termination, an employee is reimbursed for accumulated unused sick and personal time based upon the employee's age and years of service. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after ten years of service.

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

O. Deferred Revenue:

Deferred revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the Special Revenue Fund.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Fund Balance Appropriated:

General Fund: Of the \$5,922,663 General Fund balance at June 30, 2011, \$63,801 is assigned for encumbrances; \$1,386,351 is restricted in the capital reserve account; \$500,000 is restricted in the maintenance reserve account; \$307,756 is assigned and included as anticipated revenue for the year ending June 30, 2012; \$2,789,575 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended (\$940,598 is prior year excess surplus and is included as anticipated revenue for the year ending June 30, 2012 and the remaining \$1,848,977 is current year excess surplus and will be included as anticipated revenue for the year ending June 30, 2013); and \$875,180 is unassigned which is \$295,283 less on the GAAP basis than the calculated maximum unreserved fund balance (budgetary basis) due to the June state aid payments which are not recognized until the fiscal year ended June 30, 2012.

Capital Projects Fund: Of the \$1,479,419 Capital Projects Fund balance at June 30, 2011, \$939,315 is restricted for capital projects authorized by referendum and capital outlay or capital reserve and \$540,104 is committed for capital projects which are financed with SDA grants which is \$350,037 less than the budgetary basis due to SDA Grants receivable which are not recognized on the GAAP basis.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had \$2,789,575 in excess surplus for the prior and current year at June 30, 2011 as outlined above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$295,283 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event one or more state school aid payments are not made until the following school budget year, districts must record the June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

Q. Net Assets:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

R. Deficit Net Assets:

The \$1,113,878 deficit in unrestricted net assets from its government activities is primarily the result of the accrual of \$2,186,526 in compensated absences and \$172,197 in interest payable as of June 30, 2011. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

S. Fund Balance Restrictions, Commitments and Assignments:

The District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during the current fiscal year. The objective of this standard is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions (as detailed in Note 1B). This Statement establishes 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.

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. 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 restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for a capital reserve, a maintenance reserve and excess surplus as defined by State law.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2011.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2011.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes, interest and tuition.

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

V. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following page.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) 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 obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

As of June 30, 2011, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Capital Reserve Account</u>	<u>Maintenance Reserve Account</u>	<u>Total</u>
Checking/Savings Accounts	\$ 6,413,046			\$ 6,413,046
Certificates of Deposit	819,262	\$ 1,878,978		2,698,240
MBIA	71,095			71,095
New Jersey Cash Management Account	<u>228,402</u>	<u>7,373</u>	<u>\$ 500,000</u>	<u>735,775</u>
	<u>\$ 7,531,805</u>	<u>\$ 1,886,351</u>	<u>\$ 500,000</u>	<u>\$ 9,918,156</u>

During the period ended June 30, 2011, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents at June 30, 2011 was \$9,918,156 and the bank balance was \$11,042,000. The \$71,095 with MBIA and \$735,775 with New Jersey Cash Management are uninsured and unregistered.

During the period ended June 30, 2010, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents at June 30, 2010 was \$8,029,660 and the bank balance was \$9,484,577, including \$71,035 with MBIA and \$2,583,305 with New Jersey Cash Management which were uninsured and unregistered.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the West Morris Regional High School District by inclusion of \$300,000 on June 30, 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, 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-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The activity of the capital reserve for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Beginning Balance, July 1, 2010	\$ 2,014,646
Interest Earnings	8,428
Budgeted Withdrawal	(415,378)
Withdrawal by Board Resolution	<u>(221,345)</u>
Ending Balance, June 30, 2011	<u><u>\$ 1,386,351</u></u>

The balance in the capital reserve account at June 30, 2011 does not exceed the balance of local support costs of uncompleted capital projects in the District's Long Range Facilities Plan ("LRFP"). Withdrawals from the capital reserve are for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$500,000 was established by Board resolution on June 27, 2011. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

The activity of the maintenance reserve for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Beginning Balance, July 1, 2010	\$ -0-
Increase by Board Resolution - June 27, 2011	<u>500,000</u>
Ending Balance, June 30, 2011	<u>\$ 500,000</u>

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2011, the District did not make any transfers to the capital outlay accounts.

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2011 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 130,448			\$ 130,448
Construction in Progress	863,385	\$ 489,453	\$ (489,453)	863,385
Total Capital Assets Not Being Depreciated	<u>993,833</u>	<u>489,453</u>	<u>(489,453)</u>	<u>993,833</u>
Capital Assets Being Depreciated:				
Site Improvements	1,843,337	58,376	148,340	2,050,053
Buildings and Building Improvements	70,789,957	133,835	341,113	71,264,905
Machinery and Equipment	2,900,287	98,000	(33,500)	2,964,787
Total Capital Assets Being Depreciated	<u>75,533,581</u>	<u>290,211</u>	<u>455,953</u>	<u>76,279,745</u>
Governmental Activities Capital Assets	<u>76,527,414</u>	<u>779,664</u>	<u>(33,500)</u>	<u>77,273,578</u>
Less Accumulated Depreciation for:				
Site Improvements	(885,374)	(74,950)		(960,324)
Buildings and Building Improvements	(15,575,522)	(1,798,094)		(17,373,616)
Machinery and Equipment	(1,825,799)	(218,093)	28,250	(2,015,642)
	<u>(18,286,695)</u>	<u>(2,091,137)</u>	<u>28,250</u>	<u>(20,349,582)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 58,240,719</u>	<u>\$ (1,311,473)</u>	<u>\$ (5,250)</u>	<u>\$ 56,923,996</u>
	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 147,693			\$ 147,693
Less Accumulated Depreciation	(83,427)	\$ (6,673)		(90,100)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 64,266</u>	<u>\$ (6,673)</u>	<u>\$ -0-</u>	<u>\$ 57,593</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 7. CAPITAL ASSETS (Cont'd)

The District had active construction projects totaling \$40,717,674 with unexpended balances of \$1,829,456 as of June 30, 2011. These projects include renovations at Central and Mendham High Schools, a tennis court project, various roof replacement projects, resurfacing running tracks, electrical panel and HVAC projects, an energy savings project, and a baseball fencing project. The District had \$9,599 in outstanding construction commitments at June 30, 2011.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 11,242
Student and Instruction Related Services	24,165
Administrative Information Technology	120,253
Plant Operations and Maintenance	26,614
Transportation	25,146
Unallocated	<u>1,883,717</u>
Total Depreciation - Governmental Activities	<u>\$ 2,091,137</u>

NOTE 8. OPERATING LEASES

The District had no operating leases in effect during the year ended June 30, 2011.

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2011, the following changes occurred in liabilities reported in the District-wide financial statements:

	<u>Balance</u> <u>6/30/2010</u>	<u>Added</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2011</u>
Compensated Absences Payable:				
Governmental Funds	\$ 2,144,376	\$ 287,525	\$ 245,375	\$ 2,186,526
Proprietary Funds	34,800	1,425	3,950	32,275
Serial Bonds Payable	<u>24,036,000</u>		<u>1,285,000</u>	<u>22,751,000</u>
	<u>\$26,215,176</u>	<u>\$ 288,950</u>	<u>\$1,534,325</u>	<u>\$ 24,969,801</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 9. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be retired through the Debt Service Fund.

The District had bonds outstanding as of June 30, 2011 as follows:

<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
05/01/2024	4.375%-5.00%	<u>\$ 22,751,000</u>

Principal and interest due on serial bonds outstanding are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,340,000	\$ 1,033,182	\$ 2,373,182
2013	1,395,000	974,557	2,369,557
2014	1,455,000	913,525	2,368,525
2015	1,520,000	849,869	2,369,869
2016	1,585,000	783,369	2,368,369
Thereafter:			
2017-2021	9,015,000	2,812,625	11,827,625
2022-2024	6,441,000	590,063	7,031,063
	<u>\$22,751,000</u>	<u>\$ 7,957,190</u>	<u>\$ 30,708,190</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2011, the Board has no bonds authorized but not issued.

C. Capital Leases Payable:

The District had no capital leases at June 30, 2011.

D. Compensated Absences Payable:

The liability for compensated absences of the Governmental Fund types is recorded as a long-term liability and will be liquidated through the General Fund. None of the compensated absences balance of the Governmental Funds at June 30, 2011 represents a current year liability; therefore, the entire balance of \$2,186,526 is a long-term liability.

The liability for vested compensated absences of the Proprietary Fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2011, \$32,275 of compensated absences was reported as a long-term liability in and will be liquidated through the Food Service Enterprise Fund.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 10. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey. These systems are sponsored and administered by the State of New Jersey. The TPAF is considered a cost-sharing, multiple employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other non-contribution employers. The PERS is also considered a cost-sharing, multiple-employer plan.

Employees, who are members of TPAF or PERS and retire at a specified age according to the relevant tier category for that employee, are entitled to a retirement benefit based upon a formula which takes "final average salary" during the years of creditable service. Vesting occurs after 8 to 10 years of service.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey regulation. Employee contributions are based on percentages of 5.50% for TPAF and 5.50% for PERS of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate.

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a noncontributing employer of the TPAF. Under current statute, the District is a noncontributing employer of the TPAF.

District contributions to PERS amounted to \$391,156, \$309,693 and \$293,246 for 2011, 2010 and 2009, respectively.

The State of New Jersey made no contributions to the TPAF for normal pension benefits on behalf of the District for the fiscal years ending June 30, 2011, 2010 and 2009, respectively.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 11. POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required the TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributed to P.L. 1992, c.126 which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members for Fiscal Year 2010.

The State's on behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$1,410,634, \$1,306,208 and \$1,254,132 for 2011, 2010 and 2009, respectively.

NOTE 12. DEFERRED COMPENSATION

The Board offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the following entities, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

The plan administrators are as follows:

AXA Equitable Life Insurance Company
Variable Annuity Life Insurance Company
The Vanguard Group
Metropolitan Life Resources

NOTE 13. RISK MANAGEMENT

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

Property and Liability Insurance

The District insures property, liability and health benefits through purchased insurance policies with the exception of workers' compensation coverage. The District obtains its health benefit coverage through the State of New Jersey Health Benefits Plan. The District is a member of the Morris-Essex Insurance Group (the "Group"). The Group provides its members with workers' compensation coverage. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 13. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

The Group is a risk-sharing public entity risk pool that is an insured and self-administered group of school districts established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group are elected.

As a member of this Group, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Group's liabilities. The Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

The June 30, 2011 audit report for the Group is not available as of the date of this report. Selected financial information for the Group as of June 30, 2010 is as follows:

	<u>Morris-Essex Insurance Group</u>
Total Assets	<u>\$ 6,704,867</u>
Net Assets	<u>\$ 2,481,257</u>
Total Revenue	<u>\$ 2,839,218</u>
Total Expenses	<u>\$ 2,151,940</u>
Net Assets Distribution to Participating Members	<u>\$ 607,096</u>
Change in Net Assets for the Year Ended June 30	<u>\$ 80,182</u>

Financial statements for the Group are available at the Group's Executive Director's Office:

The Burton Agency
44 Bergen Street
PO Box 270
Westwood, New Jersey 07675
(201) 664-0310

New Jersey Unemployment Compensation Insurance

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 13. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

The following is a summary of the District's contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Trust Fiduciary Fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-2011	\$ 50,000	\$ 245	\$ 198,405	\$ 339,157	\$ 86,200
2009-2010	-0-	326	193,628	83,793	176,707
2008-2009	-0-	1,233	35,115	71,071	66,546

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2011:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 34,537	\$ 1,017,471
Special Revenue Fund		30,347
Capital Projects Fund	1,017,471	
Proprietary Funds		4,190
	<u>\$ 1,052,008</u>	<u>\$ 1,052,008</u>

At June 30, 2011, the General Fund owes the Capital Projects Fund \$1,017,471 for the local share of capital projects. The Special Revenue Fund owes the General Fund \$30,347 for an interfund loan advanced for grant expenditures for which grant revenue has not been received as of June 30, 2011. The Food Service Enterprise Fund owes the General Fund \$4,190 for final June payroll expenses.

During the fiscal year, the General Fund transferred \$636,723 to the Capital Projects Fund for the local share of several capital projects and the Capital Projects Fund transferred \$1,208 of interest earnings to the General Fund.

NOTE 15. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipalities and are remitted to the school district on a predetermined, agreed-upon schedule.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 16. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

NOTE 17. ADVANCE REFUNDING OF LONG-TERM DEBT

On August 22, 2011, the Board authorized an application to the NJ Department of Community Affairs, Division of Local Government Services, Local Finance Board ("LFB") seeking approval for a refunding bond ordinance which "provides for the refunding of all or a portion of the District's outstanding callable School Bonds dated May 1, 2004 issued in the original amount of \$26,631,000 and authorizing the issuance of not to exceed \$20,100,000 principal amount of Refunding School Bonds, Series 2007". LFB approval was granted on September 14, 2011 and is effective for one year at which time a request can be made to extend the approval. The advance refunding is expected to generate the required 3% savings under current market conditions and is scheduled to be completed in November 2011.

NOTE 18. CONTINGENT LIABILITIES

Grant Programs

The School District participates in federal and state assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The School District is potentially liable for expenditures which may be disallowed pursuant to terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation

The District is periodically involved in pending lawsuits. The District estimates that any potential claims against it resulting from any litigation and not covered by insurance would not materially affect the financial statements of the District.

Encumbrances

At June 30, 2011, there were encumbrances as detailed below in the governmental funds.

Governmental Funds			
General	Special Revenue	Capital Projects	Total
\$ 63,801	\$ 30,461	\$ 9,599	\$ 103,861

In the District's Governmental Funds Balance Sheet as of June 30, 2011, no amount is assigned for encumbrances in the Special Revenue Fund since encumbrances are not recognized on the GAAP basis until they are paid. Actual encumbrances of \$30,461 on the budgetary basis are instead reflected as either a reduction of grants receivable or an increase in deferred revenue on the GAAP basis in the Special Revenue Fund.

BUDGETARY COMPARISON SCHEDULES

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 38,638,243		\$ 38,638,243	\$ 38,638,243	
Tuition - From Individuals	2,000		2,000	65,086	\$ 63,086
Interest on Capital Reserve	4,596		4,596	8,428	3,832
Miscellaneous	406,300		406,300	623,066	216,766
Total - Local Sources	<u>39,051,139</u>		<u>39,051,139</u>	<u>39,334,823</u>	<u>283,684</u>
State Sources:					
Transportation Aid	878,871		878,871	878,871	
Categorical Special Education Aid	1,640,559		1,640,559	1,640,559	
Equalization Aid	405,999		405,999	405,999	
Categorical Security Aid	214,218		214,218	214,218	
Extraordinary Special Education Costs Aid				280,075	280,075
Nonpublic Transportation Costs				32,192	32,192
On-Behalf TPAF Contributions:					
Post Retirement Medical Benefits (Non-Budgeted)				1,410,634	1,410,634
Non-Contributory Insurance (Non-Budgeted)				66,414	66,414
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				1,341,039	1,341,039
Total State Sources	<u>3,139,647</u>		<u>3,139,647</u>	<u>6,270,001</u>	<u>3,130,354</u>
Federal Sources:					
Education Jobs Fund		\$ 9,964	9,964	9,964	
Total Federal Sources		<u>9,964</u>	<u>9,964</u>	<u>9,964</u>	
TOTAL REVENUE	<u>42,190,786</u>	<u>9,964</u>	<u>42,200,750</u>	<u>45,614,788</u>	<u>3,414,038</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 13,754,483	\$ 313,270	\$ 14,067,753	\$ 14,067,753	
Regular Programs - Home Instruction:					
Salaries of Teachers	46,500	31,055	77,555	77,555	
Purchased Professional - Educational Services	60,000	(11,211)	48,789	44,052	\$ 4,737
Regular Programs - Undistributed Instruction:					
Other Purchased Services (400-500 series)	87,672		87,672	85,320	2,352
Purchased Professional - Educational Services		250	250	250	
General Supplies	593,484	(6,353)	587,131	550,329	36,802
Textbooks	189,756	(7,736)	182,020	132,829	49,191
Other Objects	500		500	31	469
Total Regular Programs - Instruction	14,732,395	319,275	15,051,670	14,958,119	93,551
Special Education - Instruction:					
Cognitive Moderate:					
Other Salaries for Instruction	54,381	(24,665)	29,716	29,716	
Total Cognitive - Moderate	54,381	(24,665)	29,716	29,716	
Resource Room/Resource Center:					
Salaries of Teachers	2,115,865	(45,100)	2,070,765	2,070,765	
Other Salaries for Instruction	233,239	(33,763)	199,476	199,476	
Other Purchased Services (400-500 series)		420	420	320	100
General Supplies	24,090	(1,396)	22,694	13,221	9,473
Textbooks	3,690		3,690	1,445	2,245
Other Objects		896	896	870	26
Total Resource Room/Resource Center	2,376,884	(78,943)	2,297,941	2,286,097	11,844
Total Special Education - Instruction	2,431,265	(103,608)	2,327,657	2,315,813	11,844

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE:					
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	\$ 337,638	\$ 21,251	\$ 358,889	\$ 358,889	
Purchased Services (300-500 series)	16,984	(2,960)	14,024	10,976	\$ 3,048
Supplies and Materials	54,130	6,262	60,392	45,472	14,920
Other Objects	19,478	(2,922)	16,556	13,825	2,731
Total School-Sponsored Cocurricular Activities - Instruction	428,230	21,631	449,861	429,162	20,699
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	1,403,690	80,188	1,483,878	1,483,878	
Purchased Services (300-500 series)	37,350		37,350	30,776	6,574
Supplies and Materials	161,942	(28,046)	133,896	113,026	20,870
Other Objects	176,550	12,896	189,446	177,136	12,310
Total School-Sponsored Cocurricular Athletics - Instruction	1,779,532	65,038	1,844,570	1,804,816	39,754
Other Instructional Programs - Instruction:					
Salaries	4,000		4,000	1,443	2,557
Total Other Instructional Programs - Instruction	4,000		4,000	1,443	2,557
Total Instruction Expenditures	19,375,422	302,336	19,677,758	19,509,353	168,405

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	\$ 123,194		\$ 123,194	\$ 73,046	\$ 50,148
Tuition to County Vocational School District - Regular	214,490	\$ (21,666)	192,824	173,385	19,439
Tuition to County Vocational School District - Special	22,934	21,666	44,600	37,781	6,819
Tuition to CSSD & Regional Day Schools	368,528		368,528	303,537	64,991
Tuition to Private Schools for the Disabled - Within State	1,937,192		1,937,192	1,796,326	140,866
Tuition to Private Schools for the Disabled and Other LEAs Special - Outside the State	123,305	30,700	154,005	82,874	71,131
Tuition - State Facilities	30,700	(30,700)			
Total Undistributed Expenditures - Instruction	2,820,343		2,820,343	2,466,949	353,394
Attendance & Social Work Services:					
Salaries	17,372	37	17,409	17,409	
Supplies and Materials	6,300	(4,141)	2,159	2,159	
Total Attendance & Social Work Services	23,672	(4,104)	19,568	19,568	
Health Services:					
Salaries	496,193	(19,355)	476,838	476,838	
Purchased Professional and Technical Services	29,500		29,500	28,660	840
Other Purchased Services (400-500 series)	180		180		180
Supplies and Materials	11,355		11,355	11,138	217
Other Objects	1,505	1	1,506	570	936
Total Health Services	538,733	(19,354)	519,379	517,206	2,173

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures:					
Other Support Services - Speech, OT, PT & Related Services:					
Salaries	\$ 66,070	\$ 6,116	\$ 72,186	\$ 72,186	
Supplies and Materials	675		675	247	\$ 428
Total Other Support Services - Speech, OT, PT & Related Services	66,745	6,116	72,861	72,433	428
Other Support Services - Guidance:					
Salaries of Other Professional Staff	1,371,479	(20,208)	1,351,271	1,351,270	1
Salaries of Secretarial and Clerical Assistants	179,680	38,849	218,529	218,529	
Other Salaries	52,149	(289)	51,860	51,860	
Other Purchased Professional and Technical Services	10,394	(748)	9,646	9,226	420
Other Purchased Services (400-500 series)	1,080	(690)	390	390	
Supplies and Materials	24,960	(1,925)	23,035	21,677	1,358
Other Objects	2,736	(1,645)	1,091	1,044	47
Total Other Support Services - Guidance	1,642,478	13,344	1,655,822	1,653,996	1,826
Other Support Services - Child Study Team:					
Salaries of Other Professional Staff	922,274	(31,386)	890,888	890,888	
Salaries of Secretarial and Clerical Assistants	151,120	4,367	155,487	155,487	
Purchased Professional - Educational Services	223,086	(75,470)	147,616	147,616	
Miscellaneous Purchased Services (400-500 series)	13,176	(201)	12,975	7,714	5,261
Supplies and Materials	12,000		12,000	8,968	3,032
Other Objects	1,950	200	2,150	1,895	255
Total Other Support Services - Child Study Team	1,323,606	(102,490)	1,221,116	1,212,568	8,548

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	\$ 159,450	\$ 1,783	\$ 161,233	\$ 161,233	
Salaries of Other Professional Staff	64,727	(23,801)	40,926	40,926	
Salaries of Secretarial and Clerical Assistants	52,950	275	53,225	53,225	
Other Purchased Professional and Technical Services	101,295	(13,376)	87,919	85,824	\$ 2,095
Other Purchased Services (400-500)	7,509	(5,514)	1,995	1,995	
Supplies and Materials	72,360	(36,651)	35,709	34,594	1,115
Other Objects	6,750	(206)	6,544	6,240	304
Total Improvement of Instructional Services	465,041	(77,490)	387,551	384,037	3,514
Educational Media Services/School Library:					
Salaries	270,758	(61,131)	209,627	209,627	
Salaries of Technology Coordinators	48,723	(279)	48,444	48,444	
Other Purchased Services (400-500 series)	650		650		650
Supplies and Materials	123,391	3,700	127,091	112,470	14,621
Other Objects	570		570	390	180
Total Educational Media Services/School Library	444,092	(57,710)	386,382	370,931	15,451
Instructional Staff Training Services:					
Salaries of Other Professional Staff	171,450	11,055	182,505	182,505	
Other Purchased Professional and Technical Services	7,000	600	7,600	7,306	294
Other Purchased Services (400-500 series)	73,600	(5,383)	68,217	32,521	35,696
Supplies and Materials	8,000		8,000	1,376	6,624
Total Instructional Staff Training Services	260,050	6,272	266,322	223,708	42,614

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Support Services - General Administration:					
Salaries	\$ 379,679	\$ 15,642	\$ 395,321	\$ 391,445	\$ 3,876
Legal Services	125,000	(6,532)	118,468	41,657	76,811
Audit Fees	52,352		52,352	47,290	5,062
Other Purchased Professional Services	22,754		22,754	21,292	1,462
Communications/Telephone	133,475	(1,594)	131,881	102,556	29,325
BOE Other Purchased Services	4,500		4,500	242	4,258
Other Purchased Services (400-500 series)	216,912	5,708	222,620	202,467	20,153
General Supplies	7,008		7,008	6,693	315
Miscellaneous Expenditures	18,350	(1,275)	17,075	12,506	4,569
BOE Membership Dues and Fees	22,971		22,971	20,444	2,527
Total Support Services - General Administration	983,001	11,949	994,950	846,592	148,358
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	1,013,250	11,984	1,025,234	997,841	27,393
Salaries of Other Professional Staff	154,450	5,117	159,567	159,567	
Salaries of Secretarial and Clerical Assistants	365,768	(45,697)	320,071	300,330	19,741
Other Purchased Services (400-500 series)	32,334	2,400	34,734	24,415	10,319
Supplies and Materials	18,831	5,900	24,731	12,514	12,217
Other Objects	61,120	1,500	62,620	39,998	22,622
Total Support Services - School Administration	1,645,753	(18,796)	1,626,957	1,534,665	92,292

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Central Services:					
Salaries	\$ 406,171	\$ (14,365)	\$ 391,806	\$ 384,374	\$ 7,432
Purchased Professional Services	42,000		42,000	20,837	21,163
Purchased Technical Services	50,000		50,000	16,143	33,857
Miscellaneous Purchased Services (400-500 series)	29,750		29,750	7,978	21,772
Supplies and Materials	13,400		13,400	11,358	2,042
Miscellaneous Expenditures	5,000		5,000	3,425	1,575
Total Central Services	546,321	(14,365)	531,956	444,115	87,841
Administrative Information Technology:					
Salaries	217,647	(6,359)	211,288	211,074	214
Purchased Technical Services		11,700	11,700	11,700	
Other Purchased Services (400-500 series)	69,760	(18,127)	51,633	44,716	6,917
Supplies and Materials	161,599	14,885	176,484	175,982	502
Total Administrative Information Technology	449,006	2,099	451,105	443,472	7,633
Required Maintenance for School Facilities:					
Salaries	12,418	(870)	11,548	11,393	155
Cleaning, Repair and Maintenance Services	111,812	11,318	123,130	115,429	7,701
General Supplies	91,133	(25,285)	65,848	65,824	24
Total Required Maintenance for School Facilities	215,363	(14,837)	200,526	192,646	7,880

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE					
Undistributed Expenditures:					
Custodial Services:					
Salaries	\$ 1,042,284	\$ 1,561	\$ 1,043,845	\$ 1,042,116	\$ 1,729
Purchased Professional and Technical Services	29,300	(6,550)	22,750	16,193	6,557
Cleaning, Repair and Maintenance Services	216,436	(50,649)	165,787	128,690	37,097
Rental of Land & Buildings Other than Lease Purchase Agreements	174,818	(2,821)	171,997	154,518	17,479
Other Purchased Property Services	63,115		63,115	60,906	2,209
Insurance	23,332		23,332	23,332	
Miscellaneous Purchased Services	3,530	(1,050)	2,480	1,718	762
General Supplies	137,427	2,000	139,427	125,110	14,317
Energy (Electricity)	589,670	60,668	650,338	649,853	485
Energy (Natural Gas)	341,067	(60,669)	280,398	258,931	21,467
Other Objects	13,200	(2,394)	10,806	8,137	2,669
Total Custodial Services	<u>2,634,179</u>	<u>(59,904)</u>	<u>2,574,275</u>	<u>2,469,504</u>	<u>104,771</u>
Care & Upkeep of Grounds:					
Salaries	277,387	7,554	284,941	284,941	
Cleaning, Repair and Maintenance Services	30,550	832	31,382	26,182	5,200
General Supplies	52,388	(2,184)	50,204	42,526	7,678
Total Care & Upkeep of Grounds	<u>360,325</u>	<u>6,202</u>	<u>366,527</u>	<u>353,649</u>	<u>12,878</u>
Security:					
Salaries	30,210	34,497	64,707	64,707	
Purchased Professional and Technical Services	37,100		37,100	37,100	
Total Security	<u>67,310</u>	<u>34,497</u>	<u>101,807</u>	<u>101,807</u>	

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Regular	\$ 54,423	\$ 2,911	\$ 57,334	\$ 55,155	\$ 2,179
Between Home and School - Special	9,150	(5,333)	3,817	3,642	175
Other Than Between Home and School	87,909	11,259	99,168	99,030	138
Between Home and School - Nonpublic Schools		22,272	22,272	22,272	
Management Fee - ESC & CTSA Transportation Program	41,950	(2,218)	39,732	34,884	4,848
Other Purchased Professional and Technical Services	6,435		6,435	5,392	1,043
Cleaning, Repair and Maintenance Services	33,500		33,500	32,331	1,169
Rental Payments - School Buses	900		900	62	838
Contracted Services:					
Other than Between Home and School - Vendors	350,340	(20,533)	329,807	275,940	53,867
Between Home and School - Joint Agreements	1,121,335	(48,265)	1,073,070	962,394	110,676
Special Education Students - Vendors	58,200	(2,504)	55,696	10,815	44,881
Special Education Students - Joint Agreements	76,500		76,500	43,665	32,835
Regular Students - ESC's & CTSA's	219,204		219,204	171,702	47,502
Special Education Students - ESC's & CTSA's	755,060	34,021	789,081	763,333	25,748
Aid in Lieu of Payments - Nonpublic Students	91,400	(13,000)	78,400	72,184	6,216
Miscellaneous Purchased Services	13,436	701	14,137	13,790	347
General Supplies	28,600	1,125	29,725	29,206	519
Other Objects - Miscellaneous Expenditures	885	15,763	16,648	15,368	1,280
Total Student Transportation Services	2,949,227	(3,801)	2,945,426	2,611,165	334,261

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Unallocated Benefits:					
Social Security Contributions	\$ 516,605		\$ 516,605	\$ 504,154	\$ 12,451
TPAF Contributions - ERIP	1,331		1,331	1,320	11
Other Retirement Contributions - PERS	338,497	\$ 52,659	391,156	391,156	
Unemployment Compensation	204,156	(52,659)	151,497	50,000	101,497
Workmen's Compensation	233,750	(22,152)	211,598	201,972	9,626
Health Benefits	5,048,805	15,542	5,064,347	4,655,896	408,451
Tuition Reimbursement	95,200	2,660	97,860	66,309	31,551
Other Employee Benefits	602,816	3,950	606,766	541,628	65,138
Total Unallocated Benefits	<u>7,041,160</u>		<u>7,041,160</u>	<u>6,412,435</u>	<u>628,725</u>
On-Behalf TPAF Contributions:					
Post Retirement Medical Benefits (Non-Budgeted)				1,410,634	(1,410,634)
Non-Contributory Insurance (Non-Budgeted)				66,414	(66,414)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				1,341,039	(1,341,039)
Total On-Behalf and Reimbursed Contributions				<u>2,818,087</u>	<u>(2,818,087)</u>
Total Personal Services - Employee Benefits	<u>7,041,160</u>		<u>7,041,160</u>	<u>9,230,522</u>	<u>(2,189,362)</u>
Total Undistributed Expenditures	<u>24,476,405</u>	<u>(292,372)</u>	<u>24,184,033</u>	<u>25,149,533</u>	<u>(965,500)</u>
TOTAL CURRENT EXPENSE	<u>43,851,827</u>	<u>9,964</u>	<u>43,861,791</u>	<u>44,658,886</u>	<u>(797,095)</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CAPITAL OUTLAY					
Equipment:					
Regular Programs - Instruction:					
Grades 9-12	\$ 11,500	\$ 772	\$ 12,272	\$ 10,297	\$ 1,975
School-Sponsored and Other Instructional Programs	8,500	(2,968)	5,532	5,532	
Undistributed Expenditures:					
Instruction	64,250		64,250	31,110	33,140
Instructional Staff	8,100		8,100	2,828	5,272
School Administration	3,000	(304)	2,696	2,696	
Required Maintenance for School Facilities	122,993	500	123,493	107,428	16,065
Custodial Services	21,900	2,000	23,900	22,619	1,281
Administrative Information Technology	39,378		39,378	39,378	
Total Equipment	<u>279,621</u>		<u>279,621</u>	<u>221,888</u>	<u>57,733</u>
Facilities Acquisition and Construction Services:					
Other Purchased Professional and Technical Services	70,393	2,108	72,501	63,872	8,629
Construction Services	37,925	(2,108)	35,817	18,650	17,167
Other Objects	127,877		127,877	127,877	
Total Facilities Acquisition and Construction Services	<u>236,195</u>		<u>236,195</u>	<u>210,399</u>	<u>25,796</u>
TOTAL CAPITAL OUTLAY	<u>515,816</u>		<u>515,816</u>	<u>432,287</u>	<u>83,529</u>
TOTAL EXPENDITURES	<u>44,367,643</u>	<u>9,964</u>	<u>44,377,607</u>	<u>45,091,173</u>	<u>(713,566)</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,176,857)	\$ - 0 -	\$ (2,176,857)	\$ 523,615	\$ 2,700,472
Other Financing Sources/(Uses):					
Transfer from Capital Reserve to Capital Projects Fund	(415,378)	(221,345)	(636,723)	(636,723)	
Transfer from Capital Projects Fund - Interest Earned				1,208	1,208
Total Other Financing Sources/(Uses)	(415,378)	(221,345)	(636,723)	(635,515)	1,208
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(2,592,235)	(221,345)	(2,813,580)	(111,900)	2,701,680
Fund Balance, July 1	6,329,846		6,329,846	6,329,846	
Fund Balance, June 30	\$ 3,737,611	\$ (221,345)	\$ 3,516,266	\$ 6,217,946	\$ 2,701,680
Recapitulation:					
Restricted for:					
Capital Reserve				\$ 1,386,351	
Maintenance Reserve				500,000	
Excess Surplus				1,848,977	
Excess Surplus - Designated for Subsequent Year's Expenditures				940,598	
Assigned:					
Year-End Encumbrances				63,801	
Designated for Subsequent Year's Expenditures				307,756	
Unassigned				1,170,463	
Total Fund Balance - Budgetary Basis				6,217,946	
Reconciliation to Governmental Fund Statements (GAAP):					
June State Aid payments not recognized on a GAAP basis				(295,283)	
Fund Balance per Governmental Funds on Exhibit B-1				\$ 5,922,663	

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 72,238	\$ (3,750)	\$ 68,488	\$ 56,220	\$ (12,268)
Federal Sources	999,507	(20,088)	979,419	918,012	(61,407)
Local Sources	22,128		22,128	15,746	(6,382)
Total Revenues	1,093,873	(23,838)	1,070,035	989,978	(80,057)
EXPENDITURES:					
Instruction					
Personal Services - Salaries	153,031	6,145	159,176	143,869	15,307
Purchased Professional/Technical Services	10,363		10,363	9,959	404
Other Purchased Services	88,567	2,509	91,076	81,621	9,455
Tuition	504,963	(16,878)	488,085	484,844	3,241
General Supplies	37,544	16,378	53,922	51,735	2,187
Textbooks	15,517		15,517	15,517	
Other Objects	3,000		3,000	1,181	1,819
Total Instruction	812,985	8,154	821,139	788,726	32,413
Support Services					
Personal Services - Salaries	18,771	32	18,803	18,771	32
Personal Services - Employee Benefits	29,706	2,944	32,650	32,650	
Purchased Professional/Technical Services	126,405	(8,157)	118,248	81,853	36,395
Purchased Technical Services	406		406	406	
Other Purchased Services	21,660	(18,103)	3,557	1,155	2,402
Transportation	25,021	(3,750)	21,271	20,771	500
Supplies and Materials	11,353	1,500	12,853	4,768	8,085
Total Support Services	233,322	(25,534)	207,788	160,374	47,414

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Facilities Acquisition and Construction Services:					
Instructional Equipment	\$ 32,230	\$ (6,458)	\$ 25,772	\$ 25,542	\$ 230
Non-Instructional Equipment	15,336		15,336	15,336	
Total Facilities Acquisition and Construction Services	<u>47,566</u>	<u>(6,458)</u>	<u>41,108</u>	<u>40,878</u>	<u>230</u>
Total Expenditures	<u>1,093,873</u>	<u>(23,838)</u>	<u>1,070,035</u>	<u>989,978</u>	<u>80,057</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 45,614,788	\$ 989,978
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		6,629
State Aid Payment Recognized for GAAP Purposes, not Recognized for Budgetary Statements (Prior Year)	529,937	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements (Current Year)	(295,283)	
	<u>\$ 45,849,442</u>	<u>\$ 996,607</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 45,091,173	\$ 989,978
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		6,629
	<u>\$ 45,091,173</u>	<u>\$ 996,607</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budgets are submitted to the County office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Budget amendments/transfers must be made by Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have be adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the June state aid payments for the current year. Since the State is recording the June state aid payments in the subsequent fiscal year, the District cannot recognize these payments in the GAAP financial statements.

The Cpaital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA grants. These grants are recognized on the budgetary basis in full when they are awarded but recognized on the GAAP basis only to the extent of expenditures which are submitted for reimbursement.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	No Child Left Behind			IDEA - Part B, Basic Regular	
	Title II		Title IV	2010-11	2009-10
	2010-11	2009-10	2009-10		
REVENUE:					
State Sources					
Federal Sources	\$ 12,103	\$ 20,280	\$ 2,654	\$ 555,424	\$ 36,543
Local Sources					
Total Revenue	<u>12,103</u>	<u>20,280</u>	<u>2,654</u>	<u>555,424</u>	<u>36,543</u>
EXPENDITURES:					
Instruction:					
Personal Services - Salaries		5,116			
Purchased Professional/Technical Services	2,096	5,541	2,322		
Other Purchased Services					
Tuition				484,844	
General Supplies	6,208	2,705	332	20,347	6,104
Textbooks					
Other Objects				1,181	
Total Instruction	<u>8,304</u>	<u>13,362</u>	<u>2,654</u>	<u>506,372</u>	<u>6,104</u>
Support Services:					
Personal Services - Salaries					
Personal Services - Employee Benefits		918			
Purchased Professional/Technical Services	3,799	3,000		46,384	10,189
Purchased Technical Services					
Other Purchased Services				905	250
Transportation					20,000
Supplies and Materials		3,000		1,763	
Total Support Services	<u>3,799</u>	<u>6,918</u>		<u>49,052</u>	<u>30,439</u>
Facilities Acquisition:					
Non-Instructional Equipment					
Total Facilities Acquisition					
Total Expenditures	<u>\$ 12,103</u>	<u>\$ 20,280</u>	<u>\$ 2,654</u>	<u>\$ 555,424</u>	<u>\$ 36,543</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

REVENUE:	IDEA - Part B, Basic Regular - ARRA 2009-11	Textbooks	Nursing Services	NJ Nonpublic Handicapped Services (Chapter 193)		
				Examination & Classification	Supplementary Instruction	Corrective Speech
State Sources		\$ 15,517	\$ 18,387	\$ 4,531	\$ 1,112	\$ 459
Federal Sources	\$ 291,008					
Local Sources						
Total Revenue	291,008	15,517	18,387	4,531	1,112	459
EXPENDITURES:						
Instruction:						
Personal Services - Salaries	123,716					
Purchased Professional/Technical Services						
Other Purchased Services	57,132		18,387	4,531	1,112	459
Tuition						
General Supplies	16,039					
Textbooks		15,517				
Other Objects						
Total Instruction	196,887	15,517	18,387	4,531	1,112	459
Support Services:						
Personal Services - Salaries	18,771					
Personal Services - Employee Benefits	31,732					
Purchased Professional/Technical Services	18,076					
Purchased Technical Services						
Other Purchased Services						
Transportation						
Supplies and Materials						
Total Support Services	68,579					
Facilities Acquisition:						
Instructional Equipment	25,542					
Non-Instructional Equipment						
Total Facilities Acquisition	25,542					
Total Expenditures	\$ 291,008	\$ 15,517	\$ 18,387	\$ 4,531	\$ 1,112	\$ 459

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Character Education Aid</u>		STRIVE	Other Local Projects	Totals June 30, 2011
	<u>Carryover</u>				
	<u>2005-06</u>	<u>2004-05</u>			
REVENUE:					
State Sources	\$ 3,852	\$ 6,122	\$ 6,240		\$ 56,220
Federal Sources					918,012
Local Sources				\$ 15,746	15,746
Total Revenue	<u>3,852</u>	<u>6,122</u>	<u>6,240</u>	<u>15,746</u>	<u>989,978</u>
EXPENDITURES:					
Instruction:					
Personal Services - Salaries	3,852	6,122	5,063		143,869
Purchased Professional/Technical Services					9,959
Other Purchased Services					81,621
Tuition					484,844
General Supplies					51,735
Textbooks					15,517
Other Objects					1,181
Total Instruction	<u>3,852</u>	<u>6,122</u>	<u>5,063</u>		<u>788,726</u>
Support Services:					
Personal Services - Salaries					18,771
Personal Services - Employee Benefits					32,650
Purchased Professional/Technical Services				405	81,853
Purchased Technical Services			406		406
Other Purchased Services					1,155
Transportation			771		20,771
Supplies and Materials				5	4,768
Total Support Services			<u>1,177</u>	<u>410</u>	<u>160,374</u>
Facilities Acquisition:					
Instructional Equipment					25,542
Non-Instructional Equipment				15,336	15,336
Total Facilities Acquisition				<u>15,336</u>	<u>40,878</u>
Total Expenditures	<u>\$ 3,852</u>	<u>\$ 6,122</u>	<u>\$ 6,240</u>	<u>\$ 15,746</u>	<u>\$ 989,978</u>

CAPITAL PROJECTS FUND

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Revenue and Other Financing Sources:	
State Sources - SDA Grants	\$ 160,000
Transfer from Capital Reserve	636,723
Interest Revenue	<u>1,208</u>
Total Revenue and Other Financing Sources	<u>797,931</u>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	86,311
Facilities Acquisition and Construction Services	403,142
Transfer to General Fund:	
Interest Earned	<u>1,208</u>
Total Expenditures and Other Financing Uses	<u>490,661</u>
Excess of Revenue & Other Financing Sources Over Expenditures & Other Financing Uses	307,270
Fund Balance - Beginning	<u>1,522,186</u>
Fund Balance - Ending	<u>\$ 1,829,456</u>
Reconciliation of Revenue from Budgetary Basis to GAAP Basis:	
SDA Grant Revenue (Budgetary Basis)	\$ 160,000
SDA Grants Recognized as Revenue on the Budgetary Basis but not Recognized on the GAAP Basis until Expended and Submitted for Reimbursement	<u>116,036</u>
SDA Grant Revenue (GAAP Basis)	<u>\$ 276,036</u>
Recapitulation of Fund Balance:	
Assigned:	
Year-End Encumbrances	\$ 9,599
Designated for Subsequent Year's Expenditures	<u>1,819,857</u>
Fund Balance per Governmental Funds (Budgetary Basis)	1,829,456
Reconciliation to Governmental Funds Statement (GAAP):	
SDA Grants not Recognized on the GAAP Basis	<u>(350,037)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 1,479,419</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
WEST MORRIS CENTRAL AND MENDHAM HIGH SCHOOLS - RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 9,216,788		\$ 9,216,788	\$ 9,216,788
Bond Proceeds	26,631,000		26,631,000	26,631,000
Transfer from Capital Reserve	2,000,979		2,000,979	2,000,979
Total Revenue and Other Financing Sources	<u>37,848,767</u>	<u>\$ -0-</u>	<u>37,848,767</u>	<u>37,848,767</u>
Expenditures:				
Purchased Professional & Technical Services	5,279,475	5,357	5,284,832	5,426,767
Facilities Acquisition & Construction Services	31,843,029	55,000	31,898,029	32,400,000
Miscellaneous Expenditures	11,240		11,240	22,000
Total Expenditures	<u>37,133,744</u>	<u>60,357</u>	<u>37,194,101</u>	<u>37,848,767</u>
Excess/(Deficiency) of Revenue and Other Financing Sources/(Uses) Over/(Under) Expenditures	<u>\$ 715,023</u>	<u>\$ (60,357)</u>	<u>\$ 654,666</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	Central #5660-030-04-1000; Mendham #5660-050-04-1000
Grant Date	April 22, 2004
Bond Authorization Date	March 09, 2004
Bonds Authorized	\$ 26,631,000
Bonds Issued	\$ 26,631,000
Original Authorized Cost	\$ 35,848,767
Change Orders	\$ -0-
Additional Authorization	\$ 2,000,000
Revised Authorized Cost	\$ 37,848,767
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	Central 11/01/06; Mendham 11/02/05
Revised Target Completion Date	Central 12/01/08; Mendham 06/21/08

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WEST MORRIS MENDHAM - TENNIS COURT PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 601,520		\$ 601,520	\$ 625,540
Transfer from Capital Outlay	512,694		512,694	512,694
Total Revenue and Other Financing Sources	<u>1,114,214</u>	<u>\$ -0-</u>	<u>1,114,214</u>	<u>1,138,234</u>
Expenditures:				
Purchased Professional and Technical Services	6,565		6,565	7,185
Facilities Acquisition and Construction Services	923,085		923,085	1,131,049
Total Expenditures	<u>929,650</u>	<u>-0-</u>	<u>929,650</u>	<u>1,138,234</u>
Excess/(Deficiency) of Revenue and Other Financing Sources/(Uses) Over/(Under) Expenditures	<u>\$ 184,564</u>	<u>\$ -0-</u>	<u>\$ 184,564</u>	<u>\$ -0-</u>
Additional Project Information:				
Project Number	5660-050-07-1000			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,138,234			
Change Orders	\$ -0-			
Revised Authorized Cost	\$ 1,138,234			
Change Order Percentage	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	08/15/08			
Revised Target Completion Date	10/15/09			

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WEST MORRIS CENTRAL - PARTIAL ROOF REPLACEMENT (C-WING) PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 106,080		\$ 106,080	\$ 106,080
Transfer from Capital Reserve	159,120		159,120	159,120
Total Revenue and Other Financing Sources	265,200	\$ -0-	265,200	265,200
Expenditures:				
Purchased Professional and Technical Services	1,490	15,835	17,325	54,000
Facilities Acquisition and Construction Services	166,574		166,574	211,200
Total Expenditures	168,064	15,835	183,899	265,200
Excess/(Deficiency) of Revenue and Other Financing Sources/(Uses) Over/(Under) Expenditures	\$ 97,136	\$ (15,835)	\$ 81,301	\$ -0-

Additional Project Information:

Project Number	5660-030-09-1001
Grant Date	April 19, 2009
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 265,200
Change Orders	\$ -0-
Revised Authorized Cost	\$ 265,200
Change Order Percentage	0.00%
Percentage Completion	69.34%
Original Target Completion Date	08/10/09
Revised Target Completion Date	08/15/09

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WEST MORRIS MENDHAM - PARTIAL ROOF REPLACEMENT (LIBRARY) PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 93,500		\$ 93,500	\$ 93,500
Transfer from Capital Reserve	140,250		140,250	140,250
Total Revenue and Other Financing Sources	233,750	\$ -0-	233,750	233,750
Expenditures:				
Purchased Professional and Technical Services	3,363		3,363	46,750
Facilities Acquisition and Construction Services	115,981		115,981	187,000
Total Expenditures	119,344	-0-	119,344	233,750
Excess/(Deficiency) of Revenue and Other Financing Sources/(Uses) Over/(Under) Expenditures	\$ 114,406	\$ -0-	\$ 114,406	\$ -0-

Additional Project Information:

Project Number	5660-050-09-1002
Grant Date	July 13, 2009
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 233,750
Change Orders	\$ -0-
Revised Authorized Cost	\$ 233,750
Change Order Percentage	0.00%
Percentage Completion	51.06%
Original Target Completion Date	08/19/09
Revised Target Completion Date	09/15/09

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WEST MORRIS CENTRAL - PARTIAL ROOF REPLACEMENT (AUXILIARY GYM) PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 92,400		\$ 92,400	\$ 92,400
Transfer from Capital Reserve	138,600		138,600	138,600
Total Revenue and Other Financing Sources	231,000	\$ -0-	231,000	231,000
Expenditures:				
Purchased Professional and Technical Services	12,501	8,277	20,778	46,000
Facilities Acquisition and Construction Services		106,759	106,759	185,000
Total Expenditures	12,501	115,036	127,537	231,000
Excess/(Deficiency) of Revenue and Other Financing Sources/(Uses) Over/(Under) Expenditures	\$ 218,499	\$ (115,036)	\$ 103,463	\$ -0-

Additional Project Information:

Project Number	5660-030-10-1001
Grant Date	June 23, 2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 231,000
Change Orders	\$ -0-
Revised Authorized Cost	\$ 231,000
Change Order Percentage	0.00%
Percentage Completion	55.21%
Original Target Completion Date	08/15/10
Revised Target Completion Date	09/01/11

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WEST MORRIS MENDHAM - PARTIAL ROOF REPLACEMENT (AUXILIARY GYM) PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 81,600		\$ 81,600	\$ 81,600
Transfer from Capital Reserve	122,400		122,400	122,400
Total Revenue and Other Financing Sources	204,000	\$ -0-	204,000	204,000
Expenditures:				
Purchased Professional and Technical Services	11,442	1,587	13,029	40,000
Facilities Acquisition and Construction Services				164,000
Total Expenditures	11,442	1,587	13,029	204,000
Excess/(Deficiency) of Revenue and Other Financing Sources/(Uses) Over/(Under) Expenditures	\$ 192,558	\$ (1,587)	\$ 190,971	\$ -0-

Additional Project Information:

Project Number	5660-050-10-2002
Grant Date	June 23, 2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 204,000
Change Orders	\$ -0-
Revised Authorized Cost	\$ 204,000
Change Order Percentage	0.00%
Percentage Completion	6.39%
Original Target Completion Date	08/15/10
Revised Target Completion Date	09/15/11

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
BOARD OFFICE - ROOF REPLACEMENT PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 28,753	\$ 28,753	\$ 28,753
Total Revenue and Other Financing Sources	\$ -0-	28,753	28,753	28,753
Expenditures:				
Facilities Acquisition and Construction Services		28,753	28,753	28,753
Total Expenditures	-0-	28,753	28,753	28,753
Excess/(Deficiency) of Revenue and Other Financing Sources/(Uses) Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-

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	\$ 28,753
Change Orders	\$ -0-
Revised Authorized Cost	\$ 28,753
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	07/01/10
Revised Target Completion Date	09/15/10

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WEST MORRIS CENTRAL - PARTIAL ROOF REPLACEMENT (F-WING) PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 27,600	\$ 27,600	\$ 27,600
Total Revenue and Other Financing Sources	\$ -0-	27,600	27,600	27,600
Expenditures:				
Facilities Acquisition and Construction Services		27,600	27,600	27,600
Total Expenditures	-0-	27,600	27,600	27,600
Excess/(Deficiency) of Revenue and Other Financing Sources/(Uses) Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-

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	\$ 27,600
Change Orders	\$ -0-
Revised Authorized Cost	\$ 27,600
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	08/15/10
Revised Target Completion Date	08/30/10

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WEST MORRIS CENTRAL AND MENDHAM - RESURFACING RUNNING TRACKS PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 117,600	\$ 117,600	\$ 117,600
Total Revenue and Other Financing Sources	\$ -0-	117,600	117,600	117,600
Expenditures:				
Facilities Acquisition and Construction Services		117,600	117,600	117,600
Total Expenditures	-0-	117,600	117,600	117,600
Excess/(Deficiency) of Revenue and Other Financing Sources/(Uses) Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-

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	\$ 117,600
Change Orders	\$ -0-
Revised Authorized Cost	\$ 117,600
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	07/01/10
Revised Target Completion Date	08/30/10

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WEST MORRIS CENTRAL - ELECTRICAL PANEL PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 67,430	\$ 67,430	\$ 67,430
Total Revenue and Other Financing Sources	\$ -0-	67,430	67,430	67,430
Expenditures:				
Facilities Acquisition and Construction Services		67,430	67,430	67,430
Total Expenditures	-0-	67,430	67,430	67,430
Excess/(Deficiency) of Revenue and Other Financing Sources/(Uses) Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-

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	\$ 67,430
Change Orders	\$ -0-
Revised Authorized Cost	\$ 67,430
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	07/01/10
Revised Target Completion Date	08/03/10

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WEST MORRIS CENTRAL - HVAC PANEL PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 95,340	\$ 95,340	\$ 95,340
Total Revenue and Other Financing Sources	\$ -0-	95,340	95,340	95,340
Expenditures:				
Purchased Professional and Technical Services		24,515	24,515	25,640
Facilities Acquisition and Construction Services				69,700
Total Expenditures	-0-	24,515	24,515	95,340
Excess/(Deficiency) of Revenue and Other Financing Sources/(Uses) Over/(Under) Expenditures	\$ -0-	\$ 70,825	\$ 70,825	\$ -0-

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	\$ 95,340
Change Orders	\$ -0-
Revised Authorized Cost	\$ 95,340
Change Order Percentage	0.00%
Percentage Completion	25.71%
Original Target Completion Date	07/01/11
Revised Target Completion Date	09/15/11

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WEST MORRIS CENTRAL AND MENDHAM - ENERGY SAVINGS PLAN PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 35,000	\$ 35,000	\$ 35,000
Total Revenue and Other Financing Sources	\$ -0-	35,000	35,000	35,000
Expenditures:				
Purchased Professional and Technical Services		30,740	30,740	35,000
Total Expenditures	-0-	30,740	30,740	35,000
Excess/(Deficiency) of Revenue and Other Financing Sources/(Uses) Over/(Under) Expenditures	\$ -0-	\$ 4,260	\$ 4,260	\$ -0-

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	\$ 35,000
Change Orders	\$ -0-
Revised Authorized Cost	\$ 35,000
Change Order Percentage	0.00%
Percentage Completion	87.83%
Original Target Completion Date	07/01/11
Revised Target Completion Date	07/01/12

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WEST MORRIS CENTRAL - PARTIAL ROOF REPLACEMENT (D & E WING) PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant		\$ 160,000	\$ 160,000	\$ 160,000
Transfer from Capital Reserve		240,000	240,000	240,000
Total Revenue and Other Financing Sources	\$ -0-	400,000	400,000	400,000
Expenditures:				
Purchased Professional and Technical Services				80,000
Facilities Acquisition and Construction Services				320,000
Total Expenditures	-0-	-0-	-0-	400,000
Excess/(Deficiency) of Revenue and Other Financing Sources/(Uses) Over/(Under) Expenditures	\$ -0-	\$ 400,000	\$ 400,000	\$ -0-

Additional Project Information:

Project Number	5660-030-10-1003
Grant Date	September 2, 2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 400,000
Change Orders	\$ -0-
Revised Authorized Cost	\$ 400,000
Change Order Percentage	0.00%
Percentage Completion	0.00%
Original Target Completion Date	07/01/11
Revised Target Completion Date	08/30/11

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WEST MORRIS MENDHAM - BASEBALL FENCING PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 25,000	\$ 25,000	\$ 25,000
Total Revenue and Other Financing Sources	\$ -0-	25,000	25,000	25,000
Expenditures:				
Facilities Acquisition and Construction Services				25,000
Total Expenditures	-0-	-0-	-0-	25,000
Excess/(Deficiency) of Revenue and Other Financing Sources/(Uses) Over/(Under) Expenditures	\$ -0-	\$ 25,000	\$ 25,000	\$ -0-

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	\$ 25,000
Change Orders	\$ -0-
Revised Authorized Cost	\$ 25,000
Change Order Percentage	0.00%
Percentage Completion	0.00%
Original Target Completion Date	08/30/11
Revised Target Completion Date	04/01/12

PROPRIETARY FUNDS

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET ASSETS
JUNE 30, 2011

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 50,840
Inventories	14,684

Total Current Assets	<u>65,524</u>
----------------------	---------------

Non-Current Assets:

Capital Assets	147,693
Less: Accumulated Depreciation	<u>(90,100)</u>

Total Non-Current Assets	<u>57,593</u>
--------------------------	---------------

Total Assets	<u>123,117</u>
--------------	----------------

LIABILITIES:

Current Liabilities:

Accounts Payable - Vendors	13,540
Interfund Payable - General Fund	<u>4,190</u>

Total Current Liabilities	<u>17,730</u>
---------------------------	---------------

Non-Current Liabilities:

Accrued Compensated Absences Payable	<u>32,275</u>
--------------------------------------	---------------

Total Non-Current Liabilities	<u>32,275</u>
-------------------------------	---------------

Total Liabilities	<u>50,005</u>
-------------------	---------------

NET ASSETS:

Investment in Capital Assets, Net of Related Debt	57,593
Unrestricted	<u>15,519</u>

Total Net Assets	<u>\$ 73,112</u>
------------------	------------------

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Operating Revenue:	
Local Sources:	
Daily Sales - Non-Reimbursable Programs	\$ 738,825
Special Events	7,559
	<hr/>
Total Operating Revenue	746,384
	<hr/>
Operating Expenses:	
Cost of Sales	327,106
Salaries, Benefits & Payroll Taxes	341,420
Supplies, Insurance & Other Costs	62,462
Depreciation Expense	6,673
	<hr/>
Total Operating Expenses	737,661
	<hr/>
Operating Income	8,723
	<hr/>
Non-Operating Income:	
Interest Income	123
	<hr/>
Total Non-Operating Income	123
	<hr/>
Change in Net Assets	8,846
	<hr/>
Net Assets - Beginning of Year	64,266
	<hr/>
Net Assets - End of Year	\$ 73,112
	<hr/> <hr/>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 746,384
Payments to Employees	(330,981)
Payments to Suppliers	(415,443)
	<hr/>
Net Cash Used for Operating Activities	(40)
	<hr/>
Cash Flows from Investing Activities:	
Interest Income	123
	<hr/>
Net Cash Provided by Investing Activities	123
	<hr/>
Net Increase in Cash and Cash Equivalents	83
Cash and Cash Equivalents, July 1	50,757
	<hr/>
Cash and Cash Equivalents, June 30	\$ 50,840
	<hr/> <hr/>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Income	\$ 8,723
Adjustment to Reconcile Operating Income to Net Cash Used for Operating Activities:	
Depreciation	6,673
Changes in Assets and Liabilities:	
Decrease in Inventory	1,268
Decrease in Interfund Receivable	8,774
Decrease in Accounts Payable	(27,143)
Increase in Interfund Payable	4,190
Decrease in Accrued Compensated Absences Payable	(2,525)
	<hr/>
Net Cash Used for Operating Activities	\$ (40)
	<hr/> <hr/>

FIDUCIARY FUNDS

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2011

	Student Activities	Payroll Agency	Total Agency	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Flexible Benefits Trust	Totals
ASSETS:							
Cash and Cash Equivalents	\$ 425,382	\$ 204,220	\$ 629,602	\$ 86,200	\$ 117,385	\$ 8,400	\$ 841,587
Total Assets	<u>425,382</u>	<u>204,220</u>	<u>629,602</u>	<u>86,200</u>	<u>117,385</u>	<u>8,400</u>	<u>841,587</u>
LIABILITIES:							
Accounts Payable - Vendors	9,738		9,738				9,738
Payroll Deductions and Withholdings		204,220	204,220				204,220
Due to Student Groups	415,644		415,644				415,644
Total Liabilities	<u>425,382</u>	<u>204,220</u>	<u>629,602</u>				<u>629,602</u>
NET ASSETS:							
Held in Trust for:							
Unemployment Claims				86,200			86,200
Scholarships					117,385		117,385
Flexible Benefits						8,400	8,400
Total Net Assets	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 86,200</u>	<u>\$ 117,385</u>	<u>\$ 8,400</u>	<u>\$ 211,985</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Flexible Benefits Trust	Totals
ADDITIONS:				
Contributions:				
Employee	\$ 198,405		\$ 3,773	\$ 202,178
Employer	50,000			50,000
Donations		\$ 15,256		15,256
Total Contributions	248,405	15,256	3,773	267,434
Investment Earnings:				
Interest	245	267		512
Net Investment Earnings	245	267		512
Total Additions	248,650	15,523	3,773	267,946
DEDUCTIONS:				
Unemployment Compensation Claims	339,157			339,157
Scholarships Awarded		38,890		38,890
Flexible Benefits			5,972	5,972
Total Deductions	339,157	38,890	5,972	384,019
Change in Net Assets	(90,507)	(23,367)	(2,199)	(116,073)
Net Assets - Beginning of the Year	176,707	140,752	10,599	328,058
Net Assets - End of the Year	\$ 86,200	\$ 117,385	\$ 8,400	\$ 211,985

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITIES AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
ASSETS:				
Cash and Cash Equivalents	\$ 429,331	\$ 723,955	\$ 727,904	\$ 425,382
Total Assets	\$ 429,331	\$ 723,955	\$ 727,904	\$ 425,382
LIABILITIES:				
Accounts Payable - Vendors	\$ 28,098	\$ 9,738	\$ 28,098	\$ 9,738
Due to Student Groups	401,233	714,217	699,806	415,644
Total Liabilities	\$ 429,331	\$ 723,955	\$ 727,904	\$ 425,382

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITIES AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u>	<u>Balance</u> <u>June 30, 2011</u>
Senior High Schools:					
West Morris Central and Mendham	\$ 394,979	\$ 681,820	\$ 654,437	\$ 9,738	\$ 412,624
West Morris Central Ice Hockey	141	23,963	24,103		1
West Morris Mendham Ice Hockey	5,587	18,171	21,266		2,492
West Morris Central Fencing	526	1			527
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total All Schools	<u>\$ 401,233</u>	<u>\$ 723,955</u>	<u>\$ 699,806</u>	<u>\$ 9,738</u>	<u>\$ 415,644</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
ASSETS:				
Cash and Cash Equivalents	\$ 195,715	\$ 27,009,009	\$ 27,000,504	\$ 204,220
Total Assets	<u>\$ 195,715</u>	<u>\$ 27,009,009</u>	<u>\$ 27,000,504</u>	<u>\$ 204,220</u>
 LIABILITIES:				
Payroll Deductions and Withholdings	\$ 195,715	\$ 27,009,009	27,000,504	\$ 204,220
Total Liabilities	<u>\$ 195,715</u>	<u>\$ 27,009,009</u>	<u>\$ 27,000,504</u>	<u>\$ 204,220</u>

LONG-TERM DEBT

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance June 30, 2010	Matured	Balance June 30, 2011
			Date	Outstanding June 30, 2011 Amount				
School Improvements	05/01/04	\$ 26,631,000	5/1/12	\$ 1,340,000	4.375%			
			5/1/13	1,395,000	4.375%			
			5/1/14	1,455,000	4.375%			
			5/1/15	1,520,000	4.375%			
			5/1/16	1,585,000	4.375%			
			5/1/17	1,650,000	4.375%			
			5/1/18	1,720,000	4.375%			
			5/1/19	1,800,000	4.400%			
			5/1/20	1,880,000	4.500%			
			5/1/21	1,965,000	4.500%			
			5/1/22	2,050,000	4.625%			
			5/1/23	2,145,000	5.000%			
			5/1/24	2,246,000	5.000%			
					\$ 24,036,000	\$ 1,285,000	\$ 22,751,000	
					<u>\$ 24,036,000</u>	<u>\$ 1,285,000</u>	<u>\$ 22,751,000</u>	

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOT APPLICABLE

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 2,374,400		\$ 2,374,400	\$ 2,374,400	
Total Revenue	<u>2,374,400</u>		<u>2,374,400</u>	<u>2,374,400</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	1,089,400		1,089,400	1,089,400	
Redemption of Principal	1,285,000		1,285,000	1,285,000	
Total Regular Debt Service	<u>2,374,400</u>		<u>2,374,400</u>	<u>2,374,400</u>	
Total Expenditures	<u>2,374,400</u>		<u>2,374,400</u>	<u>2,374,400</u>	
Deficit of Revenue Under Expenditures					
Fund Balance, July 1	<u>- 0 -</u>		<u>- 0 -</u>	<u>- 0 -</u>	
Fund Balance, June 30	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

STATISTICAL SECTION

This part of the 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 District's overall financial health.

Contents

	<u>Exhibit</u>
<p>Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</p>	J-1 thru J-5
<p>Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.</p>	J-6 thru J-9
<p>Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</p>	J-10 thru J-13
<p>Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.</p>	J-14 thru J-15
<p>Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.</p>	J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The District implemented Statement 34 in a previous fiscal year. Schedules presenting government-wide information include information beginning in the fiscal year ended June 30, 2005.

WEST MORRIS REGIONAL SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Governmental Activities:							
Invested in Capital Assets, Net of Related Debt	\$17,101,784	\$19,305,426	\$19,541,234	\$23,520,657	\$32,904,897	\$34,204,719	\$34,172,996
Restricted	9,932,388	8,494,690	13,036,673	14,958,627	8,568,738	6,188,213	6,219,146
Unrestricted/(Deficit)	(1,559,531)	576,745	417,953	(1,477,874)	(1,631,149)	(1,591,462)	(1,113,878)
Total Governmental Activities Net Assets	\$25,474,641	\$28,376,861	\$32,995,860	\$37,001,410	\$39,842,486	\$38,801,470	\$39,278,264
Business-Type Activities:							
Invested in Capital Assets, Net of Related Debt	\$ 38,477	\$ 34,923	\$ 27,386	\$ 34,335	\$ 53,260	\$ 64,266	\$ 57,593
Unrestricted	253,027	199,955	115,055	61,142	7,639		15,519
Total Business-Type Activities Net Assets	\$ 291,504	\$ 234,878	\$ 142,441	\$ 95,477	\$ 60,899	\$ 64,266	\$ 73,112
District-Wide:							
Invested in Capital Assets, Net of Related Debt	\$17,140,261	\$19,340,349	\$19,568,620	\$23,554,992	\$32,958,157	\$34,268,985	\$34,230,589
Restricted	9,932,388	8,494,690	13,036,673	14,958,627	8,568,738	6,188,213	6,219,146
Unrestricted/(Deficit)	(1,306,504)	776,700	533,008	(1,416,732)	(1,623,510)	(1,591,462)	(1,098,359)
Total District-Wide Net Assets	\$25,766,145	\$28,611,739	\$33,138,301	\$37,096,887	\$39,903,385	\$38,865,736	\$39,351,376

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ended June 30, 2006.

Source: West Morris Regional High School District records.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

Expenses:	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Governmental Activities:							
Instruction:							
Regular	\$ 17,850,293	\$ 18,618,437	\$ 19,937,621	\$ 20,456,087	\$ 19,896,754	\$ 20,064,790	\$ 20,223,962
Special Education	2,937,285	2,917,423	3,296,213	3,419,386	3,366,034	3,462,401	3,418,895
Other Special Instruction		58,296	109,196	27,394	5,234		
Other Instruction	2,088,018	2,299,246	2,442,343	2,625,068	2,805,379	2,924,041	2,905,464
Support Services:							
Tuition	1,109,001	1,707,244	2,016,424	2,211,096	1,988,958	2,908,145	2,959,570
Student and Instruction Related Services	5,614,687	5,631,604	5,839,198	5,825,514	5,904,264	6,394,322	6,125,142
General Administration Services	992,540	1,090,720	1,026,098	1,050,802	1,129,984	1,113,489	942,224
School Administration Services	1,877,748	1,954,939	2,196,272	2,220,565	2,254,675	2,285,167	2,013,144
Central Services	487,493	570,714	569,969	649,039	585,959	583,789	532,619
Administrative Information Technology	244,127	277,496	327,365	442,914	475,998	605,742	618,921
Plant Operations and Maintenance	2,940,342	3,124,645	3,313,369	3,771,588	3,495,803	3,647,911	3,631,588
Pupil Transportation	2,049,035	2,154,741	2,428,992	2,768,514	2,827,033	2,939,987	2,680,860
Capital Outlay	414,220						
Interest on Long-Term Debt	1,410,110	1,354,937	1,295,231	1,233,128	1,188,620	1,137,903	1,084,793
Unallocated Depreciation	76,786	76,786	76,786	1,164,735	1,216,272	1,840,093	1,883,717
Total Governmental Activities Expenses	<u>40,091,685</u>	<u>41,837,228</u>	<u>44,875,077</u>	<u>47,865,830</u>	<u>47,140,967</u>	<u>49,907,780</u>	<u>49,020,899</u>
Business-Type Activities:							
Enterprise Funds	776,560	904,557	869,034	792,837	744,888	793,161	737,661
Total Business-Type Activities Expense	<u>776,560</u>	<u>904,557</u>	<u>869,034</u>	<u>792,837</u>	<u>744,888</u>	<u>793,161</u>	<u>737,661</u>
Total District-Wide Expenses	<u>\$ 40,868,245</u>	<u>\$ 42,741,785</u>	<u>\$ 45,744,111</u>	<u>\$ 48,658,667</u>	<u>\$ 47,885,855</u>	<u>\$ 50,700,941</u>	<u>\$ 49,758,560</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Program Revenues:							
Governmental Activities:							
Charges for Services:							
Tuition	\$ 130,872	\$ 90,160	\$ 4,062	\$ 16,500	\$ 8,214	\$ 14,477	\$ 65,086
Operating Grants and Contributions	5,079,964	5,253,231	6,938,133	6,879,855	5,886,685	6,581,091	6,726,130
Capital Grants and Contributions	77,824	1,310,950	2,216,480	4,990,809	1,928,440	322,262	276,036
Total Governmental Activities Program Revenues	<u>5,288,660</u>	<u>6,654,341</u>	<u>9,158,675</u>	<u>11,887,164</u>	<u>7,823,339</u>	<u>6,917,830</u>	<u>7,067,252</u>
Business-Type Activities:							
Charges for Services:							
Enterprise Funds	783,459	834,137	762,083	723,537	708,621	759,541	746,384
Total Business Type Activities Program Revenues	<u>783,459</u>	<u>834,137</u>	<u>762,083</u>	<u>723,537</u>	<u>708,621</u>	<u>759,541</u>	<u>746,384</u>
Total District-Wide Program Revenues	<u>\$ 6,072,119</u>	<u>\$ 7,488,478</u>	<u>\$ 9,920,758</u>	<u>\$ 12,610,701</u>	<u>\$ 8,531,960</u>	<u>\$ 7,677,371</u>	<u>\$ 7,813,636</u>
Net (Expense)/Revenue:							
Governmental Activities	\$(34,803,025)	\$(35,182,887)	\$(35,716,402)	\$(35,978,666)	\$(39,317,628)	\$(42,989,950)	\$(41,953,647)
Business-Type Activities	6,899	(70,420)	(106,951)	(69,300)	(36,267)	(33,620)	8,723
Total District-Wide Net Expense/(Revenue)	<u>\$(34,796,126)</u>	<u>\$(35,253,307)</u>	<u>\$(35,823,353)</u>	<u>\$(36,047,966)</u>	<u>\$(39,353,895)</u>	<u>\$(43,023,570)</u>	<u>\$(41,944,924)</u>
General Revenues and Other Changes in Net Assets:							
Governmental Activities:							
Property Taxes Levied for General Purposes, Net	\$ 30,047,160	\$ 30,792,945	\$ 33,202,895	\$ 34,821,294	\$ 36,686,159	\$ 37,672,234	\$ 38,638,243
Taxes Levied for Debt Service	2,354,459	2,293,544	1,748,062	2,272,613	2,227,853	2,376,888	2,374,400
Federal and State Aid Not Restricted	3,133,364	3,220,850	3,293,343	3,445,517	2,658,058	1,425,925	785,096

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets:							
Governmental Activities:							
Investment Earnings	\$ 852,393	\$ 1,514,488	\$ 1,764,886	\$ 925,056	\$ 124,511	\$ 36,507	\$ 24,465
Miscellaneous Income	170,669	263,280	326,215	437,158	462,123	474,131	608,237
Transfers						(36,751)	
Total Governmental Activities Revenues and Other Changes	<u>36,558,045</u>	<u>38,085,107</u>	<u>40,335,401</u>	<u>41,901,638</u>	<u>42,158,704</u>	<u>41,948,934</u>	<u>42,430,441</u>
Business-Type Activities:							
Investment Earnings	7,364	13,794	14,514	7,851	1,689	236	123
Transfers						36,751	
Total Business-Type Activities Revenues and Other Changes	<u>7,364</u>	<u>13,794</u>	<u>14,514</u>	<u>7,851</u>	<u>1,689</u>	<u>36,987</u>	<u>123</u>
Total District-Wide Revenues and Other Changes in Net Assets	<u>\$ 36,565,409</u>	<u>\$ 38,098,901</u>	<u>\$ 40,349,915</u>	<u>\$ 41,909,489</u>	<u>\$ 42,160,393</u>	<u>\$ 41,985,921</u>	<u>\$ 42,430,564</u>
Change in Net Assets:							
Governmental Activities	\$ 1,755,020	\$ 2,902,220	\$ 4,618,999	\$ 5,922,972	\$ 2,841,076	\$ (1,041,016)	\$ 476,794
Business-Type Activities	14,263	(56,626)	(92,437)	(61,449)	(34,578)	3,367	8,846
Total District-Wide Change in Net Assets	<u>\$ 1,769,283</u>	<u>\$ 2,845,594</u>	<u>\$ 4,526,562</u>	<u>\$ 5,861,523</u>	<u>\$ 2,806,498</u>	<u>\$ (1,037,649)</u>	<u>\$ 485,640</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ended June 30, 2006.

Source: West Morris Regional High School District records.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
General Fund:							
Reserved	\$ 6,093,850	\$ 2,286,369	\$ 5,032,234	\$ 6,062,654	\$ 7,019,038	\$ 5,132,100	
Unreserved	2,903,349	2,865,603	2,673,476	800,162	678,494	667,809	
Restricted							\$ 4,675,926
Assigned							371,557
Unassigned							875,180
Total General Fund	\$ 8,997,199	\$ 5,151,972	\$ 7,705,710	\$ 6,862,816	\$ 7,697,532	\$ 5,799,909	\$ 5,922,663
All Other Governmental Funds:							
Reserved	\$ 1,627,304	\$ 8,452,248	\$ 24,148,361	\$ 7,398,105	\$ 884,078	\$ 62,557	
Unreserved, Reported In:							
Capital Projects Fund/(Deficit)	22,822,152	18,653,647	(1,891,799)	1,348,471	665,622	993,556	
Debt Service Fund	712,622	736,667	256,305	149,397			
Restricted							\$ 1,479,419
Total All Other Governmental Funds	\$ 25,162,078	\$ 27,842,562	\$ 22,512,867	\$ 8,895,973	\$ 1,549,700	\$ 1,056,113	\$ 1,479,419
Total Governmental Funds	\$ 34,159,277	\$ 32,994,534	\$ 30,218,577	\$ 15,758,789	\$ 9,247,232	\$ 6,856,022	\$ 7,402,082

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ended June 30, 2006.

Source: West Morris Regional High School District records.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Revenues:							
Tax Levy	\$ 32,401,619	\$ 33,086,489	\$ 34,950,957	\$ 37,093,907	\$ 38,914,012	\$ 40,049,122	\$ 41,012,643
Tuition Charges	130,872	90,160	4,062	16,500	8,214	14,477	65,086
Interest Earned on Investments	135,622	1,364,516	1,653,401	881,357	117,333	28,222	16,037
Interest Earned on Capital Reserve Funds	85,720	149,972	111,485	43,699	7,178	8,285	8,428
Miscellaneous	804,757	272,591	343,574	444,046	468,632	478,254	623,983
State Sources	7,796,427	9,363,710	11,747,578	14,710,028	10,231,172	6,780,460	6,836,911
Federal Sources	491,688	412,010	683,019	599,265	235,502	1,544,695	934,605
Total Revenue	41,846,705	44,739,448	49,494,076	53,788,802	49,982,043	48,903,515	49,497,693
Expenditures:							
Instruction:							
Regular Instruction	13,232,461	13,469,060	13,783,243	14,545,875	15,092,264	14,954,098	15,003,208
Special Education Instruction	2,367,684	2,179,513	2,249,244	2,447,997	2,561,734	2,640,467	2,571,918
Other Special Instruction		43,288	76,397	19,260	3,933		
Other Instruction	1,811,424	1,801,973	1,854,460	1,968,303	2,102,864	2,256,111	2,235,421
Support Services:							
Tuition	1,109,001	1,707,244	2,016,424	2,211,096	1,988,958	2,908,145	2,959,570
Student and Instruction Related Services	4,221,608	4,418,614	4,504,451	4,753,924	4,716,834	4,828,718	4,614,821
General Administration Services	868,679	1,008,458	934,946	957,026	984,509	1,003,182	846,592
School Administration Services	1,492,020	1,539,826	1,568,285	1,661,299	1,701,501	1,724,402	1,534,665
Central Services	427,269	478,472	492,265	506,852	503,860	491,391	444,115
Administrative Information Technology	207,515	228,558	264,511	303,777	328,383	437,967	443,472
Plant Operations and Maintenance	2,568,577	2,717,106	2,860,859	3,404,183	3,190,911	3,250,643	3,117,606
Pupil Transportation	1,992,391	2,103,626	2,372,372	2,704,733	2,777,883	2,870,390	2,611,165

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Expenditures:							
Unallocated Benefits	\$ 6,314,755	\$ 7,390,042	\$ 9,227,981	\$ 9,592,979	\$ 8,554,197	\$ 9,295,640	\$ 9,230,522
Debt Service:							
Principal	925,000	1,000,000	1,060,000	1,123,000	1,185,000	1,235,000	1,285,000
Interest and Other Charges	1,430,751	1,376,407	1,317,820	1,256,521	1,192,250	1,141,888	1,089,400
Capital Outlay	4,067,573	4,442,004	7,686,775	20,791,765	9,608,519	2,219,932	964,158
Total Expenditures	<u>43,036,708</u>	<u>45,904,191</u>	<u>52,270,033</u>	<u>68,248,590</u>	<u>56,493,600</u>	<u>51,257,974</u>	<u>48,951,633</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,190,003)</u>	<u>(1,164,743)</u>	<u>(2,775,957)</u>	<u>(14,459,788)</u>	<u>(6,511,557)</u>	<u>(2,354,459)</u>	<u>546,060</u>
Other Financing Sources (Uses)							
Capital Leases (Non-Budgeted)	40,652						
Transfers Out - Food Service	(7,500)					(36,751)	
Total Other Financing Sources (Uses)	<u>33,152</u>					<u>(36,751)</u>	
Net Change in Fund Balances	<u>\$ (1,156,851)</u>	<u>\$ (1,164,743)</u>	<u>\$ (2,775,957)</u>	<u>\$ (14,459,788)</u>	<u>\$ (6,511,557)</u>	<u>\$ (2,391,210)</u>	<u>\$ 546,060</u>
Debt Service as a Percentage of Noncapital Expenditures	6.05%	5.73%	5.33%	5.01%	5.07%	4.85%	4.95%

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ended June 30, 2006.

Source: West Morris Regional High School District records.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

Fiscal Year Ended June 30,	Tuition	Interest on Investments	Rentals - Use of Facilities	Other	Total
2002	\$ 192,570	\$ 167,534	\$ 10,921	\$ 552,228 *	\$ 923,253
2003	227,301	83,691	15,052	513,191 *	839,235
2004	259,304	96,671	12,128	136,823	504,926
2005	130,872	221,342	14,151	156,518	522,883
2006	90,160	439,079	16,977	246,304	792,520
2007	4,062	520,390	9,056	317,159	850,667
2008	16,500	354,484	6,748	430,410	808,142
2009	8,214	89,365	17,021	445,102 *	559,702
2010	14,477	31,974	18,956	455,175 *	520,582
2011	65,086	23,257	23,230	585,007 *	696,580

* - Includes favorable insurance/litigation settlements.

Source: West Morris Regional High School District records.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST SEVEN YEARS
UNAUDITED

Chester Borough

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Direct School Tax Rate ^b	(County Equalized Value)
2004	\$ 3,416,700	\$ 178,897,400	\$ 3,676,800	\$ 58,640	\$114,476,750	\$ - 0 -	\$ 1,894,500	\$ 302,420,790	\$ 1,779,494	\$ 304,200,284	\$ 24,746,950	\$ 0.46	\$ 295,408,587
2005	* 5,229,200 *	* 217,617,700 *	* 3,545,100 *	* 67,200 *	* 140,571,400 *	* - 0 - *	* 2,010,000 *	* 369,040,600 *	* 1,747,166 *	* 370,787,766 *	* 31,775,100 *	* 0.33 *	* 312,925,143
2006	* 7,949,000 *	* 239,618,900 *	* 3,897,400 *	* 75,400 *	* 165,277,300 *	* - 0 - *	* 2,214,500 *	* 419,032,500 *	* 2,010,392 *	* 421,042,892 *	* 36,857,300 *	* 0.29 *	* 387,402,977
2007	7,114,300	241,279,800	3,897,400	75,400	192,169,300	- 0 -	2,214,500	446,750,700	2,100,655	448,851,355	37,072,300	0.27	445,186,305
2008	5,466,500	245,143,100	1,310,000	44,500	198,742,100	- 0 -	2,214,500	452,920,700	2,432,737	455,353,437	42,255,500	0.27	467,628,951
2009	5,466,500	244,889,900	1,310,000	44,500	197,828,600	- 0 -	2,214,500	451,754,000	2,050,374	453,804,374	42,255,500	0.31	475,936,992
2010	4,875,000	213,961,800	1,173,400	51,200	165,600,100	- 0 -	1,914,100	387,575,600	1,705,656	389,281,256	41,793,800	0.36	468,704,509

Chester Township

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2004	\$16,401,300	\$ 873,214,200	\$42,278,600	\$ 1,378,332	\$ 30,172,900	\$ 6,163,000	\$ 353,400	\$ 969,961,732	\$ 1,462,894	\$ 971,424,626	\$ 96,357,400	\$ 0.77	\$ 1,558,530,336
2005	16,402,700	892,335,662	39,767,500	1,198,880	29,388,100	1,930,000	353,400	981,376,242	1,354,657	982,730,899	102,539,300	0.79	1,688,282,341
2006	* 37,822,300 *	* 2,080,826,200 *	* 96,103,300 *	* 1,230,300 *	* 51,080,100 *	* 3,493,000 *	* - 0 - *	* 2,270,555,200 *	* 2,266,037 *	* 2,272,821,237 *	* 215,865,500 *	* 0.35 *	* 1,905,993,213
2007	33,925,400	2,072,231,633	95,175,200	1,224,000	52,360,000	3,493,000	- 0 -	2,258,409,233	2,120,659	2,260,529,892	218,615,700	0.37	2,131,841,434
2008	31,112,000	2,074,551,033	104,181,300	1,186,900	50,305,200	4,704,800	910,000	2,266,951,233	2,060,200	2,269,011,433	218,221,900	0.39	2,230,761,264
2009	28,337,400	2,053,743,433	106,972,300	1,202,300	51,086,800	5,163,700	910,000	2,247,415,933	1,868,749	2,249,284,682	231,983,500	0.39	2,195,682,116
2010	19,506,100	1,676,536,800	90,749,200	1,226,400	49,247,800	3,908,600	835,200	1,842,010,100	2,190,835	1,844,200,935	230,758,700	0.50	2,159,919,381

Mendham Borough

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2004	\$ 8,595,600	\$ 531,689,500	\$19,796,701	\$ 863,872	\$ 55,643,800	\$ - 0 -	\$ 1,443,900	\$ 618,033,373	\$ 1,256,169	\$ 619,289,542	\$ 52,496,700	\$ 0.78	\$ 1,120,230,872
2005	7,851,304	544,056,600	15,421,400	841,011	55,412,000	- 0 -	1,443,900	625,026,215	1,223,970	626,250,185	52,596,700	0.80	1,211,658,055
2006	* 16,183,800 *	* 1,418,161,700 *	* 38,146,800 *	* 702,000 *	* 123,528,700 *	* - 0 - *	* 2,475,000 *	* 1,599,198,000 *	* 2,275,771 *	* 1,601,473,771 *	* 135,887,500 *	* 0.32 *	* 1,293,530,174
2007	14,936,900	1,417,809,000	40,278,900	695,840	121,984,300	- 0 -	2,475,000	1,598,179,940	2,707,608	1,600,887,548	136,410,700	0.34	1,465,301,236
2008	14,076,500	1,369,811,900	81,641,900	696,740	117,908,800	- 0 -	2,475,000	1,586,610,840	2,711,027	1,589,321,867	136,649,000	0.36	1,517,455,547
2009	13,020,700	1,366,117,600	79,722,600	566,840	117,908,800	- 0 -	2,475,000	1,579,811,540	3,187,134	1,582,998,674	145,003,200	0.39	1,569,035,776
2010	8,597,900	1,115,381,900	55,967,800	334,900	110,848,900	- 0 -	2,342,200	1,293,473,600	3,191,011	1,296,664,611	123,773,600	0.48	1,569,035,776

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when ordered by the County Board of Taxation.

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

^b - Tax rates are per \$100 of assessed valuation.

* - Revaluation of real property was effective in this year.

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ended June 30, 2006.

Source: Municipal Tax Assessors.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST SEVEN YEARS
UNAUDITED

Mendham Township

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2004	\$24,771,270	\$ 916,710,300	\$34,086,500	\$ 990,154	\$ 5,362,700	\$ 2,400	\$ 3,335,500	\$ 985,258,824	\$ 875,598	\$ 986,134,422	\$139,201,800	\$ 0.70	\$ 1,630,483,921
2005	* 46,891,100 *	1,953,835,900	* 94,200,900 *	1,411,300	* 11,650,600 *	3,000	* 6,830,600 *	* 2,114,823,400 *	* 1,360,194 *	* 2,116,183,594 *	* 139,201,800 *	0.34 *	1,768,389,758
2006	61,193,400	1,951,670,250	95,318,100	1,396,300	11,650,600	3,000	- 0 -	2,121,231,650	1,294,923	2,122,526,573	139,201,800	0.36	1,980,917,668
2007	54,073,500	1,975,036,050	88,780,400	1,432,300	11,198,500	3,000	- 0 -	2,130,523,750	1,965,312	2,132,489,062	139,171,800	0.39	2,139,381,939
2008	45,234,600	2,004,169,550	96,458,500	1,439,900	11,198,500	3,000	- 0 -	2,158,504,050	2,017,372	2,160,521,422	141,591,100	0.39	2,221,821,308
2009	32,885,700	2,022,308,350	98,073,700	1,437,300	12,078,500	3,000	- 0 -	2,166,786,550	3,243,248	2,170,029,798	144,592,400	0.40	2,246,088,845
2010	27,782,700	1,760,137,200	87,577,600	581,600	10,890,700	2,100	- 0 -	1,886,971,900	2,964,543	1,889,936,443	152,814,200	0.47	2,229,872,993

Washington Township

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2004	\$37,343,500	\$1,424,139,400	\$63,755,100	\$ 4,376,800	\$ 54,153,700	\$24,463,800	\$21,621,400	\$1,629,853,700	\$ 3,461,957	\$1,633,315,657	\$125,629,400	\$ 0.67	\$ 2,340,004,800
2005	33,965,000	1,459,046,400	65,127,600	4,287,500	54,665,900	24,463,800	21,625,100	1,663,181,300	3,062,777	1,666,244,077	127,854,000	0.70	2,622,354,777
2006	31,758,300	1,489,298,800	66,290,600	4,286,600	53,262,800	24,780,800	20,609,900	1,690,287,800	2,743,685	1,693,031,485	129,578,500	0.72	2,905,768,742
2007	26,385,200	1,518,906,600	69,614,900	4,218,000	56,861,500	22,597,500	20,332,800	1,718,916,500	2,487,616	1,721,404,116	221,552,000	0.75	3,261,008,519
2008	* 61,154,900 *	2,824,089,600	* 131,760,300 *	4,264,200 *	113,518,400 *	38,803,500 *	43,258,300 *	* 3,216,849,200 *	* 4,703,377 *	* 3,221,552,577 *	* 263,564,200 *	0.42 *	3,372,634,572
2009	54,480,100	2,841,182,400	130,062,400	4,154,100	132,149,800	38,803,500	43,258,300	3,244,090,600	4,241,728	3,248,332,328	266,814,300	0.44	3,380,843,416
2010	38,072,900	2,462,010,400	113,484,900	4,137,400	126,955,200	34,966,600	36,148,000	2,815,775,400	4,740,622	2,820,516,022	243,749,600	0.52	3,313,749,445

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when ordered by the County Board of Taxation.

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

b - Tax rates are per \$100 of assessed valuation.

* - Revaluation of real property was effective in this year.

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ended June 30, 2006.

Source: Municipal Tax Assessors.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
DIRECT & OVERLAPPING PROPERTY TAX RATES

LAST TEN YEARS

UNAUDITED

(Rate per \$100 of Assessed Value)

Chester Borough

Year Ended December 31,	West Morris Regional High School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt ^b		Chester Borough Schools	Chester Borough County	Morris County	
		Total Direct					
2001	\$ 0.49	\$ 0.02	\$ 0.52	\$ 0.53	\$ 0.78	\$ 0.27	\$ 2.10
2002	0.45	0.02	0.47	0.60	0.78	0.23	2.08
2003	0.46	0.02	0.48	0.58	0.78	0.27	2.11
2004	0.44	0.03	0.46	0.71	0.80	0.27	2.24
2005	* 0.31	* 0.02	* 0.33	* 0.67	* 0.70	* 0.23	* 1.92
2006	* 0.27	* 0.02	* 0.29	* 0.60	* 0.69	* 0.21	* 1.79
2007	0.25	0.02	0.27	0.64	0.70	0.24	1.85
2008	0.25	0.02	0.27	0.66	0.72	0.24	1.89
2009	0.29	0.02	0.31	0.68	0.76	0.24	1.99
2010	0.34	0.02	0.36	0.81	0.91	0.28	2.36

Chester Township

Year Ended December 31,	West Morris Regional High School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt ^b		Chester Township Schools	Chester Township County	Morris County	
		Total Direct					
2001	\$ 0.62	\$ 0.03	\$ 0.65	\$ 0.40	\$ 1.13	\$ 0.38	\$ 2.56
2002	0.63	0.03	0.66	0.41	1.18	0.36	2.61
2003	0.70	0.03	0.73	0.38	1.22	0.43	2.76
2004	0.72	0.05	0.77	0.38	1.29	0.45	2.89
2005	0.74	0.05	0.79	0.45	1.41	0.46	3.11
2006	* 0.33	* 0.02	* 0.35	* 0.29	* 0.65	* 0.21	* 1.50
2007	0.35	0.02	0.37	0.31	0.68	0.23	1.59
2008	0.37	0.02	0.39	0.35	0.69	0.23	1.66
2009	0.37	0.02	0.39	0.37	0.72	0.22	1.70
2010	0.47	0.03	0.50	0.47	0.89	0.26	2.12

Source: Municipal Tax Collectors and School Business Administrator.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
DIRECT & OVERLAPPING PROPERTY TAX RATES

LAST TEN YEARS

UNAUDITED

(Rate per \$100 of Assessed Value)

Mendham Borough

Year Ended December 31,	West Morris Regional High School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate ^a	General Obligation Debt ^b		Mendham Borough	Mendham Borough Schools			Morris County
		Total Direct						
2001	\$ 0.66	\$ 0.03	\$ 0.69	\$ 0.42	\$ 0.99	\$ 0.41	\$ 2.51	
2002	0.69	0.03	0.72	0.43	1.06	0.43	2.64	
2003	0.72	0.03	0.75	0.44	1.08	0.48	2.75	
2004	0.74	0.04	0.78	0.49	1.16	0.51	2.94	
2005	0.75	0.04	0.80	0.54	1.24	0.52	3.10	
2006	* 0.30 *	0.02 *	0.32 *	0.25 *	0.52 *	0.20 *	1.29	
2007	0.32	0.02	0.34	0.28	0.54	0.22	1.38	
2008	0.34	0.02	0.36	0.31	0.57	0.22	1.46	
2009	0.37	0.02	0.39	0.33	0.59	0.22	1.53	
2010	0.45	0.03	0.48	0.42	0.73	0.27	1.90	

Mendham Township

Year Ended December 31,	West Morris Regional High School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate ^a	General Obligation Debt ^b		Mendham Township	Mendham Township Schools			Morris County
		Total Direct						
2001	\$ 0.55	\$ 0.03	\$ 0.57	\$ 0.46	\$ 0.94	\$ 0.39	\$ 2.36	
2002	0.61	0.03	0.64	0.46	1.02	0.42	2.54	
2003	0.65	0.03	0.68	0.46	1.11	0.45	2.70	
2004	0.66	0.04	0.70	0.47	1.18	0.46	2.81	
2005	* 0.32 *	0.02 *	0.34 *	0.25 *	0.58 *	0.23 *	1.40	
2006	0.34	0.02	0.36	0.28	0.61	0.23	1.48	
2007	0.37	0.02	0.39	0.28	0.62	0.24	1.53	
2008	0.37	0.02	0.39	0.30	0.62	0.24	1.55	
2009	0.38	0.02	0.40	0.30	0.69	0.23	1.62	
2010	0.44	0.03	0.47	0.36	0.79	0.27	1.89	

Source: Municipal Tax Collectors and School Business Administrator.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
DIRECT & OVERLAPPING PROPERTY TAX RATES

LAST TEN YEARS

UNAUDITED

(Rate per \$100 of Assessed Value)

Washington Township

Year Ended December 31,	West Morris Regional High School			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Direct Rate			Washington			
	Basic Rate ^a	General Obligation Debt ^b	Total Direct	Washington Township	Township Schools	Morris County	
2001	\$ 0.56	\$ 0.03	\$ 0.59	\$ 0.47	\$ 1.28	\$ 0.33	\$ 2.67
2002	0.59	0.03	0.61	0.47	1.32	0.35	2.75
2003	0.61	0.02	0.64	0.48	1.38	0.39	2.89
2004	0.63	0.04	0.67	0.49	1.50	0.40	3.06
2005	0.66	0.04	0.70	0.42	1.59	0.54	3.25
2006	0.68	0.04	0.72	0.56	1.68	0.43	3.39
2007	0.71	0.04	0.75	0.58	1.72	0.45	3.50
2008	* 0.39 *	0.03 *	0.42 *	0.32 *	0.97 *	0.25 *	1.96
2009	0.42	0.02	0.44	0.33	0.97	0.24	1.98
2010	0.49	0.03	0.52	0.40	1.13	0.27	2.32

* - Property revaluation effective in this year.

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

^a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

^b Rates for debt service are based on each year's requirements.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Chester Borough

Taxpayer	2011		Taxpayer	2002	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Chester Springs, LLC	\$ 34,533,100	8.87%	Chester Springs, LLC	\$ 25,824,400	8.62%
Continental Chester, LLC	26,000,000	6.68%	NS-MPG, Inc.	8,981,300	3.00%
NS-MPG, Inc.	8,900,000	2.29%	Savro LLC	6,161,500	2.06%
Savro/Chester Shopping Mall	8,296,000	2.13%	Chester Franklin Associates	2,011,400	0.67%
Williamson Associates	4,413,400	1.13%	Turkey Farm Acquisition	1,920,100	0.64%
95 West Main Associates	3,698,500	0.95%	Individual Taxpayer #1	1,927,800	0.64%
Individual Taxpayer #1	3,354,800	0.86%	Individual Taxpayer #2	1,764,800	0.59%
Individual Taxpayer #2	2,713,300	0.70%	Sprint	1,752,396	0.58%
Turkey Farm Acquisition	2,587,400	0.66%	Group 206 North Associates	1,653,800	0.55%
Group 206 North Associates	2,434,100	0.63%	Peapack Gladstone Bank	1,583,000	0.53%
Total	\$ 96,930,600	24.90%	Total	\$ 53,580,496	17.87%

NOTE: Individual Taxpayers are numbered in the year assessed; however, they may be not be the same individual taxpayers in the two years presented.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Chester Township

Taxpayer	2011		Taxpayer	2002	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Individual Taxpayer #1	\$ 4,883,200	0.26%	Bell Communication Research Inc.	\$ 4,233,000	0.46%
Individual Taxpayer #2	3,767,900	0.20%	Welkind Rehabilitation Hospital, Inc.	3,259,900	0.35%
Individual Taxpayer #3	3,732,500	0.20%	CVC Chester, LLC	2,399,800	0.26%
Individual Taxpayer #4	3,485,100	0.19%	The Devereux School, LLC	1,463,000	0.16%
Individual Taxpayer #5	3,008,300	0.16%	Individual Taxpayer #1	1,889,000	0.20%
Individual Taxpayer #6	2,739,200	0.15%	Individual Taxpayer #2	1,727,100	0.19%
Individual Taxpayer #7	2,732,100	0.15%	Individual Taxpayer #3	1,700,500	0.18%
Individual Taxpayer #8	1,731,000	0.09%	415 Route 24, Inc.	1,400,000	0.15%
Individual Taxpayer #9	2,621,700	0.14%	Individual Taxpayer #4	1,318,700	0.14%
Individual Taxpayer #10	2,570,000	0.14%	Individual Taxpayer #5	1,293,600	0.14%
Total	\$ 31,271,000	1.70%	Total	\$ 20,684,600	2.24%

NOTE: Individual Taxpayers are numbered in the year assessed; however, they may be not be the same individual taxpayers in the two years presented.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Mendham Borough

Taxpayer	2011		Taxpayer	2002	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
V-Fee Realty	\$ 22,000,000	1.70%	Mendham Investment Company	\$ 12,400,000	2.05%
Roxiticus Golf Club	14,178,100	1.09%	Roxiticus Golf Club, Inc.	5,510,200	0.91%
Holly Manor	8,558,600	0.66%	Holly Manor Associates of NJ	4,587,100	0.76%
Individual Taxpayer #1	6,430,800	0.50%	Individual Taxpayer #1	3,538,800	0.59%
Individual Taxpayer #2	5,652,500	0.44%	Individual Taxpayer #2	3,256,220	0.54%
Individual Taxpayer #3	5,379,200	0.41%	Individual Taxpayer #3	3,035,100	0.50%
Individual Taxpayer #4	5,234,500	0.40%	Individual Taxpayer #4	3,032,500	0.50%
Individual Taxpayer #5	4,606,600	0.36%	Individual Taxpayer #5	2,919,200	0.48%
Individual Taxpayer #6	4,398,200	0.34%	Individual Taxpayer #6	2,888,000	0.48%
Individual Taxpayer #7	4,322,600	0.33%	Individual Taxpayer #7	2,812,406	0.47%
Total	<u>\$ 80,761,100</u>	<u>6.23%</u>	Total	<u>\$ 43,979,526</u>	<u>7.28%</u>

NOTE: Individual Taxpayers are numbered in the year assessed; however, they may be not be the same individual taxpayers in the two years presented.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Mendham Township

<u>Taxpayer</u>	<u>2011</u>		<u>Taxpayer</u>	<u>2002</u>	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>		<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
Woodland Lake, Inc.	\$ 7,774,700	0.41%	Individual Taxpayer #1	\$ 3,657,400	0.39%
Shemy, LLC	7,666,700	0.41%	Woodland Lakes, Inc.	3,335,500	0.35%
Mendham Golf & Tennis Club	6,199,400	0.33%	Individual Taxpayer #2	3,070,700	0.32%
Southeast Morris MUA	4,870,100	0.26%	Individual Taxpayer #3	2,839,200	0.30%
Individual Taxpayer #1	4,211,800	0.22%	Individual Taxpayer #4	2,790,300	0.29%
Individual Taxpayer #2	3,985,600	0.21%	Mendham Golf & Tennis Club	2,639,400	0.28%
Desiree Farm, LLC	3,850,000	0.20%	SMCMUA	2,331,441	0.25%
Individual Taxpayer #3	3,797,500	0.20%	Individual Taxpayer #5	2,241,200	0.24%
Individual Taxpayer #4	3,711,300	0.20%	Individual Taxpayer #6	2,212,500	0.23%
Individual Taxpayer #5	3,603,300	0.19%	Individual Taxpayer #7	2,148,000	0.23%
Total	\$ 49,670,400	2.63%	Total	\$ 27,265,641	2.87%

NOTE: Individual Taxpayers are numbered in the year assessed; however, they may be not be the same individual taxpayers in the two years presented.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Washington Township

Taxpayer	2011		Taxpayer	2002	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Heath Village	\$ 16,782,000	0.59%	Heath Village	\$ 14,164,100	0.91%
Target Corporation	13,645,300	0.48%	Peachtree Village, LP	6,850,000	0.44%
2085 Realty Partners, LLC	10,865,800	0.39%	Kings Highway Investment Company	6,894,400	0.44%
Peachtree Village, LP	6,250,000	0.22%	Individual Taxpayer #1	5,513,400	0.35%
Transistor Devices, Inc.	7,605,500	0.27%	The Great Atlantic & Pacific Tea Co.	5,500,000	0.35%
Kings Highway Investment Co., LLC	7,399,000	0.26%	APGM, LP	3,911,200	0.25%
Amerace ESNA Corporation	6,178,400	0.22%	Transistor Devices, Inc.	3,900,000	0.25%
Columbia Gas Transmission Corporation	5,872,300	0.21%	Amerace	3,600,000	0.23%
Regency at Long Valley	5,543,400	0.20%	Columbia Gas Corporation	3,481,000	0.22%
Long Valley Village	5,500,000	0.19%	United Telephone	3,015,693	0.19%
Total	\$ 85,641,700	3.04%	Total	\$ 56,829,793	3.62%

NOTE: Individual Taxpayers are numbered in the year assessed; however, they may be not be the same individual taxpayers in the two years presented.

Source: Washington Township Tax Assessor.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Chester Borough

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	\$ 1,463,648	\$ 1,463,648	100.00%	\$ -0-
2003	1,384,118	1,384,118	100.00%	-0-
2004	1,515,581	1,515,581	100.00%	-0-
2005	1,261,535	1,261,535	100.00%	-0-
2006	1,159,835	1,159,835	100.00%	-0-
2007	1,314,372	1,314,372	100.00%	-0-
2008	1,156,812	1,156,812	100.00%	-0-
2009	1,340,190	1,340,190	100.00%	-0-
2010	1,447,354	1,447,354	100.00%	-0-
2011	1,373,396	1,373,396	100.00%	-0-

Chester Township

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	\$ 5,734,520	\$ 5,734,520	100.00%	\$ -0-
2003	6,523,357	6,523,357	100.00%	-0-
2004	7,245,287	7,245,287	100.00%	-0-
2005	7,615,831	7,615,831	100.00%	-0-
2006	7,777,877	7,777,877	100.00%	-0-
2007	7,969,029	7,969,029	100.00%	-0-
2008	8,767,669	8,767,669	100.00%	-0-
2009	8,823,690	8,823,690	100.00%	-0-
2010	8,990,934	8,990,934	100.00%	-0-
2011	9,345,694	9,345,694	100.00%	-0-

Source: West Morris Regional High School District records including the Certificate and Report of School Taxes (A4F Form).

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
UNAUDITED

Mendham Borough

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	\$ 4,080,711	\$ 4,080,711	100.00%	\$ -0-
2003	4,567,143	4,567,143	100.00%	-0-
2004	4,684,681	4,684,681	100.00%	-0-
2005	5,010,276	5,010,276	100.00%	-0-
2006	5,040,409	5,040,409	100.00%	-0-
2007	5,237,891	5,237,891	100.00%	-0-
2008	5,617,438	5,617,438	100.00%	-0-
2009	5,854,932	5,854,932	100.00%	-0-
2010	6,375,954	6,375,954	100.00%	-0-
2011	6,197,308	6,197,308	100.00%	-0-

Mendham Township

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	\$ 5,628,092	\$ 5,628,092	100.00%	\$ -0-
2003	6,532,546	6,532,546	100.00%	-0-
2004	6,568,208	6,568,208	100.00%	-0-
2005	7,200,865	7,200,865	100.00%	-0-
2006	7,163,475	7,163,475	100.00%	-0-
2007	8,038,681	8,038,681	100.00%	-0-
2008	8,298,174	8,298,174	100.00%	-0-
2009	8,846,259	8,846,259	100.00%	-0-
2010	8,826,470	8,826,470	100.00%	-0-
2011	9,127,228	9,127,228	100.00%	-0-

Source: West Morris Regional High School District records including the Certificate and Report of School Taxes (A4F Form).

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
UNAUDITED

Washington Township

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	\$ 9,116,610	\$ 9,116,610	100.00%	\$ -0-
2003	10,032,852	10,032,852	100.00%	-0-
2004	10,514,368	10,514,368	100.00%	-0-
2005	11,313,112	11,313,112	100.00%	-0-
2006	11,944,893	11,944,893	100.00%	-0-
2007	12,390,984	12,390,984	100.00%	-0-
2008	13,253,814	13,253,814	100.00%	-0-
2009	14,048,941	14,048,941	100.00%	-0-
2010	14,408,410	14,408,410	100.00%	-0-
2011	14,969,017	14,969,017	100.00%	-0-

^a School taxes are collected by the Municipal Tax Collector. Under New Jersey State statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Chester Borough

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Loans Payable	Capital Leases			
2001	\$ 371,709	\$ - 0 -	\$ 20,801	\$ 392,510	0.42%	\$ 238.75
2002	316,536	- 0 -	10,452	326,988	0.35%	198.05
2003	229,161	- 0 -	4,501	233,662	0.25%	141.87
2004	1,517,362	- 0 -	- 0 -	1,517,362	1.51%	921.85
2005	1,153,974	- 0 -	- 0 -	1,153,974	1.11%	703.64
2006	1,003,930	- 0 -	- 0 -	1,003,930	0.90%	617.80
2007	1,037,141	- 0 -	- 0 -	1,037,141	0.90%	642.19
2008	825,058	- 0 -	- 0 -	825,058	0.70%	500.04
2009	870,328	- 0 -	- 0 -	870,328	0.77%	525.24
2010	868,648	- 0 -	- 0 -	868,648	0.77%	524.23

Chester Township

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases			
2001	\$ 1,442,457	\$ - 0 -	\$ 80,722	\$ 1,523,179	0.36%	\$ 203.85
2002	1,240,178	- 0 -	40,950	1,281,128	0.30%	170.52
2003	1,080,037	- 0 -	21,213	1,101,250	0.25%	145.02
2004	7,253,799	- 0 -	- 0 -	7,253,799	1.55%	947.84
2005	6,966,492	- 0 -	- 0 -	6,966,492	1.43%	904.27
2006	6,732,374	- 0 -	- 0 -	6,732,374	1.28%	876.61
2007	6,288,178	- 0 -	- 0 -	6,288,178	1.15%	821.23
2008	6,253,249	- 0 -	- 0 -	6,253,249	1.14%	814.76
2009	5,730,159	- 0 -	- 0 -	5,730,159	1.09%	745.53
2010	5,396,025	- 0 -	- 0 -	5,396,025	1.03%	702.06

Source: West Morris Regional High School District records.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Mendham Borough

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases			
2001	\$ 1,068,017	\$ - 0 -	\$ 59,768	\$ 1,127,785	0.39%	\$ 222.14
2002	882,517	- 0 -	29,141	911,658	0.32%	178.86
2003	756,157	- 0 -	14,851	771,008	0.27%	151.24
2004	4,690,185	- 0 -	- 0 -	4,690,185	1.50%	918.20
2005	4,583,091	- 0 -	- 0 -	4,583,091	1.42%	897.06
2006	4,362,876	- 0 -	- 0 -	4,362,876	1.26%	859.00
2007	4,133,100	- 0 -	- 0 -	4,133,100	1.15%	821.53
2008	4,006,451	- 0 -	- 0 -	4,006,451	1.11%	792.73
2009	3,802,229	- 0 -	- 0 -	3,802,229	1.10%	751.73
2010	3,826,612	- 0 -	- 0 -	3,826,612	1.11%	756.55

Mendham Township

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases			
2001	\$ 1,258,790	\$ - 0 -	\$ 70,443	\$ 1,329,233	0.43%	\$ 243.09
2002	1,217,162	- 0 -	40,191	1,257,353	0.40%	227.58
2003	1,081,559	- 0 -	21,242	1,102,801	0.35%	198.60
2004	6,575,924	- 0 -	- 0 -	6,575,924	1.94%	1,187.20
2005	6,586,907	- 0 -	- 0 -	6,586,907	1.89%	1,195.45
2006	6,200,560	- 0 -	- 0 -	6,200,560	1.66%	1,133.35
2007	6,343,139	- 0 -	- 0 -	6,343,139	1.63%	1,158.99
2008	5,918,398	- 0 -	- 0 -	5,918,398	1.51%	1,081.58
2009	5,744,815	- 0 -	- 0 -	5,744,815	1.53%	1,047.18
2010	5,297,321	- 0 -	- 0 -	5,297,321	1.41%	965.61

Source: West Morris Regional High School District records.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Washington Township

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases			
2001	\$ 2,262,027	\$ - 0 -	\$ 126,586	\$ 2,388,613	0.24%	\$ 133.55
2002	1,971,607	- 0 -	65,102	2,036,709	0.20%	112.82
2003	1,661,086	- 0 -	32,625	1,693,711	0.16%	93.43
2004	10,526,730	- 0 -	- 0 -	10,526,730	0.94%	576.36
2005	10,348,536	- 0 -	- 0 -	10,348,536	0.89%	564.23
2006	10,339,260	- 0 -	- 0 -	10,339,260	0.83%	565.11
2007	9,777,442	- 0 -	- 0 -	9,777,442	0.75%	534.90
2008	9,452,844	- 0 -	- 0 -	9,452,844	0.72%	516.46
2009	9,123,469	- 0 -	- 0 -	9,123,469	0.73%	497.57
2010	8,647,394	- 0 -	- 0 -	8,647,394	0.69%	471.61

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

^a See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population data for the prior calendar year.

Source: West Morris Regional High School District records.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Chester Borough

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Net Valuation Taxable ^a	Per Capita ^d
	General Obligation Bonds	Deductions			
2001	\$ 371,709	\$ - 0 -	\$ 371,709	0.133%	\$ 226.10
2002	316,536	- 0 -	316,536	0.106%	191.72
2003	229,161	- 0 -	229,161	0.076%	139.14
2004	1,517,362	- 0 -	1,517,362	0.499%	921.85
2005	1,153,974	- 0 -	1,153,974	0.311%	703.64
2006	1,003,930	- 0 -	1,003,930	0.238%	617.80
2007	1,037,141	- 0 -	1,037,141	0.231%	642.19
2008	825,058	- 0 -	825,058	0.181%	500.04
2009	870,328	- 0 -	870,328	0.192%	525.24
2010	868,648	- 0 -	868,648	0.223%	524.23

Chester Township

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Net Valuation Taxable ^a	Per Capita ^b
	General Obligation Bonds	Deductions			
2001	\$ 1,442,457	\$ - 0 -	\$ 1,442,457	0.166%	\$ 193.05
2002	1,240,178	- 0 -	1,240,178	0.134%	165.07
2003	1,080,037	- 0 -	1,080,037	0.114%	142.22
2004	7,253,799	- 0 -	7,253,799	0.747%	947.84
2005	6,966,492	- 0 -	6,966,492	0.709%	904.27
2006	6,732,374	- 0 -	6,732,374	0.296%	876.61
2007	6,288,178	- 0 -	6,288,178	0.278%	821.23
2008	6,253,249	- 0 -	6,253,249	0.276%	814.76
2009	5,730,159	- 0 -	5,730,159	0.255%	745.53
2010	5,396,025	- 0 -	5,396,025	0.293%	702.06

Source: West Morris Regional High School District records.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Mendham Borough

Fiscal Year Ended June 30,	General Bonded Debt Outstanding					
	General Obligation		Deductions	Net General Bonded Debt Outstanding	Percentage of Net Valuation Taxable ^a	Per Capita ^b
	Bonds					
2001	\$ 1,068,017	\$ - 0 -	\$ 1,068,017	0.179%	\$ 210.36	
2002	882,517	- 0 -	882,517	0.146%	173.14	
2003	756,157	- 0 -	756,157	0.122%	148.32	
2004	4,690,185	- 0 -	4,690,185	0.757%	918.20	
2005	4,583,091	- 0 -	4,583,091	0.732%	897.06	
2006	4,362,876	- 0 -	4,362,876	0.272%	859.00	
2007	4,133,100	- 0 -	4,133,100	0.258%	821.53	
2008	4,006,451	- 0 -	4,006,451	0.252%	792.73	
2009	3,802,229	- 0 -	3,802,229	0.240%	751.73	
2010	3,826,612	- 0 -	3,826,612	0.295%	756.55	

Mendham Township

Fiscal Year Ended June 30,	General Bonded Debt Outstanding					
	General Obligation		Deductions	Net General Bonded Debt Outstanding	Percentage of Net Valuation Taxable ^a	Per Capita ^b
	Bonds					
2001	\$ 1,258,790	\$ - 0 -	\$ 1,258,790	0.136%	\$ 230.21	
2002	1,217,162	- 0 -	1,217,162	0.128%	220.30	
2003	1,081,559	- 0 -	1,081,559	0.112%	194.77	
2004	6,575,924	- 0 -	6,575,924	0.667%	1,187.20	
2005	6,586,907	- 0 -	6,586,907	0.311%	1,195.45	
2006	6,200,560	- 0 -	6,200,560	0.292%	1,133.35	
2007	6,343,139	- 0 -	6,343,139	0.297%	1,158.99	
2008	5,918,398	- 0 -	5,918,398	0.274%	1,081.58	
2009	5,744,815	- 0 -	5,744,815	0.265%	1,047.18	
2010	5,297,321	- 0 -	5,297,321	0.280%	965.61	

Source: West Morris Regional High School District records.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Washington Township

Fiscal Year Ended June 30,	General Bonded Debt Outstanding				
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Net Valuation Taxable ^a	Per Capita ^b
2001	\$ 2,262,027	\$ - 0 -	\$ 2,262,027	0.150%	\$ 126.47
2002	1,971,607	- 0 -	1,971,607	0.126%	109.21
2003	1,661,086	- 0 -	1,661,086	0.103%	91.63
2004	10,526,730	- 0 -	10,526,730	0.645%	576.36
2005	10,348,536	- 0 -	10,348,536	0.621%	564.23
2006	10,339,260	- 0 -	10,339,260	0.611%	565.11
2007	9,777,442	- 0 -	9,777,442	0.568%	534.90
2008	9,452,844	- 0 -	9,452,844	0.293%	516.46
2009	9,123,469	- 0 -	9,123,469	0.281%	497.57
2010	8,647,394	- 0 -	8,647,394	0.307%	471.61

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

^a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

^b See Exhibit J-14 for population data. This ratio is calculated using population data for the prior calendar year.

Source: West Morris Regional High School District records.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2010
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Borough of Chester	\$ 5,215,810	100.00%	\$ 5,215,810
Township of Chester	13,283,022	100.00%	13,283,022
Borough of Mendham	4,901,297	100.00%	4,901,297
Township of Mendham	17,083,626	100.00%	17,083,626
Township of Washington	10,587,044	100.00%	10,587,044
County of Morris General Obligation Debt	249,234,104	9.46%	<u>23,584,759</u>
Subtotal, Overlapping Debt			74,655,558
West Morris Regional School District Direct Debt			<u>24,036,000</u>
Total Direct and Overlapping Debt			<u>\$ 98,691,558</u>

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

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

Source: Assessed value data used to estimate applicable percentages provided by the Morris County Board of Taxation; Debt outstanding data provided by each governmental unit.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year				
	2002	2003	2004	2005	2006
Debt Limit	\$ 146,964,546	\$ 163,981,603	\$ 183,350,384	\$ 203,749,110	\$ 226,074,862
Total Net Debt Applicable to Limit	5,628,000	4,808,000	30,564,000	29,639,000	28,639,000
Legal Debt Margin	<u>\$ 141,336,546</u>	<u>\$ 159,173,603</u>	<u>\$ 152,786,384</u>	<u>\$ 174,110,110</u>	<u>\$ 197,435,862</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	3.83%	2.93%	16.67%	14.55%	12.67%

	Fiscal Year				
	2007	2008	2009	2010	2011
Debt Limit	\$ 251,382,288	\$ 273,823,951	\$ 288,794,690	\$ 291,571,815	\$ 285,737,548
Total Net Debt Applicable to Limit	27,579,000	26,456,000	25,271,000	24,036,000	22,751,000
Legal Debt Margin	<u>\$ 223,803,288</u>	<u>\$ 247,367,951</u>	<u>\$ 263,523,690</u>	<u>\$ 267,535,815</u>	<u>\$ 262,986,548</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.97%	9.66%	8.75%	8.24%	7.96%

Legal Debt Margin Calculation for Fiscal Year 2011

Year Ended December 31,	Chester Borough	Chester Township	Mendham Borough	Mendham Township	Washington Township	Equalized Valuation Basis
2008	\$ 473,221,920	\$2,209,934,912	\$1,569,503,255	\$2,233,320,279	\$3,342,528,263	\$ 9,828,508,629
2009	469,208,558	2,144,890,182	1,496,458,786	2,208,978,030	3,297,175,119	9,616,710,675
2010	437,444,244	2,064,802,264	1,409,626,853	2,079,307,879	3,137,354,206	9,128,535,446
	<u>\$1,379,874,722</u>	<u>\$6,419,627,358</u>	<u>\$4,475,588,894</u>	<u>\$6,521,606,188</u>	<u>\$9,777,057,588</u>	<u>\$28,573,754,750</u>
	Average Equalized Valuation of Taxable Property					<u>\$ 9,524,584,917</u>
	Debt Limit ^a (3% of Average Equalization Value)					\$ 285,737,548
	Net Bonded School Debt					22,751,000
	Legal Debt Margin					<u>\$ 262,986,548</u>

a - Limit set by NJSA 18A:24-19 for a regional high school district; other % limits would be applicable for other districts.

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey,
Department of Treasury, Division of Taxation.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Chester Borough

Year	Borough Population ^a	Morris County Per Capita Personal Income ^b	Borough Personal Income ^c	Borough Unemployment Rate ^d
2001	1,644	\$ 56,673	\$ 93,170,412	2.30%
2002	1,651	56,535	93,339,285	3.60%
2003	1,647	57,018	93,908,646	3.60%
2004	1,646	61,101	100,572,246	2.80%
2005	1,640	63,297	103,807,080	4.10%
2006	1,625	68,364	111,091,500	4.20%
2007	1,615	71,300	115,149,500	3.80%
2008	1,650	71,527	118,019,550	5.10%
2009	1,657	68,251	113,091,907	8.60%
2010	1,657 *	68,251 *	113,091,907	8.70%

Chester Township

Year	Township Population ^a	Morris County Per Capita Personal Income ^b	Township Personal Income ^c	Township Unemployment Rate ^d
2001	7,472	\$ 56,673	\$ 423,460,656	2.30%
2002	7,513	56,535	424,747,455	3.60%
2003	7,594	57,018	432,994,692	3.50%
2004	7,653	61,101	467,605,953	2.80%
2005	7,704	63,297	487,640,088	1.90%
2006	7,680	68,364	525,035,520	2.30%
2007	7,657	71,300	545,944,100	2.10%
2008	7,675	71,527	548,969,725	2.80%
2009	7,686	68,251	524,577,186	4.90%
2010	7,686 *	68,251 *	524,577,186	4.90%

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Mendham Borough

<u>Year</u>	<u>Borough Population ^a</u>	<u>Morris County Per Capita Personal Income ^b</u>	<u>Borough Personal Income ^c</u>	<u>Borough Unemployment Rate ^d</u>
2001	5,077	\$ 56,673	\$ 287,728,821	1.20%
2002	5,097	56,535	288,158,895	1.90%
2003	5,098	57,018	290,677,764	1.90%
2004	5,108	61,101	312,103,908	1.50%
2005	5,109	63,297	323,384,373	1.50%
2006	5,079	68,364	347,220,756	1.50%
2007	5,031	71,300	358,710,300	1.40%
2008	5,054	71,527	361,497,458	1.80%
2009	5,058	68,251	345,213,558	3.20%
2010	5,058 *	68,251 *	345,213,558	3.30%

Mendham Township

<u>Year</u>	<u>Township Population ^a</u>	<u>Morris County Per Capita Personal Income ^b</u>	<u>Township Personal Income ^c</u>	<u>Township Unemployment Rate ^d</u>
2001	5,468	\$ 56,673	\$ 309,887,964	1.50%
2002	5,525	56,535	312,355,875	2.40%
2003	5,553	57,018	316,620,954	2.40%
2004	5,539	61,101	338,438,439	1.90%
2005	5,510	63,297	348,766,470	0.90%
2006	5,471	68,364	374,019,444	1.00%
2007	5,473	71,300	390,224,900	0.90%
2008	5,472	71,527	391,395,744	1.20%
2009	5,486	68,251	374,424,986	2.10%
2010	5,486 *	68,251 *	374,424,986	2.10%

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Washington Township

Year	Township Population ^a	Morris County Per Capita Personal Income ^b	Township Personal Income ^c	Township Unemployment Rate ^d
2001	17,886	\$ 56,673	\$ 1,013,653,278	2.40%
2002	18,053	56,535	1,020,626,355	3.80%
2003	18,128	57,018	1,033,622,304	3.70%
2004	18,264	61,101	1,115,948,664	3.00%
2005	18,341	63,297	1,160,930,277	3.10%
2006	18,296	68,364	1,250,787,744	3.20%
2007	18,279	71,300	1,303,292,700	2.90%
2008	18,303	71,527	1,309,158,681	3.90%
2009	18,336	68,251	1,251,450,336	6.60%
2010	18,336 *	68,251 *	1,251,450,336	6.70%

* - Latest population and Morris County per capita personal income available (2009) was used for calculation purposes.

Sources:

- a Population information provided by the NJ Department of Labor and Workforce Development.
- b Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- c Personal income has been estimated based upon the municipal population and per capita personal income presented.
- d Unemployment data provided by the NJ Department of Labor and Workforce Development.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - MORRIS COUNTY
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Employer	2010		Employer	2001	
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment
Novartis	4,990	1.99%			
Atlantic Health	4,933	1.97%			
U.S. Army Armament Research and Development	4,442	1.77%			
United Parcel Service	2,332	0.93%			
County of Morris	1,959	0.78%			
Automatic Data Processing, Inc.	1,924	0.77%			
AT&T Corporation	1,550	0.62%			
Saint Clare's Health System	1,531	0.61%			
BASF Corporation	1,400	0.56%			
Avis Budget Group Inc.	1,378	0.55%			
	<u>26,439</u>	<u>10.55%</u>			
Total Employment *	<u>250,640</u>				

Information is Not Available

* - Employment data provided by the NJ Department of Labor and Workforce Development.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST SEVEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction:							
Regular	175.20	183.40	185.00	187.00	186.00	180.00	179.60
Special Education	42.80	51.20	55.60	58.60	40.80	37.40	40.00
Support Services:							
Student & Instruction Related Services	37.20	40.00	40.80	41.20	58.00	57.00	56.90
General Administration Services	4.00	3.00	3.00	3.00	3.00	3.00	3.00
School Administration Services	16.60	15.60	16.60	16.60	16.60	15.60	14.60
Central Services	9.00	7.50	5.00	5.50	5.50	5.60	4.10
Administrative Information Technology	1.00	4.00	3.80	3.80	3.80	3.50	4.00
Plant Operations and Maintenance	32.80	29.00	30.00	31.00	34.00	31.00	31.00
Student Transportation		5.00	4.00	4.00	4.00	4.00	4.00
Total	318.60	338.70	343.80	350.70	351.70	337.10	337.20

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ended June 30, 2006.

Source: West Morris Regional High School District records.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
OPERATING STATISTICS
LAST SEVEN FISCAL YEARS
UNAUDITED

<u>Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Costs per Pupil^d</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio Senior High School</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2005	2,465	\$ 36,641,202	\$ 14,865	3.61%	239	10.3:1	2,481	2,367	2.61%	95.41%
2006	2,500	39,085,780	15,634	5.18%	241	10.4:1	2,510	2,393	1.17%	95.34%
2007	2,508	42,205,438	16,828	7.64%	242	10.4:1	2,525	2,410	0.60%	95.45%
2008	2,617	45,077,304	17,225	2.36%	245	10.7:1	2,618	2,499	3.68%	95.45%
2009	2,654	44,507,831	16,770	-2.64%	249	10.7:1	2,647	2,517	1.11%	95.09%
2010	2,686	46,661,154	17,372	3.59%	248	10.8:1	2,687	2,532	1.49%	94.23%
2011	2,747	45,613,075	16,605	-4.42%	241	11.4:1	2,726	2,565	1.47%	94.08%

Note: Enrollment based on annual October District count (ASSA full-time students on roll).

^a Operating expenditures equal total expenditures less debt service and capital outlay.

^b Teaching staff includes only full-time equivalents of certificated staff.

^c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

^d Costs per pupil is calculated based upon the operating costs and enrollment presented which may differ from other per pupil cost calculations.

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ended June 30, 2006.

Source: West Morris Regional High School District records.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST SEVEN FISCAL YEARS
UNAUDITED

<u>District Buildings</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
West Morris Central High School (1958, 2008)							
Square Feet	147,994	147,994	147,994	212,605	212,605	212,605	212,605
Capacity (Students)	1,079	1,079	1,079	1,079	1,455	1,455	1,455
Enrollment	1,309	1,299	1,300	1,364	1,380	1,389	1,420
West Morris Mendham High School (1970, 2008)							
Square Feet	153,215	153,215	153,215	198,553	198,553	198,553	198,553
Capacity (Students)	1,073	1,073	1,073	1,073	1,308	1,308	1,308
Enrollment	1,156	1,192	1,208	1,253	1,274	1,297	1,327
Administration Building (1975)							
Square Feet	3,840	3,840	3,840	3,840	3,840	3,840	3,840
West Morris Central Field House (1990)							
Square Feet	23,280	23,280	23,280	23,280	23,280	23,280	23,280
West Morris Mendham Field House (1990)							
Square Feet	23,280	23,280	23,280	23,280	23,280	23,280	23,280
West Morris Central Maintenance Garage #1 (2000)							
Square Feet	4,080	4,080	4,080	4,080	4,080	4,080	4,080
West Morris Central Maintenance Garage #2 (2001)							
Square Feet	1,000	1,000	1,000	1,000	1,000	1,000	1,000
West Morris Central Storage Building (1985)							
Square Feet	1,128	1,128	1,128	1,128	1,128	1,128	1,128
West Morris Mendham Maintenance Garage (1970)							
Square Feet	4,960	4,960	4,960	4,960	4,960	4,960	4,960
West Morris Mendham Storage Building (1980)							
Square Feet	1,000	1,000	1,000	1,000	1,000	1,000	1,000

Number of Schools at June 30, 2011:

High Schools = 2

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions.
 Enrollment is based on the annual October District count.

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ended June 30, 2006.

Source: West Morris Regional High School District Business Office.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required Maintenance for School Facilities*

Account # 11-000-261-xxx

Fiscal Year Ended June 30	Central High School	Mendham High School	Total School Facilities*
2002	\$ 90,999	\$ 83,431	\$ 174,430
2003	79,269	78,725	157,994
2004	49,025	58,165	107,190
2005	45,443	49,494	94,937
2006	44,940	49,173	94,113
2007	53,305	56,430	109,735
2008	49,094	56,810	105,904
2009	37,505	45,624	83,129
2010	90,625	87,914	178,539
2011	85,018	107,628	192,646

* - School facilities as defined under EFCFA (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3).

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICTINSURANCE SCHEDULEJUNE 30, 2011UNAUDITED

<u>Type of Policy</u>	<u>Insurance Company</u>	<u>Policy Limits</u>	<u>Deductible</u>
MORRIS ESSEX INSURANCE FUND:			
PROPERTY SECTION:	Zurich Insurance Company		
Property - Blanket and Contents			
School Limit Per Statement of Values		\$ 93,230,659	\$ 5,000
Flood:			
Outside Zones A, V, or B		5,000,000	50,000
Zone B		2,000,000	100,000
Zones A or V		1,000,000	500,000
Earthquake		5,000,000	5%
Business Income and Extra Expense		5,000,000	(72 Hours)
Contractors Equipment (\$10,000 Per Item Limit)		250,000	1,000
Musical Instruments, Athletic Equipment'			
Band Uniforms and Theatrical Equipment		250,000	1,000
Valuable Papers		5,000,000	1,000
Electronic Data Processing Equipment		2,500,000	5,000
Accounts Receivable		100,000	1,000
BOILER & MACHINERY:	Zurich Insurance Company		
Property Damage (Blanket)		50,000,000	5,000
GENERAL LIABILITY:	Zurich Insurance Company		
General Aggregate		2,000,000	
Each Occurrence		1,000,000	
COMMERCIAL AUTOMOBILE LIABILITY:	Zurich Insurance Company		
15 Vehicles Combined Single Limit		1,000,000	
Comprehensive			1,000
Collision			1,000
COMMERCIAL UMBRELLA	Zurich Insurance Company	10,000,000	10000
EXCESS COMMERCIAL UMBRELLA	Fireman's Fund		
(Note: Shared Limits)			
Per Occurrence		50,000,000	
Aggregate		50,000,000	

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2011
UNAUDITED

Type of Policy	Insurance Company	Policy Limits	Deductible
MORRIS ESSEX INSURANCE FUND:			
WORKERS' COMPENSATION:	Reinsurance		
Per Occurrence		\$ 1,000,000	
Policy Limit		1,000,000	
Aggregate		1,000,000	
CRIME:	Zurich Insurance Company		
Employee Theft		500,000	\$ 5,000
Forgery and Alterations		50,000	1,000
EDUCATORS' LEGAL LIABILITY:	Zurich Insurance Company	1,000,000	10,000
INDIVIDUAL SURETY BONDS:			
Business Administrator/Board Secretary	Selective Insurance Company	500,000	
Treasurer	Selective Insurance Company	300,000	
STUDENT AND ATHLETIC ACCIDENT:			
Student Accident Including Athletics	Bollinger Insurance Company	5,000,000	
Disability Plan - All Students	Bollinger Insurance Company	1,000,000	
Disability Plan - All Athletes	Bollinger Insurance Company	1,000,000	

SINGLE AUDIT SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Independent Auditors' 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

The Honorable President and Members
 of the Board of Education
 West Morris Regional High School District
 County of Morris, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the West Morris Regional High School District, in the County of Morris (the "Board") as of, and for the fiscal year ended June 30, 2011, which collectively comprise the School District's basic financial statements and have issued our report thereon dated September 2, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey (the "Department"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

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 Board's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

The Honorable President and Members
of the Board of Education
West Morris Regional High School District
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of 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 prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of management, the members of the Board of Education, and to meet the requirements for filing with the New Jersey State Department of Education, and other state and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Nisivoccia, LLP

September 2, 2011
Mount Arlington, New Jersey

NISIVOCCLIA, LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey's OMB Circular NJOMB 04-04

The Honorable President and Members
 of the Board of Education
 West Morris Regional High School District
 County of Morris, New Jersey

Compliance

We have audited the compliance of the Board of Education of the West Morris Regional High School District in the County of Morris (the "Board") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011. The Board's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major programs is the responsibility of the Board's management. Our responsibility is to express an opinion on the Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; audit requirements prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey (the "Department"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; New Jersey's OMB Circular Letter NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*; and Federal Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards, Federal OMB Circular A-133, and New Jersey OMB Circular NJOMB 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Board'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. Our audit does not provide a legal determination of the Board's compliance with those requirements.

In our opinion, the Board complied, in all material respects, with the 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, 2011.

The Honorable President and Members
of the Board of Education
West Morris Regional High School District
Page 2

Internal Control Over Compliance

The management of the Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Board's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *New Jersey State Aid/Grant Compliance Supplement*, but not for the purpose of expressing our opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

A deficiency in internal control over compliance 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, 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the members of the Board of Education, and to meet the requirements for filing with the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Nisivoccia, LLP

NISIVOCCIA, LLP

September 2, 2011
Mount Arlington, New Jersey

Kathryn D. Mantell

Kathryn D. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period		Program or Award Amount	June 30, 2010		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Prior Year Enc. Canceled	Repay- ment of Prior Years' Balances	June 30, 2011		
			From	To		Balance/ (Accounts Receivable)	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor
Passed through NJ Department of Education - General Fund:															
ARRA - Education Jobs Fund	84.410	N/A	8/10/10	9/30/12	\$ 179,950				\$ 3,395	\$ (9,964)			\$ (6,569)		
Total General Fund									3,395	(9,964)			(6,569)		
Passed-through State Department of Education: Special Revenue Fund:															
No Child Left Behind Consolidated Formula Subgrant:															
Title II - Parts A and D	84.367	NCLB-5660-11	9/1/10	8/31/11	37,873				11,157	(12,103)			(946)		
Title II - Parts A and D	84.367	NCLB-5660-10	9/1/09	8/31/11	57,186	\$ (16,701)			36,981	(20,280)					
Title II - Parts A and D - C/O	84.367	NCLB-5660-08	9/1/07	8/31/09	23,906	4,817							\$ 4,817		
Title IV - Drug Free Schools	84.186A	NCLB-5660-10	9/1/09	8/31/11	5,660	(70)			2,724	(2,654)					
Title IV - Drug Free Schools	84.186A	NCLB-5660-09	9/1/08	8/31/09	2,002	(1,215)			1,215						
Title IV - Drug Free Schools - C/O	84.186A	NCLB-5660-07	9/1/06	8/31/07	4,551		\$ 579							\$ 579	
Title IV - Drug Free Schools - C/O	84.186A	NCLB-5660-06	9/1/05	8/31/06	5,173		227							227	
Title IV - Drug Free Schools - C/O	84.186A	NCLB-5660-05	9/1/05	8/31/06	4,940		94							94	
Title V - Innovative Programs - C/O	84.298	NCLB-5660-06	9/1/05	8/31/06	5,094		110							110	
I.A.S.A Consolidated Grant:															
Title IV - Drug Free Schools	84.186A	IASA-5660-01	9/1/01	8/31/02	7,584		49							49	
Special Education Cluster:															
I.D.E.A. - Part B, Basic Regular - ARRA	84.391	ARRA-5660-10	7/1/09	8/31/11	591,044	(30,676)			316,847	(291,008)	\$ 1,666		(3,171)		
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5660-11	9/1/10	8/31/11	581,459		\$ 39,135		416,166	(555,424)			(100,123)		
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5660-10	9/1/09	8/31/11	439,618	(122)			32,907	(36,543)	3,758				
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5660-09	9/1/08	8/31/09	467,024	7,002	(5,846)					\$ (1,156)			
I.D.E.A. - Part B, Basic Regular - C/O	84.027	IDEA-5660-08	9/1/07	8/31/08	410,977	29,078	(26,353)					(2,725)			
I.D.E.A. - Part B, Basic Regular - C/O	84.027	IDEA-5660-07	9/1/06	8/31/07	415,937	1,000	5,936	(6,936)							
I.D.E.A. - Part B, Basic Regular	84.027	FT-5660-01	9/1/00	8/31/01	152,426		105							105	
Total Special Education Cluster						6,282	6,041		765,920	(882,975)	5,424	(3,881)	(103,294)	105	
Total Special Education						(6,887)	7,100		817,997	(918,012)	5,424	(3,881)	(104,240)	4,817	
Total U.S. Department of Education						(6,887)	7,100	-0-	821,392	(927,976)	5,424	(3,881)	(110,809)	4,817	
TOTAL FEDERAL AWARDS						\$ (6,887)	\$ 7,100	\$ -0-	\$ 821,392	\$ (927,976)	\$ 5,424	\$ (3,881)	\$ (110,809)	\$ 4,817	

N/A - Not Available

C/O - Carryover

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program/ Award Amount	June 30, 2010		Cash Received	Budgetary Expenditures	Re-payment of Balances	Canceled to General Fund	June 30, 2011			MEMO	
		From	To		Budgetary Deferred Revenue/ (Accounts Receivable)	Due to Grantor					GAAP (Accounts Receivable)	Budgetary Deferred Revenue	Due to Grantor	Budgetary (Accounts Receivable)	Cumulative Total Expenditures
State Department of Education:															
General Fund:															
Transportation Aid	11-495-034-5120-014	7/1/10	6/30/11	\$ 878,871			\$ 796,213	\$ (878,871)						\$ (82,658)	\$ 878,871
Transportation Aid	10-495-034-5120-014	7/1/09	6/30/10	843,847	\$ (136,352)		136,352								
Special Education	11-495-034-5120-089	7/1/10	6/30/11	1,640,559			1,486,265	(1,640,559)						(154,294)	1,640,559
Categorical Aid	10-495-034-5120-089	7/1/09	6/30/10	1,054,402	(170,375)		170,375								
Security Aid	11-495-034-5120-084	7/1/10	6/30/11	214,218			194,071	(214,218)						(20,147)	214,218
Security Aid	10-495-034-5120-084	7/1/09	6/30/10	136,839	(22,111)		22,111								
Equalization Aid	11-495-034-5120-078	7/1/10	6/30/11	405,999			367,815	(405,999)						(38,184)	405,999
Equalization Aid	10-495-034-5120-078	7/1/09	6/30/10	1,244,548	(201,099)		201,099								
Extraordinary Special Education Costs	11-100-034-5120-473	7/1/10	6/30/11	288,245	(288,245)		288,245				\$ (280,075)			(280,075)	280,075
Nonpublic School Transportation Costs	10-100-034-5120-473	7/1/09	6/30/10	288,245											
Nonpublic School	11-495-034-5120-014	7/1/10	6/30/11	32,192				(32,192)						(32,192)	32,192
TPAF Social Security Aid	10-495-034-5120-014	7/1/09	6/30/10	27,633	(27,633)		27,633								
TPAF Social Security Aid	11-495-034-5095-002	7/1/10	6/30/11	1,341,039			1,273,199	(1,341,039)						(67,840)	1,341,039
TPAF Social Security Aid	10-495-034-5095-002	7/1/09	6/30/10	1,451,284	(72,076)		72,076								
Total General Fund State Aid							(917,891)	5,035,454	(4,792,953)			(380,107)		(675,390)	4,792,953
Special Revenue Fund:															
State Department of Education:															
NJ Nonpublic Aid:															
Textbook Aid (Chapter 194)	11-100-034-5120-064	7/1/10	6/30/11	15,517			15,517	(15,517)							15,517
Nursing Services (Chapter 226)	11-100-034-5120-070	7/1/10	6/30/11	18,387			18,387	(18,387)							18,387
Handicapped Services (Chapter 193):															
Examination & Classification	11-100-034-5120-066	7/1/10	6/30/11	6,537			6,537	(4,531)						\$2,006	4,531
Examination & Classification	10-100-034-5120-066	7/1/09	6/30/10	4,569		\$ 782			\$ (782)						3,787
Examination & Classification	08-100-034-5120-066	7/1/07	6/30/08	4,738	(1,326)					\$ 1,326					4,738
Supplementary Instruction	11-100-034-5120-066	7/1/10	6/30/11	1,250			1,250	(1,112)						138	1,112
Supplementary Instruction	10-100-034-5120-066	7/1/09	6/30/10	1,699		364			(364)						1,335
Corrective Speech	11-100-034-5120-066	7/1/10	6/30/11	1,565			1,565	(459)						1,106	459
Corrective Speech	10-100-034-5120-066	7/1/09	6/30/10	1,794		184			(184)						1,610
Corrective Speech	08-100-034-5120-066	7/1/07	6/30/08	930	(930)					930					
Education Law Enforcement	00-100-034-5062-032	7/1/99	6/30/00	521		521								521	
Character Education Aid	06-495-034-5120-053	7/1/05	6/30/11	6,651	6,651			(3,852)				\$ 2,799			3,852
Character Education Aid	05-495-034-5120-053	7/1/04	6/30/11	6,454	6,122			(6,122)							6,454
Total State Department of Education					10,517	1,851	43,256	(49,980)	(1,330)	2,256		2,799	3,771		61,782

N/A - Not Available

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program/ Award Amount	June 30, 2010		Cash Received	Budgetary Expenditures	Re- payment of Balances	Canceled to General Fund	June 30, 2011			MEMO	
		From	To		Budgetary Revenue/ (Accounts Receivable)	Due to Grantor					GAAP (Accounts Receivable)	Budgetary Deferred Revenue	Due to Grantor	Budgetary (Accounts Receivable)	Cumulative Total Expenditures
Special Revenue Fund:															
Juvenile Justice Commission:															
State/Community Partnership Grant:															
Students Ready, Interested & Valued (STRIVE)	11-100-066-15-021	1/1/11	12/31/11	\$ 6,155			\$ 6,155	\$ (2,072)					\$ 4,083		\$ 2,072
	10-100-066-15-021	1/1/10	12/31/10	8,650	\$ 4,168			(4,168)							8,650
Total Department of Law & Public Safety					4,168		6,155	(6,240)					4,083		10,722
Total Special Revenue Fund					14,685	\$ 1,851	49,411	(56,220)	\$ (1,330)	\$ 2,256			6,882	\$ 3,771	72,504
Capital Projects Fund:															
Schools Development Authority:															
Educational Facilities Construction & Financing Act:															
Renovations:															
WM Mendham	5660-050-04-1000	7/1/05	6/30/11	2,055,396	(92,493)		92,493	(92,493)							2,055,396
Partial Roof Replacement:															
WM Central - C Wing	5660-030-09-1001	7/1/09	6/30/12	106,080	(106,080)			(77,420)			\$ (77,420)			\$ (106,080)	77,420
WM Mendham - Library	5660-050-09-1002	7/1/09	6/30/12	93,500	(93,500)			(55,108)			(55,108)			(93,500)	55,108
WM Central - Aux. Gym	5660-030-10-1001	7/1/09	6/30/12	92,400	(92,400)			(51,015)			(51,015)			(92,400)	51,015
WM Mendham - Aux. Gy	5660-050-10-2002	7/1/09	6/30/12	81,600	(81,600)									(81,600)	
WM Central - D & E Win	5660-030-10-1003	7/1/10	6/30/12	160,000										(160,000)	
Total Capital Projects Fund					(466,073)		92,493	(276,036)			(183,543)			(533,580)	2,238,939
TOTAL STATE AWARDS					\$ (1,369,279)	\$ 1,851	\$ 5,177,358	\$ (5,125,209)	\$ (1,330)	\$ 2,256			\$ (563,650)	\$ 6,882	\$ 7,104,396

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards include federal and state awards activity of the Board of Education, West Morris Regional High School District under programs of the federal and state governments for the fiscal year ended June 30, 2011. The information in these schedules is presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States and Local Governments and Non-Profit Organizations* and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net assets or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, if applicable, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in federal OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the final two state aid payments for the prior year and current year, which is mandated pursuant to P.L. 2003, C.97. For GAAP purposes, the final two payment state aid payments for the current year are not recognized until the subsequent budget year due to the state deferral and recording of those payments in the subsequent year and the final two payments state aid payments for the prior year are recognized in the current 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 revenue, whereas the GAAP basis does not. Grant revenue in the Capital Projects Fund is recognized on the budgetary basis in the year of award but is not recognized on the GAAP basis revenue is recognized until expended and submitted for reimbursement.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

The net adjustment to reconcile revenue from the budgetary basis to the GAAP basis is \$234,654 for the General Fund and \$6,629 for the Special Revenue Fund. See Exhibit C-3 for a reconciliation of revenue from the budgetary basis to the GAAP basis of accounting for the General, Special Revenue and Capital Projects Funds. Additionally, the schedule of expenditures of state awards does not include the on-behalf TPAF Post-Retirement Medical Benefit and Non-Contributory Insurance Contributions revenue of \$1,410,634 and \$66,414 respectively. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 9,964	\$ 6,504,655	\$ 6,514,619
Special Revenue Fund	924,641	56,220	980,861
Capital Projects Fund		276,036	276,036
	<u>\$ 934,605</u>	<u>\$ 6,836,911</u>	<u>\$ 7,771,516</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2011.

NOTE 6. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District has active grants awarded in the amount of \$2,588,976 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2011, \$2,238,939 has been expended and \$2,055,396 has been drawn down and received. The District realizes grant revenue in the Capital Projects Fund on the GAAP basis as it is expended and submitted for reimbursement.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Summary of Auditors' Results:

- An unqualified report was issued on the District's financial statements.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the District.
- The audit did not disclose any noncompliance which is material in relation to the financial statements of the District.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the District's major federal or state programs.
- An unqualified report was issued on the District's compliance for major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey OMB Circular Letter NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* or federal OMB Circular A-133.
- The District's major programs for the current fiscal year consisted of the following federal and state awards:

	<u>CFDA/State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Special Education Cluster:				
I.D.E.A. - Part B, Basic:				
Regular - ARRA	ARRA-5660-10	7/1/09-8/31/11	\$ 591,044	\$ 291,008
Regular	IDEA-5660-10	9/1/10-8/31/11	581,459	555,424
Regular	IDEA-5660-09	9/1/09-8/31/11	439,618	36,543
<u>State:</u>				
Transportation Aid	11-495-034-5120-014	7/1/10-6/30/11	878,871	878,871
Special Education				
Categorical Aid	11-495-034-5120-089	7/1/10-6/30/11	1,640,559	1,640,559
Security Aid	11-495-034-5120-084	7/1/10-6/30/11	214,218	214,218
Equalization Aid	11-495-034-5120-078	7/1/10-6/30/11	405,999	405,999
Reimbursed TPAF Social				
Security Aid	11-495-034-5095-002	7/1/10-6/30/11	1,341,039	1,341,039

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

Summary of Auditors' Results:

- The threshold for distinguishing Type A and Type B programs was \$300,000.
- The single audit threshold identified in Federal OMB Circular A-133 and New Jersey Circular NJOMB 04-04 was \$500,000.
- The District qualified as a "low-risk" auditee under the provisions of section 530 of the Circular.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in Federal OMB Circular A-133.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in Federal OMB Circular A-133 and New Jersey OMB Circular NJOMB 04-04.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Status of Prior Year Findings:

There were no findings or questioned costs for the prior year ended June 30, 2010.