

**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, 2015**

**Comprehensive Annual
Financial Report**

of the

**West Morris Regional
High School District**

Chester, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

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

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INTRODUCTORY SECTION

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
ADMINISTRATION BUILDING
10 SOUTH FOUR BRIDGES ROAD
CHESTER, NEW JERSEY 07930

November 16, 2015

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, 2015 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 Auditors' 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 Non-Profit Organizations*, and the New Jersey's OMB Circulars 04-04 and 15-08, *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 Governmental 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 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
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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. 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.

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 due to the Highlands Act. We anticipate enrollments to decline over the next five years.

3. MAJOR INITIATIVES: The district continues to rank high on standardized tests, with students scoring well above state and national averages on the SAT, ACT, AP and IB examinations. Approximately 97% of our students continue their education at two or four year colleges. Both high schools are nationally ranked in the top 1% of high schools in the latest Newsweek rankings and New Jersey Monthly ranked West Morris Mendham High School as #4 and West Morris Central High School #11 in the state of New Jersey.

The district is in its third year of a bring your own device initiative and has continued to support our Innovated Academy to support the professional training relative to digital information integration. Because of the District’s comprehensive strategic development initiatives, it remains one of ten schools in the state selected to be a member of the InnovateNJ community.

The district has continued implementation of the Career Academy Program. Now in its second year, our district offers career pathways in Life Science, S.T.E.M., Business and Information Technology. The number of students enrolled in the program have increased significantly for the 2015/2016 school year.

The district IB program continues to provide a high level learning experience for the vast majority of students in our district. As a direct result of curriculum revisions, 86% of students at West Morris Mendham and 80% of students at West Morris Central will take an IB class during their academic careers.

The Honorable President and Members
of the Board of Education
West Morris Regional High School District
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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 fiscal year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent fiscal year. Those amounts to be re-appropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2015.

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. 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.

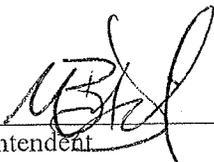
The Honorable President and Members
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West Morris Regional High School District
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8. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, excess 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.

9. 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 Non-Profit Organizations*, and New Jersey's OMB Circulars 04-04 and 15-08, *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.

10. 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,



Superintendent



Business Administrator



WEST MORRIS REGIONAL HIGH SCHOOL BOARD of EDUCATION

10 South Four Bridges Road
Chester, New Jersey

SUPERINTENDENT

EXECUTIVE/CONFIDENTIAL
SECRETARY

SUPPORT STAFF

PRINCIPALS

Admin. Asst.

ASSISTANT PRINCIPALS

SPEC ED - LEAD TEACHERS

IB / IBCC COORDINATOR

TEACHERS

SCHOOL LIBRARY MEDIA SPECIALIST

SUBSTITUTES

TEACHER ASSISTANTS

SAFETY & SECURITY MONITOR

STUDENTS

SUPERVISOR of COLLEGE and
CAREER COUNSELING

GUIDANCE COUNSELORS

SUPERVISOR ATHLETICS

PHY. EDUCATION STAFF

COACHES/CO-CURRICULAR

ASST. SUPERINTENDENT

Admin. Asst.

DISTRICT SUPERVISORS of
CONTENT AREAS

DISTRICT COORDINATOR of
TECHNOLOGY INTEGRATION

TECHNICAL STAFF (A&C)

DIR. SPECIAL EDUCATION

Admin. Asst.

CHILD STUDY TEAM

BUSINESS ADMIN. --- BD. SECY

EXEC ASST BUS. OFFICE/
ASST. BOARD SECRETARY

TECH STAFF - ACCTG (B)
PAYROLL - ACCTS PAYABLE

OPS & MAINTENANCE
FACILITIES MANAGER

FACILITIES PERSONNEL

TRANSPORTATION SUPERVISOR

BUS/VAN DRIVERS

FOOD SERVICE DEPARTMENT

MANAGERS/STAFF



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

**ROSTER OF OFFICIALS
AS OF JUNE 30, 2015**

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Gary Lakritz	President	December	2016
Robert Strobel	Vice President	December	2017
Marcia Asdal	Member	December	2017
Brian Cavanaugh	Member	December	2016
Joseph Galayda	Member	December	2015
John Meyer	Member	December	2015
Thomas Richar	Member	December	2017
Don Storms	Member	December	2015
Lisa Woodring	Member	December	2016

OTHER OFFICIALS

Robert Beers, Interim Superintendent

L. Douglas Pechanec, Business Administrator/Board Secretary

Jon Rheinhardt, Treasurer

Matthew Giacobbe, 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 & Company L.L.P.
Mt. Arlington Corporate Park
200 Valley Road, Suite 300
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Conflict Attorney

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Architect

Di Cara/Rubino Architects
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Wayne, New Jersey 07470

Official Depository

TD Bank
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Attorney

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Bond Counsel

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Construction Attorney

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Riverdale South
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Riverdale, NJ 07457

Wilentz, Goldman & Spitzer
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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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the West Morris Regional High School District (the "District") in the County of Morris, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the West Morris Regional High School District, in the County of Morris, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 10 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during the fiscal year ended June 30, 2015. Our opinions are not modified with respect to this matter. The implementation resulted in the restatement of certain balances on the Statement of Net Position and the ending balance for Net Position for the Governmental Activities as of June 30, 2014 as detailed in Note 19 to the basic financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the required supplementary information pension schedules and the budgetary comparison information in Exhibits C-1 through C-3 and I-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey’s OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable President and Members
of the Board of Education
West Morris Regional High School District
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The accompanying supplementary schedules such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Nisivoccia, LLP

November 16, 2015
Mt. 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's Discussion and Analysis
 for Fiscal Year End June 30, 2015
 (unaudited)

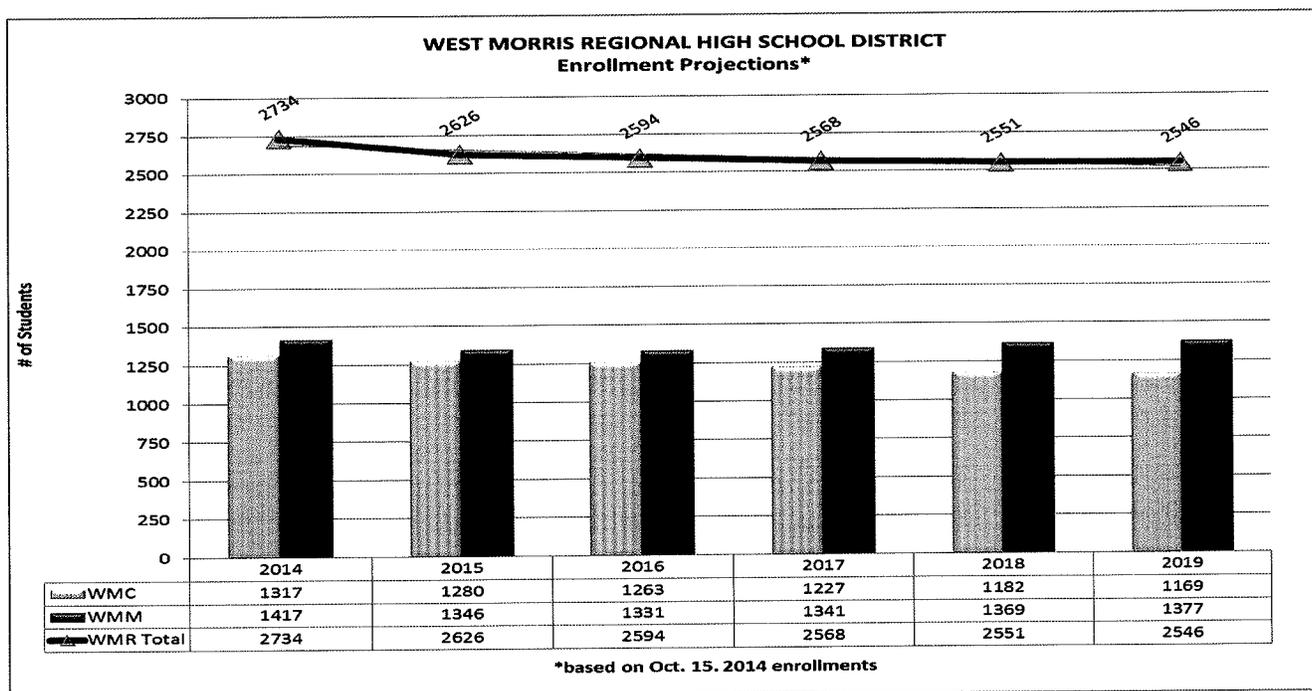
Management's Discussion and Analysis:

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, 2015. 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:

The West Morris Regional High School District (WMR) 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 (WMC) and West Morris Mendham (WMM).

The chart below reflects each school's enrollment as of October 15, 2014 and a five year projection.

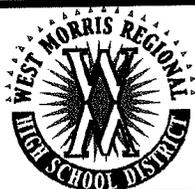


District's Mission

The educational, social and recreational programs are guided by 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.

Our mission statement is the starting point for staff to integrate 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's Discussion and Analysis
 for Fiscal Year End June 30, 2015
 (unaudited)

Summary of Financial Performance:

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. The district practice is to minimize transfers between major accounts. However due to technology improvements for the classrooms, more adjustments occurred this fiscal year than normal.

The following chart provides a summary of revenues initially anticipated for the 2014-2015 fiscal year budget and the change from the prior year.

SOURCE OF REVENUES	2013-2014 (restated)	2014-2015	\$ incr/(decr)
Tax Revenue	\$40,071,143	\$40,804,192	\$733,049
Debt Svc. (Bonds)	\$2,229,437	\$2,273,550	\$44,113
TAX LEVY TOTALS:	\$42,300,580	\$43,077,742	\$777,162
	% overall tax levy increase:		1.84%
State Aid Revenue	\$4,369,441	\$4,425,501	\$56,060
Fund Balance	\$2,057,957	\$2,759,304	\$701,347
Misc. Revenues	\$425,291	\$560,128	\$134,837
Special Revenue-Fed/IDEA Funds	\$585,235	\$566,176	(\$19,059)
Capital Reserve withdrawl	\$597,246	\$1,640,209	\$1,042,963
TOTAL REVENUE/BUDGET:	\$50,335,750	\$53,029,060	\$2,693,310
	% overall revenue/budget increase:		5.35%

The state mandated tax levy cap of 2% plus waivers is the target that all NJ Public Schools must adhere to as the budget is developed. State law also allows Boards of Education (BOE) to opt out of the election process if the budget is at or below the established cap. West Morris Regional BOE did vote to opt out, choosing to remain within the established tax levy cap. The tax increase over last year was 1.84% reflecting the BOE's goal to minimize the tax impact to our local communities while maintaining quality educational programs. The state aid increased slightly for 2014-15 from the 2013-14 level.

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. Two of four bargaining unit contracts are currently enforce.

All financial obligations were met for the fiscal year. In addition, the district's budget practices and conservative spending generated an excess surplus of \$2,035,103 to be utilized in fiscal year 2016-2017.

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

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, 2015 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.



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District-Wide: The first two statements in this Report, Statement of Net Position and Statement of Changes in Net Position, 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, deferred out and inflow of resources 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 Position and Statement of Changes in Net Position, 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 Business Activity Fund 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 Basic 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.

District-Wide Viewpoint:

The Statement of Net Position shows slight increase during 2014-2015. Total Net Position for Governmental Activities increased \$622,202, Net Position from Business Activities increased slightly by \$10,617 for a total increase in Net Position of \$632,819 which represents a 2.08% increase from the prior year.

	Governmental Activities		Business Activities		TOTAL		%
	2014-2015	2013-2014 (restated)	2014-2015	2013-2014	2014-2015	2013-2014 (restated)	
ASSETS:							
Current & Other Assets	\$10,139,805	\$9,169,216	\$35,285	\$91,716	\$10,175,090	\$9,260,932	9.87%
Capital Assets	\$50,771,725	\$52,218,305	\$32,541	\$38,034	\$50,804,266	\$52,256,339	-2.78%
TOTAL ASSETS	\$60,911,530	\$61,387,521	\$67,826	\$129,750	\$60,979,356	\$61,517,271	-0.87%
Deferred Outflow of Resources	\$1,947,104	\$1,537,130	-	-	\$1,947,104	\$1,537,130	26.67%
LIABILITIES:							
Long Term Liabil.	\$27,401,499	\$29,043,148	\$19,125	\$21,775	\$27,420,624	\$29,064,923	-5.66%
Other Liabilities	\$3,927,049	\$3,522,813	\$50	\$69,941	\$3,927,099	\$3,592,754	9.31%
TOTAL LIABILITIES	\$31,328,548	\$32,565,961	\$19,175	\$91,716	\$31,347,723	\$32,657,677	-4.01%
Deferred Inflows of Resources	\$549,194	\$0	-	-	\$549,194	\$0	100.00%
NET POSITION:							
Investment in Capital Assets, Net of Debt	\$34,396,725	\$34,368,305	\$32,541	\$38,034	\$34,429,266	\$34,406,339	0.07%
Restricted Net Assets	\$5,244,474	\$6,439,065	\$0	\$0	\$5,244,474	\$6,439,065	-18.55%
Unrestricted Assets	(\$8,660,307)	(\$10,448,680)	\$16,110	\$0	(\$8,644,197)	(\$10,448,680)	17.27%
TOTAL NET POSITION	\$30,980,892	\$30,358,690	\$48,651	\$38,034	\$31,029,543	\$30,396,724	2.08%



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Net Position "Net Investment in Capital Assets" increased \$22,927 as a result of \$(2,172,505) in depreciation expense and a \$(216,401) increase in capital leases, offset by \$891,735 in asset additions, a \$1,475,000 reduction in bonded debt and a \$45,098 reduction in capital leases.

Restricted Net Assets decreased \$(1,194,591) primarily as a result of a decrease in excess surplus of \$(483,783), withdrawals from the capital and maintenance reserve accounts of \$(1,321,709) and \$(133,760), respectively, for capital projects, offset by interest on the capital and maintenance reserve accounts of \$1,617 and \$2,625, respectively, and budgeted and Board approved increases of \$240,419 and \$500,000, respectively, in the capital reserve account.

Unrestricted Net Position increased \$1,804,483 as a result of \$88,638 excess in local revenue, excluding interest on the capital and maintenance reserve accounts, \$425,358 excess in state revenue, capital projects local share funded by capital and maintenance reserve accounts of \$1,321,709 and \$133,760, respectively, capital projects fund interest of \$8, capital projects SDA grants GAAP basis receivable established of \$155,800, prior year state aid payments received of \$422,432, unexpended budget appropriations of \$2,549,752, decreases in unamortized bond premiums of \$222,215, governmental fund compensated absences of \$470,610, excess surplus of \$483,783 and accrued interest of \$8,750, and an increase in the proprietary enterprise fund of \$16,110, changes in pension assumptions of \$289,785 and changes in proportion in pensions of \$273,902, offset by \$(2,759,305) surplus used to support the 2014/2015 budget, prior year encumbrances appropriated of \$(36,705), a decrease in deferred amount on refunding of \$(153,713), current year state aid payments not received \$(426,717), capital projects expenditures of \$(499,837), Board approved increase in capital reserve account of \$(500,000), investment gains in pensions of \$(549,194) and change in net pension liability of \$(132,658).

Statement of Changes in Net Position from Operating Results:

The overall impact of school operations resulted in an increase of \$936,073 over the 2013-2014 results. Revenues increased in total by 12.74% or \$6,707,173. Expenses increased by 10.90% or \$5,774,848. The revenue increase is attributable to the rise in property tax assessed, federal and state grants and an increase in other revenues. The increase in expenses is due primarily to costs related to Instruction and Pupil Services.

Changes in Net Position from Operating Results	Governmental Activities		Business Activities		TOTAL	TOTAL	VARIANCE	
	2014-2015	2013-2014 (restated)	2014-2015	2013-2014	2014-2015	2013-2014 (restated)	\$'s	%
REVENUES:								
Program Revenues								
Charges for Service	\$ 73,169	\$80,615	\$ 616,779	\$655,801	\$689,948	\$736,416	(\$46,468)	-6.31%
Operating Grants & Contrib.	\$ 13,529,836	\$7,939,395			\$13,529,836	\$7,939,395	\$5,590,441	70.41%
Capital Grants & Contrib.	\$ 155,800	(\$795)			\$155,800	(\$795)	\$156,595	19497.5%
General Revenues								
Property Taxes	\$ 43,077,742	\$42,300,580			\$43,077,742	\$42,300,580	\$777,162	1.84%
Federal & State Aid (unrestricted)	\$ 1,323,519	\$1,272,751			\$1,323,519	\$1,272,751	\$50,768	3.99%
Other	\$ 578,156	\$399,486	91	\$87	\$578,247	\$399,572	\$178,675	44.72%
TOTAL REVENUES:	\$58,738,222	\$51,992,031	\$616,870	\$655,888	\$59,355,092	\$52,647,919	\$6,707,173	12.74%
EXPENSES:								
Instruction	\$ 32,629,181	\$28,866,400			\$32,629,181	\$28,866,400	\$3,762,781	13.04%
Pupil & Instruction Services	\$ 10,908,428	\$ 9,022,682			\$10,908,428	\$9,022,682	\$1,885,746	20.90%
Admin/Business/Technology	\$ 4,944,395	\$ 4,902,454			\$4,944,395	\$4,902,454	\$41,941	0.86%
Maintenance & Operations	\$ 3,667,203	\$ 3,612,729			\$3,667,203	\$3,612,729	\$54,474	1.51%
Transportation	\$ 3,299,484	\$ 3,153,997			\$3,299,484	\$3,153,997	\$145,487	4.61%
Other Expenses	\$ 2,667,329	\$ 2,715,545	\$ 640,492	\$707,857	\$3,307,821	\$3,423,402	(\$115,581)	-3.38%
TOTAL EXPENSES	\$58,116,020	\$52,273,807	\$640,492	\$707,857	\$58,756,512	\$52,981,664	\$5,774,848	10.90%
Other Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Transfers	-0-	(15,265)	\$34,239	\$ 45,756	\$34,239	\$30,491	\$3,748	12.29%
CHANGE IN NET POSITION	\$622,202	(\$297,041)	\$10,617	(\$6,213)	\$632,819	(\$303,254)	\$936,073	

Fund Based Viewpoint:

As seen above in the Statement of Changes in Net Position, the majority of activity is generated by the Governmental Activities. These activities constitute 98.96% of the total revenues and 98.91% of expenses shown on this statement.

Governmental and Business Activities Revenue Sources:

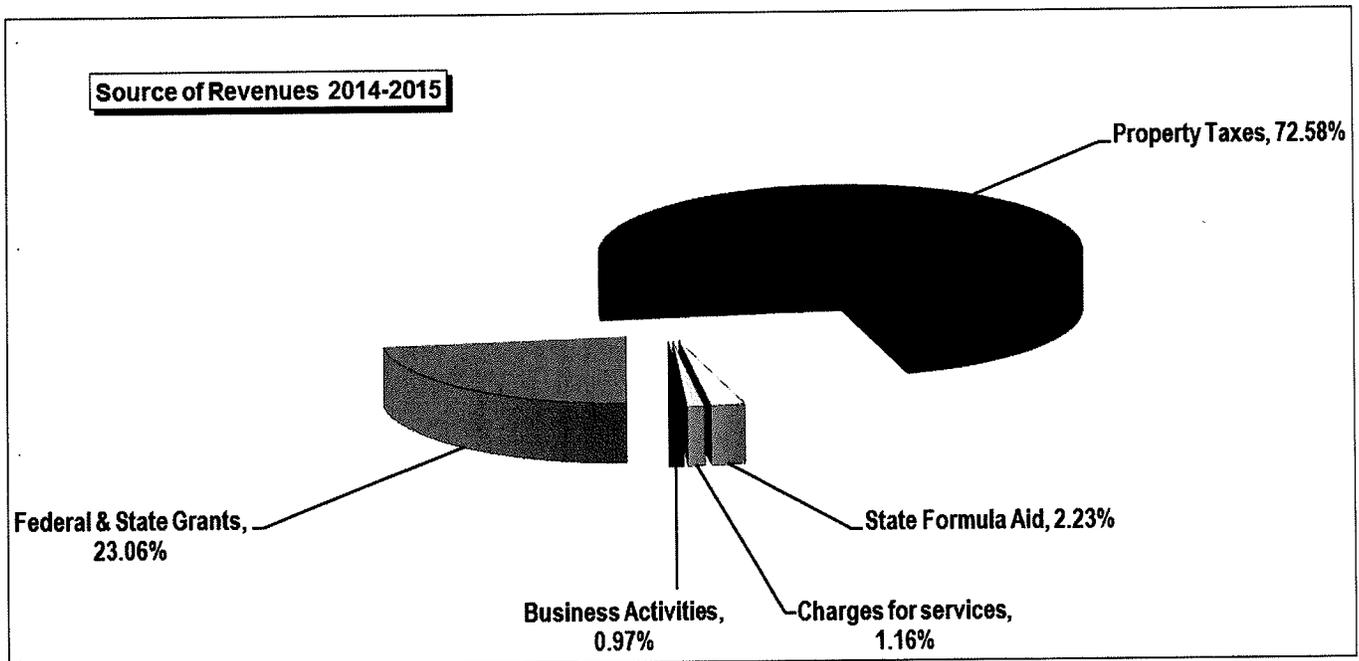
As demonstrated by the various statements and schedules included in the Basic Financial Statements, the district continues to meet its fiduciary responsibility with sound financial management. The following schedule represents the revenues of the Governmental and Business Funds for the fiscal years ended June 30, 2015 and 2014 and the percentage



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of increases (decreases) in relation to prior year revenues. As seen in the chart below, 72.58% of the district revenues are raised through local property taxes. In accordance with New Jersey State law, the Board of Education annually approves these taxes and the district's appropriations. Property tax revenue increased above last year's total revenue by \$777,162. The increase in grants and state aid totaled \$5,747,036 or 72.39%. The "Other" category increased \$178,675 or 44.72% over last year due in part to online course offerings and increased fees from facility rental.

Revenue Source	2014-2015 Revenue Amount	2014-2015 Percent of Total	2013-2014 (restated) Revenue Amount	2013-2014 (restated) Percent of Total	Variance from 2014 to 2015	
					(in dollars)	(in percent)
Governmental Activities:						
Federal & State Grants	\$13,685,636	23.06%	\$7,938,600	15.08%	\$5,747,036	72.39%
Property Taxes	\$43,077,742	72.58%	\$42,300,580	80.35%	\$777,162	1.84%
State Formula Aid	\$1,323,519	2.23%	\$1,272,751	2.42%	\$50,768	3.99%
Charges for Services	\$689,948	1.16%	\$736,416	1.40%	(\$46,468)	-6.31%
Other	\$578,247	0.97%	\$399,572	0.76%	\$178,675	44.72%
TOTAL	\$59,355,092	100.00%	\$52,647,919	100.00%	\$6,707,173	12.74%



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. Charges for Services include Tuition, Transportation, Food Service, etc.

Governmental Activities Expenses:

The following schedule represents the expenses of the Governmental Activities for the fiscal years ended June 30, 2015 and 2014, and the percentage of increases (decreases) in relation to prior year expenses. As seen in the charts that follow, 74.10% of the total expenses relate to the instructional and pupil & instruction services at both schools, slightly above the 2014 level. The increases in Pupil & Instruction Services are related primarily to out of district tuition costs. Administrative, Business & Technology costs increased slightly, 0.86% due to professional service fees for support of technology infrastructure however the percentage of total expense decreased. This represents 8.4% of total costs. Therefore 91.6 cents of every dollar is spent on educational, social, recreational, safety or maintenance programs that benefit the students. The Maintenance & Operations costs increase of 1.51% reflects improved field maintenance to

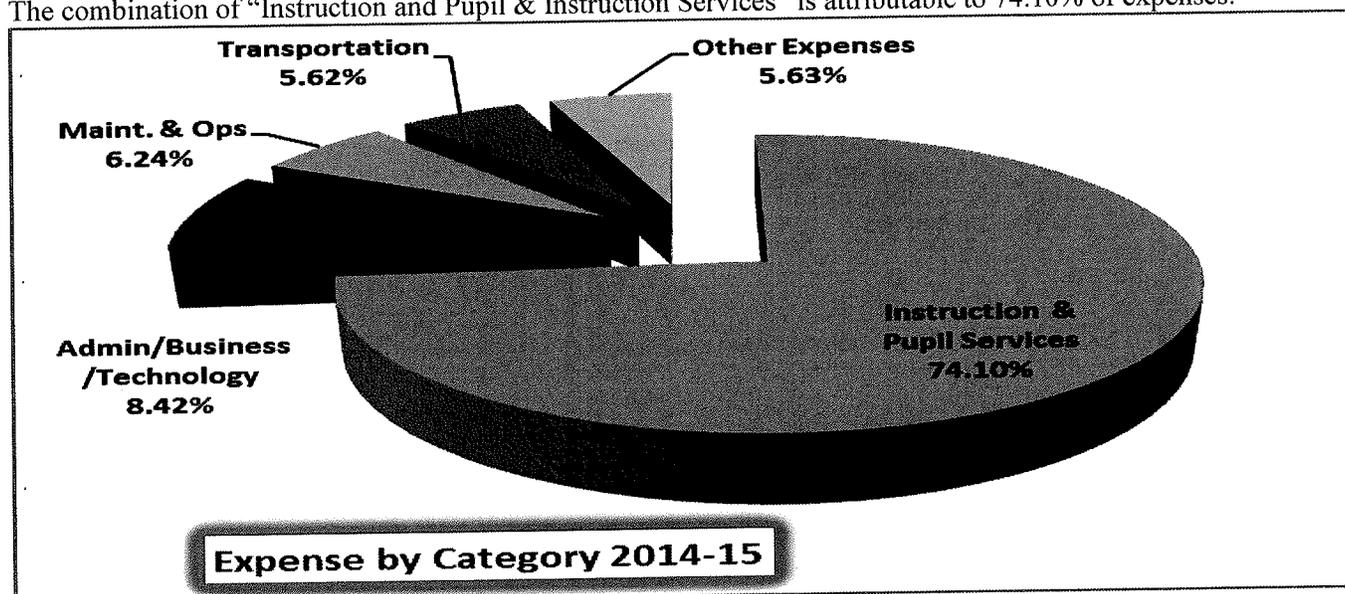


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support our extensive athletic program and greater utility costs due to the severe cold winter. Transportation costs increased 4.61% due to the additional routes needed for special education. Other expenses decreased (3.38%) due to lower interest cost and food service expenditures.

Expense Category	2014-2015 Expense Amount	2014-2015 % of Total	2013-2014 Expense Amount	2013-2014 % of Total	Variance from 2012 to 2013	
					in dollars	in percent
Governmental Activities:						
Instruction	\$ 32,629,181	55.53%	\$ 28,866,400	54.48%	\$ 3,762,781	13.04%
Pupil & Instruction Services	\$ 10,908,428	18.57%	\$ 9,022,682	17.03%	\$ 1,885,746	20.90%
Admin/Business/Technology	\$ 4,944,395	8.42%	\$ 4,902,454	9.25%	\$ 41,941	0.86%
Maintenance & Operations	\$ 3,667,203	6.24%	\$ 3,612,729	6.82%	\$ 54,474	1.51%
Transportation	\$ 3,299,484	5.62%	\$ 3,153,997	5.95%	\$ 145,487	4.61%
Other	\$ 3,307,821	5.63%	\$ 3,423,402	6.46%	\$ (115,581)	-3.38%
TOTAL	\$ 58,756,512	100.00%	\$ 52,981,664	100.00%	\$ 5,774,848	10.90%

The combination of "Instruction and Pupil & Instruction Services" is attributable to 74.10% of expenses.



Net Cost of Services for Governmental Activities:

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 Activities for the fiscal years ended June 30, 2015 and 2014 net of their related revenues. Various factors attributed to the overall increases in net costs this fiscal year.

Expense Category	2014-2015 Total Cost of Services	2013-2014 (restated) Total Cost of Services	2014-2015 Net Cost of Services	2013-2014 (restated) Net Cost of Services
Governmental Activities:				
Instruction	\$ 32,629,181	\$ 28,866,400	\$ 23,104,301	\$ 23,580,596
Pupil & Instruction Services	\$ 10,908,428	\$ 9,022,682	\$ 8,823,926	\$ 7,905,740
Admin/Business/Technology	\$ 4,944,395	\$ 4,902,454	\$ 4,335,976	\$ 4,660,768
Maintenance & Operations	\$ 3,667,203	\$ 3,612,729	\$ 3,511,403	\$ 3,613,524
Transportation	\$ 3,299,484	\$ 3,153,997	\$ 1,914,280	\$ 1,778,419
Other	\$ 2,667,329	\$ 2,715,545	\$ 2,667,329	\$ 2,715,545
TOTAL	\$ 58,116,020	\$ 52,273,807	\$ 44,357,215	\$ 44,254,592



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Capital Assets (Net of Depreciation):

At the end of fiscal year 2015, the district had \$50,804,266 invested in land, building, furniture, equipment and vehicles, net of depreciation. The table below compares this balance to fiscal year 2014. The (2.78%) overall decrease is primarily attributable to depreciation of our fixed assets during the year which was \$2,167,012 for governmental activities and \$5,493 for business type activities. Capital additions were \$891,735 and attributable to \$498,557 from capital projects, \$362,589 from capital outlay and \$30,589 from special grants.

	Governmental Activities (restated)		Business Activities		TOTAL	TOTAL	VARIANCE	
	2014-2015	2012-2013	2014-2015	2012-2013	2014-2015	(restated) 2012-2013	\$'s	%
Sites	\$130,448	\$130,448	\$0	\$0	\$130,448	\$130,448	\$0	0.00%
Site Improvements	\$1,472,230	\$1,548,689	\$0	\$0	\$1,472,230	\$1,548,689	(\$76,459)	-4.94%
Building & Improv.	\$47,281,836	\$48,591,615	\$0	\$0	\$47,281,836	\$48,591,615	(\$1,309,779)	-2.70%
Machinery & Equip.	\$1,098,082	1,158,424	\$32,541	\$38,034	1,130,623	1,196,458	(\$65,835)	-5.50%
Construction in Progress	\$789,129	\$789,129	\$0	\$0	\$789,129	\$789,129	\$0	0.00%
TOTAL	\$50,771,725	\$52,218,305	\$32,541	\$38,034	\$50,804,266	\$52,256,339	(\$1,452,073)	-2.78%

Outstanding Long-Term Debt:

At the end of fiscal year 2015, reporting changes required by GASB 68 resulted in an adjustment to of the district's outstanding debt. The total now includes pension liability and totals \$27,420,624 in outstanding long-term debt, a reduction of (5.66%) from 2014. The table below compares this balance to fiscal year 2014. 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 (\$1,475,000) for scheduled maturities. Compensated Absences decreased by (\$470,610) for the governmental funds and decreased (\$2,650) for the business type activities, based on the outstanding days due to eligible staff. The GASB 68 impact for pension liability amounted to a 1.46% increase or \$132,658 over the restated 2013-2014 liability.

	2014-2015	2013-2014	VARIANCE	
	Long-Term Debt	Long-Term Debt (restated)	\$'s	%
General Obligation Bonds (Financed w/Property Taxes)	\$16,375,000	\$17,850,000	(\$1,475,000)	-8.26%
Capital Leases Payable	\$171,303		\$171,303	100%
Net Pension Liability	\$9,215,499	\$9,082,841	\$132,658	1.46%
Other Long-Term Debt				
-Governmental Activities	\$1,639,697	\$2,110,307	(\$470,610)	-22.30%
-Business-Type Activities	\$19,125	\$21,775	(\$2,650)	-12.17%
TOTAL	\$27,420,624	\$29,064,923	(\$1,644,299)	-5.66%

Business Type Activities:

In the Statement of Net Position and Statement of Changes in Net Position the financial activity for the district's food service program is presented as Business-Activities. The following points highlight its activities during fiscal year 2014-2015:

The Food Service Program experienced an operating loss this year. The district's revenues overall decreased (\$39,018), or (6.33%) over fiscal year 2013-2014 and expenses decreased (\$67,365) or (10.52%). Charges for Service constitute 99.99% 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. The number of students in the program total 35.

The Food Service Management has been outsourced since fiscal year 2008-09. However the district has retained some of its employees who are provided with health benefits. In order to control costs, the Board of Education implemented contributions for health care by all district-employed food service workers at a rate of 22% of premiums during fiscal year 2014-2015. The district is required by law to bid the service every five years and selected Aramark in 2013-14.



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The contractual arrangement with Aramark includes a provision that provides that the district does not have a loss due to operations. Though there was an operating loss the agreement with our management company provides a return of the management fee if an operating profit is not achieved.

Factors Bearing on District's Future:

The district continues to excel in academic performance. The financial health of the district continues to remain stable. In looking forward o the next five years the management is preparing for a reduction in enrollment and determining the possible cost reductions that may occur due to lower demand. Enrollments are projected to decline over the next five years.

The chart below provides an estimate of financial operating needs the district will face over the next five years.

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Enrollments	2,626	2,594	2,568	2,551	2,546
Student/Faculty Ratio	<u>10.87</u>	<u>10.87</u>	<u>10.87</u>	<u>10.87</u>	<u>10.87</u>
FTE - Faculty	241.60	238.66	236.26	234.70	234.24
Avg Sal Faculty*	<u>80,697</u>	<u>82,311</u>	<u>83,957</u>	<u>85,636</u>	<u>87,349</u>
Faculty Salaries*	19,496,322	19,643,918	19,835,965	20,098,745	20,460,538
Other Salaries*	<u>8,980,993</u>	<u>9,160,612</u>	<u>9,343,825</u>	<u>9,530,701</u>	<u>9,721,315</u>
Total Salaries*	28,477,315	28,804,531	29,179,790	29,629,446	30,181,854
Benefits**	<u>7,728,626</u>	<u>8,943,807</u>	<u>9,060,325</u>	<u>9,199,943</u>	<u>9,371,466</u>
Total Payroll & Benefits	36,205,941	37,748,337	38,240,114	38,829,390	39,553,319
Non-Payroll Expenses	<u>12,425,467</u>	<u>12,673,977</u>	<u>12,927,456</u>	<u>13,186,005</u>	<u>13,449,725</u>
Total General Fund	48,631,408	50,422,314	51,167,571	52,015,395	53,003,044

Assumptions:

- the student teacher ratio will remain the same over the next five years
- * 2% annual growth rate in all salaries
- ** benefits are 27% of salaries;
- health care costs will increase at a rate of 10% annually

The district participates in collective bargaining with its staff and strives to contain labor costs within the competitive market. Two of four bargaining unit contracts are currently enforce. The district is in negotiations with two of its NJEA affiliated bargaining units. The teacher contract expired on June 30, 2013. Negotiations began in January 2013 and a preliminary agreement was entered into October 19, 2015. Furthermore the Administrative Assistants contract expired on June 30, 2012 and tentative agreement was struck on November 19, 2015.

Conclusion:

The West Morris Regional High School District completed the fiscal year 2014-15 in sound financial condition. 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 has been diminished.

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@wmrhd.org).

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 7,968,481	\$ 51,560	\$ 8,020,041
Receivables from Other Governments	768,727		768,727
Internal Balances	27,917	(27,917)	
Other Receivables	25,092	3,336	28,428
Inventory		8,306	8,306
Restricted Assets - Cash and Cash Equivalents:			
Capital Reserve Account	806,321		806,321
Maintenance Reserve Account	371,964		371,964
Capital Assets, Net:			
Sites (Land) and Construction in Progress	919,577		919,577
Depreciable Buildings and Building Improvements, Site Improvements, Machinery & Equipment	50,023,451	32,541	50,055,992
Total Assets	<u>60,911,530</u>	<u>67,826</u>	<u>60,979,356</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	1,383,417		1,383,417
Changes in Assumptions - Pensions	289,785		289,785
Changes in Proportion - Pensions	273,902		273,902
Total Deferred Outflows of Resources	<u>1,947,104</u>		<u>1,947,104</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	1,698,477	50	1,698,527
Accrued Interest Expense	124,342		124,342
Interfund Payable	1,094		1,094
Unamortized Bond Premiums, Net	1,999,935		1,999,935
Unearned Revenue	102,417		102,417
Noncurrent Liabilities:			
Due Within One Year	1,732,550		1,732,550
Due Beyond One Year	25,668,949	19,125	25,688,074
Total Liabilities	<u>31,328,548</u>	<u>19,175</u>	<u>31,347,723</u>
DEFERRED INFLOWS OF RESOURCES			
Investment Gains - Pensions	549,194		549,194
Total Deferred Inflows of Resources	<u>549,194</u>		<u>549,194</u>
NET POSITION			
Net Investment in Capital Assets	34,396,725	32,541	34,429,266
Restricted for:			
Capital Projects	806,321		806,321
Other Purposes	4,438,153		4,438,153
Unrestricted (Deficit)	(8,660,307)	16,110	(8,644,197)
Total Net Position	<u>\$ 30,980,892</u>	<u>\$ 48,651</u>	<u>\$ 31,029,543</u>

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, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 24,814,290		\$ 5,620,083		\$ (19,194,207)		\$ (19,194,207)
Special Education	4,306,828		3,200,379		(1,106,449)		(1,106,449)
Other Instruction	3,508,063		704,418		(2,803,645)		(2,803,645)
Support Services:							
Tuition	3,300,090	\$ 73,169	318,988		(2,907,933)		(2,907,933)
Student & Instruction Related Services	7,608,338		1,692,345		(5,915,993)		(5,915,993)
General Administration Services	991,618				(991,618)		(991,618)
School Administration Services	2,550,334		608,419		(1,941,915)		(1,941,915)
Central Services	566,463				(566,463)		(566,463)
Administrative Information Technology	835,980				(835,980)		(835,980)
Plant Operations and Maintenance	3,667,203			\$ 155,800	(3,511,403)		(3,511,403)
Pupil Transportation	3,299,484		1,385,204		(1,914,280)		(1,914,280)
Interest on Long-Term Debt	721,298				(721,298)		(721,298)
Unallocated Depreciation	1,946,031				(1,946,031)		(1,946,031)
Total Governmental Activities	58,116,020	73,169	13,529,836	155,800	(44,357,215)		(44,357,215)

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Business-Type Activities:							
Food Service	\$ 640,492	\$ 616,779				\$ (23,713)	\$ (23,713)
Total Business-Type Activities	640,492	616,779				(23,713)	(23,713)
Total Primary Government	<u>\$ 58,756,512</u>	<u>\$ 689,948</u>	<u>\$ 13,529,836</u>	<u>\$ 155,800</u>	<u>\$ (44,357,215)</u>	<u>(23,713)</u>	<u>(44,380,928)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					40,804,192		40,804,192
Taxes Levied for Debt Service					2,273,550		2,273,550
Federal and State Aid Not Restricted					1,323,519		1,323,519
Investment Earnings					21,863	91	21,954
Other Miscellaneous Income					556,293		556,293
Special Item - Food Service Management Contractor Contribution						34,239	34,239
Total General Revenues and Transfers					<u>44,979,417</u>	<u>34,330</u>	<u>45,013,747</u>
Change in Net Position					622,202	10,617	632,819
Net Position - Beginning (Restated)					<u>30,358,690</u>	<u>38,034</u>	<u>30,396,724</u>
Net Position - Ending					<u>\$ 30,980,892</u>	<u>\$ 48,651</u>	<u>\$ 31,029,543</u>

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, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 7,968,312	\$ 161	\$ 8	\$ 7,968,481
Receivables from Federal Government		118,807		118,807
Receivables from State Government	494,120		155,800	649,920
Other Receivables	25,092			25,092
Interfund Receivable	36,396		1,381,579	1,417,975
Restricted Cash and Cash Equivalents	1,178,285			1,178,285
Total Assets	<u>\$ 9,702,205</u>	<u>\$ 118,968</u>	<u>\$ 1,537,387</u>	<u>\$11,358,560</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 1,691,189	\$ 7,288		\$ 1,698,477
Payable to State Government		784		784
Interfund Payable	1,382,673	8,479		1,391,152
Unearned Revenue		102,417		102,417
Total Liabilities	<u>3,073,862</u>	<u>118,968</u>		<u>3,192,830</u>
Fund Balances:				
Restricted:				
Capital Reserve Account	806,321			806,321
Maintenance Reserve Account	371,964			371,964
Excess Surplus	2,035,103			2,035,103
Excess Surplus - For Subsequent Year's Expenditures	2,031,086			2,031,086
Committed			\$ 1,537,387	1,537,387
Assigned:				
Year-End Encumbrances	162,093			162,093
For Subsequent Year's Expenditures	278,146			278,146
Unassigned	943,630			943,630
Total Fund Balances	<u>6,628,343</u>		<u>1,537,387</u>	<u>8,165,730</u>
Total Liabilities and Fund Balances	<u>\$ 9,702,205</u>	<u>\$ 118,968</u>	<u>\$ 1,537,387</u>	<u>\$11,358,560</u>

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

Total Fund Balances - Governmental Funds (Above)	\$ 8,165,730
Capital Assets used in Governmental Activities are not financial resources and are not reported in the Funds. The cost of the assets is \$79,871,835 and the accumulated depreciation is \$28,928,807.	50,943,028
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(9,215,499)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Changes in Assumptions - Pensions	289,785
Investment Gains - Pensions	(549,194)
Changes in Proportions - Pensions	273,902
Deferred interest costs are not reported as expenditures in the Governmental Funds in the year of the expenditure. The Deferred Interest is \$1,998,274 and the accumulated amortization is \$614,857.	1,383,417
Interest on Long-Term Debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(124,342)
Bond Premiums are reported as revenue in the Funds. These premiums total \$2,888,798 and the accumulated amortization is \$888,863.	(1,999,935)
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 9).	<u>(18,186,000)</u>
Net Position of Governmental Activities (Exhibit A-1)	<u>\$30,980,892</u>

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, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 40,804,192			\$ 2,273,550	\$ 43,077,742
Tuition Revenue	73,169				73,169
Miscellaneous	578,148	\$ 33,497	\$ 8		611,653
Total - Local Sources	41,455,509	33,497	8	2,273,550	43,762,564
State Sources	9,229,848	86,543	155,800		9,472,191
Federal Sources		565,267			565,267
Total Revenue	50,685,357	685,307	155,808	2,273,550	53,800,022
EXPENDITURES:					
Current:					
Regular Instruction	15,415,651	74,479			15,490,130
Special Education Instruction	2,554,361	91,556			2,645,917
Other Instruction	2,285,678				2,285,678
Support Services and Undistributed Costs:					
Tuition	2,981,102	318,988			3,300,090
Student & Instruction Related Services	4,727,994	169,695			4,897,689
General Administration Services	889,528				889,528
School Administration Services	1,663,484				1,663,484
Central Services	454,065				454,065
Administrative Information Technology	664,752				664,752
Plant Operations and Maintenance	3,167,809				3,167,809
Pupil Transportation	3,230,246				3,230,246
Unallocated Benefits	11,787,867				11,787,867

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd):					
Debt Service:					
Principal				\$ 1,475,000	\$ 1,475,000
Interest and Other Charges				798,550	798,550
Capital Outlay	\$ 571,107	\$ 30,589	\$ 499,837		1,101,533
Total Expenditures	<u>50,393,644</u>	<u>685,307</u>	<u>499,837</u>	<u>2,273,550</u>	<u>53,852,338</u>
Excess/(Deficit) of Revenue Over/(Under) Expenditures	<u>291,713</u>	<u>- 0 -</u>	<u>(344,029)</u>	<u>- 0 -</u>	<u>(52,316)</u>
OTHER FINANCING SOURCES/(USES):					
Capital Leases (Non-Budgeted)	216,401				216,401
Transfers In	8		1,455,469		1,455,477
Transfers Out	<u>(1,455,469)</u>		<u>(8)</u>		<u>(1,455,477)</u>
Total Other Financing Sources/(Uses)	<u>(1,239,060)</u>	<u>- 0 -</u>	<u>1,455,461</u>	<u>- 0 -</u>	<u>216,401</u>
Net Change in Fund Balances	(947,347)	- 0 -	1,111,432	- 0 -	164,085
Fund Balance—July 1	<u>7,575,690</u>	<u>- 0 -</u>	<u>425,955</u>	<u>- 0 -</u>	<u>8,001,645</u>
Fund Balance—June 30	<u>\$ 6,628,343</u>	<u>\$ - 0 -</u>	<u>\$ 1,537,387</u>	<u>\$ - 0 -</u>	<u>\$ 8,165,730</u>

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

Exhibit B-3

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, 2015

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)		\$ 164,085
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 exceeded capital outlays in the period.		
	Depreciation Expense	\$ (2,167,012)
	Capital Outlays	<u>891,735</u>
		(1,275,277)
Capital leases entered into by the District are an other financing source in the governmental funds, but the acquisition increases long-term liabilities in the statement of net position and is not reported in the statement of activities.		(216,401)
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		45,098
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
Change in Net Pension Liability		(132,658)
Deferred Outflows:		
Changes in Assumptions		289,785
Changes in Proportion		273,902
Deferred Inflows:		
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		(549,194)
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 (+).		470,610
Repayment of serial bonds is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.		1,475,000
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. (+)		8,750
The Governmental Funds report the effect of bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities (+)		222,215
The Governmental Funds report the effect of deferred bond interest when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities (-)		<u>(153,713)</u>
Change in Net Position of Governmental Activities (Exhibit A-2)		<u>\$ 622,202</u>

Exhibit B-4

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

		<u>Business-type Activities - Enterprise Funds Food Service</u>
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	\$	51,560
Inventories		8,306
Other Accounts Receivable		3,336
		<u>63,202</u>
Total Current Assets		
Non-Current Assets:		
Capital Assets		147,693
Less: Accumulated Depreciation		<u>(115,152)</u>
Total Non-Current Assets		<u>32,541</u>
Total Assets		<u>95,743</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable - Vendors		50
Interfund Payable - General Fund		<u>27,917</u>
Total Current Liabilities		<u>27,967</u>
Non-Current Liabilities:		
Accrued Compensated Absences Payable		<u>19,125</u>
Total Liabilities		<u>47,092</u>
NET POSITION:		
Net Investment in Capital Assets		32,541
Unrestricted		<u>16,110</u>
Total Net Position	\$	<u><u>48,651</u></u>

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

Exhibit B-5

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds <u>Food Service</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Non-reimbursable Programs	\$ 612,222
Special Events	<u>4,557</u>
Total Operating Revenue	<u>616,779</u>
Operating Expenses:	
Cost of Sales	210,008
Salaries, Benefits & Payroll Taxes	339,880
Supplies, Insurance and Other Costs	85,111
Depreciation Expense	<u>5,493</u>
Total Operating Expenses	<u>640,492</u>
Operating Loss	(23,713)
Non-Operating Revenue:	
Interest Income	<u>91</u>
Total Non-Operating Revenue	<u>91</u>
Change in Net Position Before Special Item	(23,622)
Special Item - Food Service Management Contractor Contribution	<u>34,239</u>
Change in Net Position	10,617
Net Position - Beginning of Year	<u>38,034</u>
Net Position - End of Year	<u><u>\$ 48,651</u></u>

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, 2015

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 616,779
Payments to Employees	(295,495)
Payments to Suppliers	(369,557)
	(48,273)
Net Cash Used for Operating Activities	
Cash Flows from Non-Capital Financing Activities:	
Operating Transfer In - FSMC Contribution	34,239
	34,239
Net Cash Provided by Non-Capital Financing Activities	
Cash Flows from Investing Activities:	
Interest Income	91
	91
Net Cash Provided by Investing Activities	
Net Decrease in Cash and Cash Equivalents	(13,943)
Cash and Cash Equivalents, July 1	65,503
Cash and Cash Equivalents, June 30	\$ 51,560
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (23,713)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	5,493
Changes in Assets and Liabilities:	
Increase in Inventory	(1,211)
Increase in Accounts Receivable	(3,336)
Decrease in Interfund Receivable	19,118
Decrease in Accounts Payable	(69,891)
Increase in Interfund Payable	27,917
Decrease in Accrued Compensated Absences Payable	(2,650)
	(48,273)
Net Cash Used for Operating Activities	\$ (48,273)

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 POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>	<u>Flexible Benefits Trust</u>
ASSETS:				
Cash and Cash Equivalents	\$ 557,753	\$ 69,694	\$ 76,783	\$ 11,611
Interfund Receivable:				
General Fund	1,094			
Payroll Agency Fund		36,844		
Total Assets	<u>558,847</u>	<u>106,538</u>	<u>76,783</u>	<u>11,611</u>
LIABILITIES:				
Interfund Payable:				
Unemployment Compensation Trust Fund	36,844			
Payroll Deductions and Withholdings	214,644			
Due to Student Groups	307,359			
Total Liabilities	<u>558,847</u>			
NET POSITION:				
Held in Trust for:				
Unemployment Claims		106,538		
Scholarships			76,783	
Flexible Benefits Claims				11,611
Total Net Position	<u>\$ - 0 -</u>	<u>\$ 106,538</u>	<u>\$ 76,783</u>	<u>\$ 11,611</u>

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 POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Flexible Benefits Trust
ADDITIONS:			
Contributions:			
Employee	\$ 36,844		\$ 20,201
Donations		\$ 21,044	
Total Contributions	<u>36,844</u>	<u>21,044</u>	<u>20,201</u>
Investment Earnings:			
Interest	<u>78</u>	<u>413</u>	<u>12</u>
Net Investment Earnings	<u>78</u>	<u>413</u>	<u>12</u>
Total Additions	<u>36,922</u>	<u>21,457</u>	<u>20,213</u>
DEDUCTIONS:			
Unemployment Compensation Claims	25,667		
Scholarships Awarded		25,800	
Flexible Benefits Claims			<u>36,748</u>
Total Deductions	<u>25,667</u>	<u>25,800</u>	<u>36,748</u>
Change in Net Position	11,255	(4,343)	(16,535)
Net Position - Beginning of the Year	<u>95,283</u>	<u>81,126</u>	<u>28,146</u>
Net Position - End of the Year	<u>\$ 106,538</u>	<u>\$ 76,783</u>	<u>\$ 11,611</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, 2015

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 and a resulting financial benefit or burden relationship, 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 position 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, 2015
(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, 2015
(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 Scholarship 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 resources 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 position 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, 2015
(Continued)

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

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 budget for the fiscal year ended June 30, 2015 was submitted to the County office and was approved by a vote of the Board of Education. 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 fiscal year).

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal 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 fiscal 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.

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 50,689,642	\$ 677,419
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.		7,888
State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes (Prior Year)	422,432	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements (Current Year)	(426,717)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 50,685,357	\$ 685,307

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

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

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 50,393,644	\$ 677,419
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.		7,888
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 50,393,644	\$ 685,307
		Capital Projects Fund
	Revenue	Fund Balance
Summary Schedule of Revenue, Expenditures and Changes in Fund Balance (Budgetary Basis) (per Exhibit F-1)	\$ -0-	\$ 2,445,060
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.	155,800	(907,673)
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds (GAAP Basis) (per Exhibit B-2)	\$ 155,800	\$ 1,537,387

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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

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 position, 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 unearned revenue at fiscal year end.

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 fiscal 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, 2015.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

K. Capital Assets:

During the fiscal 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.

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premiums 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, 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.

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 for this purpose as of June 30, 2015.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

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 Position*, 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. Unearned Revenue:

Unearned 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.

P. Fund Balance Appropriated:

General Fund: Of the \$6,628,343 General Fund balance at June 30, 2015, \$162,093 is assigned for encumbrances; \$806,321 is restricted in the capital reserve account; \$371,964 is restricted in the maintenance reserve account; \$278,146 is assigned and included as anticipated revenue for the fiscal year ending June 30, 2016; \$4,066,189 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended (\$2,031,086 is prior fiscal year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2016 and the remaining \$2,035,103 is current fiscal year excess surplus and will be included as anticipated revenue for the fiscal year ending June 30, 2017); and \$943,630 is unassigned which is \$426,717 less on the GAAP basis than the calculated maximum unassigned fund balance (budgetary basis) due to the June state aid payments which are not recognized until the fiscal year ended June 30, 2016.

Capital Projects Fund: The Capital Projects Fund balance at June 30, 2015 of \$1,537,387 is committed for capital projects which are financed with capital reserve funds which is \$907,673 less on the GAAP basis due to SDA grants which have not been recognized.

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 fiscal year's budget. The District had excess surplus at June 30, 2015 as outlined above.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

P. Fund Balance Appropriated: (Cont'd)

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$426,717 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 Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2015 of \$1,947,104 for the deferred amount on refunding of debt related to the District's 2011 refunding bonds, changes in assumptions and in proportion in pensions.

A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred inflows of resources at June 30, 2015 of \$549,194 for the net difference between projected and actual investment earnings on pension plan investments.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

R. Deficit Net Position:

The \$8,660,307 deficit in unrestricted net position from its governmental activities is the result of \$1,999,935 of unamortized bond premiums and the accrual of \$1,639,697 in compensated absences and \$124,342 in interest payable, investment gains in pensions of \$549,194 and net pension liability of \$9,215,499, offset by \$1,537,387 committed fund balance for capital projects, \$162,093 assigned fund balance for year-end encumbrances, \$278,146 assigned fund balance which is designated for subsequent year's expenditures and \$943,630 of unassigned General Fund fund balance, \$1,383,417 of deferred amount on refunding as of June 30, 2015, changes in pension assumptions of \$289,785 and changes in proportion in pensions of \$273,902. 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 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 have 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 \$1,537,387 of committed resources in the Capital Projects Fund at June 30, 2015.

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 of \$162,093 for year-end encumbrances and \$278,146 for amounts designated for the subsequent fiscal year's expenditures in the General Fund at June 30, 2015.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(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 fiscal 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.

W. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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.

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, 2015
(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, 2015
(Continued)

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

As of June 30, 2015, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents			Total
	Unrestricted	Restricted		
		Capital Reserve Account	Maintenance Reserve Account	
Checking/Savings Accounts	\$ 8,726,849	\$ 801,104	\$ 371,964	\$ 9,899,917
New Jersey Cash Management Fund	9,033	5,217		14,250
	\$ 8,735,882	\$ 806,321	\$ 371,964	\$ 9,914,167

During the period ended June 30, 2015, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2015 was \$9,914,167 and the bank balance was \$10,758,199. The \$14,250 with New Jersey Cash Management Fund is 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 fiscal 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.

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 1,385,994
Interest Earnings	1,617
Budgeted Increase	240,419
Board Approved Increase - Resolution Dated June 15, 2015	500,000
Budgeted Withdrawal, Net of Unexpended Funds Returned	(1,255,209)
Withdrawal by Board Resolution Dated February 9, 2015	(66,500)
Ending Balance, June 30, 2015	\$ 806,321

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The balance in the capital reserve account at June 30, 2015 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 were 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 fiscal year in the advertised recapitulation of balances of the subsequent fiscal 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 fiscal 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 fiscal 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 fiscal year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current fiscal 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 fiscal year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 503,099
Interest Earnings	2,625
Budgeted Withdrawal, Net of Unexpended Funds Returned	<u>(133,760)</u>
Ending Balance, June 30, 2015	<u>\$ 371,964</u>

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2015, the District transferred \$22,455 to the capital outlay accounts for equipment which did not require County Superintendent approval.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2015 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	789,129			789,129
Total Capital Assets Not Being Depreciated	<u>919,577</u>			<u>919,577</u>
Capital Assets Being Depreciated:				
Site Improvements	2,755,345	\$ 35,619		2,790,964
Buildings and Building Improvements	71,551,415	511,168		72,062,583
Machinery and Equipment	3,753,763	344,948		4,098,711
Total Capital Assets Being Depreciated	<u>78,060,523</u>	<u>891,735</u>		<u>78,952,258</u>
Governmental Activities Capital Assets	<u>78,980,100</u>	<u>891,735</u>		<u>79,871,835</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,206,656)	(112,078)		(1,318,734)
Buildings and Building Improvements	(22,959,800)	(1,820,947)		(24,780,747)
Machinery and Equipment	(2,595,339)	(233,987)		(2,829,326)
	<u>(26,761,795)</u>	<u>(2,167,012)</u>		<u>(28,928,807)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 52,218,305</u>	<u>\$ (1,275,277)</u>	<u>\$ -0-</u>	<u>\$ 50,943,028</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 147,693			\$ 147,693
Less Accumulated Depreciation	(109,659)	\$ (5,493)		(115,152)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 38,034</u>	<u>\$ (5,493)</u>	<u>\$ -0-</u>	<u>\$ 32,541</u>

The District had active construction projects totaling \$3,116,892 with unexpended balances of \$2,445,060 as of June 30, 2015. The District had \$241,781 in outstanding construction commitments at June 30, 2015.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 9,310
Student and Instruction Related Services	16,038
Administrative Information Technology	135,806
Plant Operations and Maintenance	34,635
Transportation	25,192
Unallocated	<u>1,946,031</u>
Total Depreciation - Governmental Activities	<u>\$ 2,167,012</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. OPERATING LEASES

The District has a commitment to lease copiers under an operating lease which expires December 31, 2019. Future minimum operating lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ 72,352
2017	72,352
2018	72,352
2019	36,176
	<u>\$ 253,232</u>

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in the District-wide financial statements:

	<u>Balance</u> <u>6/30/2014</u>	<u>Issued/</u> <u>Added</u>	<u>Retired/</u> <u>Defeased</u>	<u>Balance</u> <u>6/30/2015</u>
Serial Bonds Payable	\$ 17,850,000		\$ 1,475,000	\$ 16,375,000
Capital Leases Payable		\$ 216,401	45,098	171,303
Net Pension Liability	9,082,841	132,658		9,215,499
Compensated Absences Payable:				
Governmental Funds	2,110,307		470,610	1,639,697
Proprietary Funds	21,775		2,650	19,125
	<u>\$ 29,064,923</u>	<u>\$ 349,059</u>	<u>\$ 1,993,358</u>	<u>\$ 27,420,624</u>

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, 2015 as follows:

<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Amount</u>
05/01/2024	3.00%-5.50%	<u>\$ 16,375,000</u>

The current portion of bonds payable at June 30, 2015 is \$1,525,000 and the long-term portion is \$14,850,000.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

A. Bonds Payable: (Cont'd)

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>
2016	\$ 1,525,000	\$ 746,050	\$ 2,271,050
2017	1,595,000	669,800	2,264,800
2018	1,660,000	606,000	2,266,000
2019	1,740,000	529,475	2,269,475
2020	1,805,000	465,250	2,270,250
Thereafter: 2021-2024	<u>8,050,000</u>	<u>1,009,775</u>	<u>9,059,775</u>
	<u>\$ 16,375,000</u>	<u>\$ 4,026,350</u>	<u>\$ 20,401,350</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2015, the Board has no bonds authorized but not issued.

C. Capital Leases Payable:

The District has one capital lease payable for lawn mowers and snow blowers as of June 30, 2015. The lease is for five years with the final payment occurring in fiscal year 2018-19. The schedule of the future minimum lease payments under the District's capital lease and the present value of the net minimum lease payments at June 30, 2015 are detailed below.

<u>Year</u>	<u>Amount</u>
2016	\$ 45,098
2017	45,098
2018	45,098
2019	<u>45,098</u>
	180,392
Less: Amount representing interest	<u>(9,089)</u>
Present value of net minimum lease payments	<u>\$ 171,303</u>

The current portion of capital leases payable at June 30, 2015 is \$41,500 and the long-term portion is \$129,803. The General Fund will be used to liquidate capital leases payable.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

D. Compensated Absences Payable:

The liability for compensated absences of the Governmental Fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the Governmental Funds is \$166,050 and is separated from the long-term liability balances of \$1,473,647. The General Fund will be used to liquidate the Governmental Activities Compensated Absences Payable.

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, 2015, \$14,625 of compensated absences was reported as a long-term liability and \$4,500 was recorded as a short-term liability and will be liquidated through the Food Service Enterprise Fund.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2015 is \$-0- and the long-term portion is \$9,215,499. See Note 10 for further information on the PERS.

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; or the Defined Contribution Retirement Program (DCRP).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

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

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$405,770 for fiscal year 2015.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2015, the District reported a liability of \$9,215,499 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportion was 0.049%, which was an increase of 0.002% from its proportion measured as of June 30, 2013.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$539,296. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 289,785	
Changes in Proportion	273,902	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		\$ 549,194
	<u>\$ 563,687</u>	<u>\$ 549,194</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion) related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2015	\$ (84,029)
2016	(84,029)
2017	(84,029)
2018	(84,029)
2019	53,269
Thereafter	23,438
	<u>\$ (259,409)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment Rate of Return	7.90%

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions (Cont'd)

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2014 are summarized in the table below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer G.O. 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2014 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the Net Pension Liability	\$ 11,593,411	\$ 9,215,499	\$ 7,218,657

Pension plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014, the State's pension contribution was less than the actuarially determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2015, the State of New Jersey contributed \$1,153,262 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$6,091,462.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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

At June 30, 2015, the State's proportionate share of the net pension liability associated with the District was \$113,204,437. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportion was 0.212%, which was an increase of 0.016% from its proportion measured as of June 30, 2013.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>\$ 113,204,437</u>
Total	<u><u>\$ 113,204,437</u></u>

For the fiscal year ended June 30, 2014, the State recognized pension expense on behalf of the District in the amount of \$6,091,462 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2015 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 2,306,623,861	
Difference Between Expected and Actual Experience		\$ 21,969,019
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		<u>1,741,236,574</u>
	<u><u>\$ 2,306,623,861</u></u>	<u><u>\$ 1,763,205,593</u></u>

The \$2,306,623,861 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$21,969,019 reported as reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$1,741,236,574 reported as a deferred inflow of resources resulting from the difference between projected and actual investment earnings on pension plan investments will be amortized over 5 years.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2016	\$ (130,688,498)
2017	(130,688,498)
2018	(130,688,498)
2019	(130,688,496)
2020	304,620,646
Thereafter	761,551,612
	<u>\$ 543,418,268</u>

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 is summarized in the table on the following page:

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-U.S. Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad U.S. Equities	25.90%	5.88%
Large CAP U.S. Equities	0.00%	5.62%
Mid CAP U.S. Equities	0.00%	6.39%
Small CAP U.S. Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Sensitivity of the State's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
Total Net Pension Liability	\$ 64,722,984,539	\$53,813,067,539	\$44,738,870,539

Pension Plan Fiduciary Net Position

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. 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.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$6,507 for the fiscal year ended June 30, 2015. Employee contributions to DCRP amounted to \$11,930 for the fiscal year ended June 30, 2015.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(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, 2014, there were 103,432 retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. 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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members for Fiscal Year 2014.

The State's on behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$1,830,804, \$1,469,160 and \$1,430,146 for 2015, 2014 and 2013, respectively. These amounts have been included in the District-wide financial statements and the fund-based statements as revenues and expenditures in accordance with GASB Statement No. 24.

NOTE 12. 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.

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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

The June 30, 2015 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, 2014 is as follows:

	<u>Morris-Essex Insurance Group</u>
Total Assets	\$ 8,623,310
Net Position	\$ 5,409,944
Total Revenue	\$ 3,086,254
Total Expenses	\$ 1,290,579
Member Dividends	\$ 733,820
Change in Net Position for the Year Ended June 30	\$ 1,061,855

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.

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 fiscal 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>
2014-2015	\$ -0-	\$ 78	\$ 36,844	\$ 25,667	\$ 106,538
2013-2014	59,767	38	64,881	64,172	95,283
2012-2013	59,767	23	9,267	70,452	34,769

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (Continued)

NOTE 13. 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 entities listed below, permit participants to defer a portion of their salary until future fiscal years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

<p><u>403(b)</u></p> <ul style="list-style-type: none"> AXA Equitable Life Insurance Company Variable Annuity Life Insurance Company The Vanguard Group Metropolitan Life Resources Midland National Life Insurance Company T. Rowe Price 	<p><u>457</u></p> <ul style="list-style-type: none"> AXA Equitable Life Insurance Company Variable Annuity Life Insurance Company
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NOTE 14. 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 not covered by insurance would not materially affect the financial position of the District.

Encumbrances

At June 30, 2015, there were encumbrances as detailed below in the governmental funds.

Governmental Funds			
General	Special Revenue	Capital Projects	Total
\$ 162,093	\$ 2,603	\$ 241,781	\$ 406,477

In the District's Governmental Funds Balance Sheet as of June 30, 2015, 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 \$2,603 on the budgetary basis are instead reflected as either a reduction of grants receivable or an increase in unearned revenue on the GAAP basis in the Special Revenue Fund. The \$241,781 of fiscal year-end encumbrances in the Capital Projects Fund on a budgetary basis are included in the \$1,537,387 committed fund balance on a GAAP basis at June 30, 2015 which is \$907,673 less on the GAAP basis due to SDA grants which have not been recognized

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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.

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. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 36,396	\$ 1,382,673
Special Revenue Fund		8,479
Capital Projects Fund	1,381,579	
Proprietary Funds		27,917
Fiduciary Funds	37,938	36,844
	<u>\$ 1,455,913</u>	<u>\$ 1,455,913</u>

During the fiscal year, the General Fund transferred \$1,455,469 to the Capital Projects Fund for the local share of capital projects and the Capital Projects Fund transferred \$8 of interest earnings to the General Fund.

At June 30, 2015, the General Fund owes the Capital Projects Fund \$1,381,579 for the local share of capital projects authorized during the fiscal year and owes the Payroll Agency Fund \$1,094 for payroll liabilities not transferred by June 30, 2015. The Special Revenue Fund owes the General Fund \$8,479 for an interfund advanced for federal grant expenditures for which reimbursement has not been received as of June 30, 2015. The Food Service Enterprise Fund owes the General Fund \$27,917 for payroll expenses. The Payroll Agency Fund owes the Unemployment Compensation Trust Fund \$36,844 for employee contributions.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 18. ACCOUNTS PAYABLE

Accounts payable recorded in the District's Governmental Activities and Business-Type Activities as of June 30, 2015 consisted of the following:

	Governmental Activities		Business-Type
	General Fund	Special Revenue Fund	Total Governmental Funds
Salaries	\$ 1,180,941		\$ 1,180,941
Vendors	510,248		\$ 510,248
Due to Other Governmental Units		\$ 7,288	\$ 50
	\$ 1,691,189	\$ 7,288	\$ 1,698,477

NOTE 19. PRIOR PERIOD ADJUSTMENTS

The District made a prior year adjustment in the District Wide Financial Statements to record the net pension liability as of June 30, 2014 as a result of implementing Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

	Balance 6/30/2014 as Previously Reported	Retroactive Adjustments	Balance 6/30/2014 Restated
<u>Statement of Net Position - Governmental Activities:</u>			
Liabilities:			
Noncurrent Liabilities:			
Due Beyond One Year	\$18,485,307	\$ 9,082,841	\$27,568,148
Total Liabilities	23,483,120	9,082,841	32,565,961
Net Position - Unrestricted (Deficit)	(1,365,839)	(9,082,841)	(10,448,680)
Total Net Position	39,441,531	(9,082,841)	30,358,690

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
District's proportion of the net pension liability	0.0475243141%	0.0492208999%
District's proportionate share of the net pension liability	\$ 9,082,841	\$ 9,215,499
District's covered employee payroll	\$ 3,060,943	\$ 3,068,637
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	296.73%	300.31%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$ 358,086	\$ 405,770
Contributions in relation to the contractually required contribution	<u>(358,086)</u>	<u>(405,770)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 3,060,943	\$ 3,068,637
Contributions as a percentage of covered employee payroll	11.70%	13.22%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
State's proportion of the net pension liability attributable to the District	0.1957394393%	0.2118079146%
State's proportionate share of the net pension liability attributable to the District	\$ 98,925,173	\$ 113,204,437
District's covered employee payroll	\$ 20,809,267	\$ 20,158,162
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	475.39%	561.58%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

BUDGETARY COMPARISON SCHEDULES

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<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	\$ 40,804,192		\$ 40,804,192	\$ 40,804,192	
Tuition - From Individuals	79,300		79,300	73,169	\$ (6,131)
Unrestricted Miscellaneous Revenue	158,775		158,775	170,090	11,315
Interest on Capital Reserve	1,691		1,691	1,617	(74)
Interest on Maintenance Reserve				2,625	2,625
Miscellaneous	320,362		320,362	403,816	83,454
Total - Local Sources	41,364,320		41,364,320	41,455,509	91,189
State Sources:					
Transportation Aid	1,354,617		1,354,617	1,354,617	
Categorical Special Education Aid	1,742,285		1,742,285	1,742,285	
Equalization Aid	324,799		324,799	324,799	
Categorical Security Aid	214,099		214,099	214,099	
Adjustment Aid	695,639		695,639	695,639	
Additional Adjustment Aid	38,002		38,002	38,002	
Per Pupil Growth Aid	28,030		28,030	28,030	
PARCC Readiness Aid	28,030		28,030	28,030	
Extraordinary Special Education Costs Aid				395,119	395,119
Nonpublic Transportation Costs				30,239	30,239
On-Behalf TPAF Contributions:					
Post Retirement Medical Benefits (Non-Budgeted)				1,830,804	1,830,804
Pension (Non-Budgeted)				1,153,262	1,153,262
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				1,399,208	1,399,208
Total State Sources	4,425,501		4,425,501	9,234,133	4,808,632
TOTAL REVENUE	45,789,821		45,789,821	50,689,642	4,899,821

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<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	\$ 15,184,770	\$ 40,738	\$ 15,225,508	\$ 14,407,944	\$ 817,564
Regular Programs - Home Instruction:					
Salaries of Teachers	200,000	(16,000)	184,000	177,174	6,826
Purchased Professional - Educational Services	70,000	30,000	100,000	68,471	31,529
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	40,000	(39,200)	800		800
Other Purchased Services (400-500 series)	244,895	40,159	285,054	253,613	31,441
General Supplies	447,643	(42,173)	405,470	389,427	16,043
Textbooks	147,657	(22,489)	125,168	118,872	6,296
Other Objects	150		150	150	
Total Regular Programs - Instruction	<u>16,335,115</u>	<u>(8,965)</u>	<u>16,326,150</u>	<u>15,415,651</u>	<u>910,499</u>
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	2,417,797	(38,121)	2,379,676	2,171,102	208,574
Other Salaries for Instruction	386,996		386,996	365,551	21,445
Other Purchased Services (400-500 series)	760		760	296	464
General Supplies	19,000		19,000	15,865	3,135
Textbooks	3,300		3,300	1,547	1,753
Total Resource Room/Resource Center	<u>2,827,853</u>	<u>(38,121)</u>	<u>2,789,732</u>	<u>2,554,361</u>	<u>235,371</u>
Total Special Education - Instruction	<u>2,827,853</u>	<u>(38,121)</u>	<u>2,789,732</u>	<u>2,554,361</u>	<u>235,371</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<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	\$ 381,848		\$ 381,848	\$ 335,461	\$ 46,387
Purchased Services (300-500 series)	16,314	\$ (440)	15,874	12,105	3,769
Supplies and Materials	46,484	51,225	97,709	92,381	5,328
Other Objects	18,324	(1,300)	17,024	11,966	5,058
Total School-Sponsored Cocurricular Activities - Instruction	<u>462,970</u>	<u>49,485</u>	<u>512,455</u>	<u>451,913</u>	<u>60,542</u>
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	1,587,460	(1,800)	1,585,660	1,520,456	65,204
Purchased Services (300-500 series)	42,255	(38,800)	3,455	3,168	287
Supplies and Materials	131,180	(3,070)	128,110	124,188	3,922
Other Objects	190,104	2,353	192,457	182,340	10,117
Total School-Sponsored Cocurricular Athletics - Instruction	<u>1,950,999</u>	<u>(41,317)</u>	<u>1,909,682</u>	<u>1,830,152</u>	<u>79,530</u>
Other Instructional Programs - Instruction:					
Salaries	8,000		8,000	3,613	4,387
Total Other Instructional Programs - Instruction	<u>8,000</u>		<u>8,000</u>	<u>3,613</u>	<u>4,387</u>
Total Instruction Expenditures	<u>21,584,937</u>	<u>(38,918)</u>	<u>21,546,019</u>	<u>20,255,690</u>	<u>1,290,329</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<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	\$ 157,881		\$ 157,881	\$ 157,817	\$ 64
Tuition to County Vocational School District - Regular	328,652	\$ (6,189)	322,463	312,979	9,484
Tuition to County Vocational School District - Special	112,488	21,408	133,896	133,896	
Tuition to CSSD & Regional Day Schools	403,472	(4,742)	398,730	338,389	60,341
Tuition to Private Schools for the Disabled - Within State	2,348,657	(159,610)	2,189,047	2,003,521	185,526
Tuition to Private Schools for the Disabled and Other LEAs Special - Outside the State	126,645	(24,477)	102,168	34,500	67,668
Total Undistributed Expenditures - Instruction	3,477,795	(173,610)	3,304,185	2,981,102	323,083
Attendance & Social Work Services:					
Salaries	17,359		17,359	17,019	340
Supplies and Materials	2,850	786	3,636	3,546	90
Total Attendance & Social Work Services	20,209	786	20,995	20,565	430
Health Services:					
Salaries	475,939		475,939	456,205	19,734
Purchased Professional and Technical Services	31,774		31,774	31,000	774
Other Purchased Services (400-500 series)	150		150		150
Supplies and Materials	10,400	(131)	10,269	8,304	1,965
Other Objects	1,501	(725)	776	383	393
Total Health Services	519,764	(856)	518,908	495,892	23,016

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<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:					
Speech, OT, PT & Related Services:					
Salaries	\$ 82,390		\$ 82,390	\$ 79,459	\$ 2,931
Supplies and Materials	605		605		605
Total Speech, OT, PT & Related Services	<u>82,995</u>		<u>82,995</u>	<u>79,459</u>	<u>3,536</u>
Guidance:					
Salaries of Other Professional Staff	1,336,376	\$ (27,423)	1,308,953	1,263,983	44,970
Salaries of Secretarial and Clerical Assistants	125,136		125,136	122,682	2,454
Other Salaries	49,333	1,673	51,006	50,535	471
Other Purchased Professional and Technical Services	17,753	686	18,439	15,743	2,696
Other Purchased Services (400-500 series)	500	200	700	225	475
Supplies and Materials	17,379	(731)	16,648	16,538	110
Other Objects	1,800	(129)	1,671	1,239	432
Total Guidance	<u>1,548,277</u>	<u>(25,724)</u>	<u>1,522,553</u>	<u>1,470,945</u>	<u>51,608</u>
Child Study Team:					
Salaries of Other Professional Staff	932,537	18,106	950,643	888,550	62,093
Salaries of Secretarial and Clerical Assistants	154,180	6,000	160,180	158,720	1,460
Purchased Professional - Educational Services	230,000	15,000	245,000	211,335	33,665
Other Purchased Services (400-500 series)	11,900		11,900	5,945	5,955
Supplies and Materials	10,000		10,000	8,069	1,931
Other Objects	1,800		1,800	1,423	377
Total Child Study Team	<u>1,340,417</u>	<u>39,106</u>	<u>1,379,523</u>	<u>1,274,042</u>	<u>105,481</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<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	\$ 299,623	\$ (731)	\$ 298,892	\$ 298,892	
Salaries of Other Professional Staff	13,600	13,427	27,027	26,647	\$ 380
Salaries of Secretarial and Clerical Assistants	126,598	(3,373)	123,225	123,225	
Other Purchased Professional and Technical Services	63,280	15,828	79,108	75,280	3,828
Other Purchased Services (400-500 series)	8,000	(6,400)	1,600	1,599	1
Supplies and Materials	166,500	(11,777)	154,723	153,670	1,053
Other Objects	1,250	(515)	735	700	35
Total Improvement of Instructional Services	678,851	6,459	685,310	680,013	5,297
Educational Media Services/School Library:					
Salaries	144,997	(1,860)	143,137	141,510	1,627
Salaries of Technology Coordinators	62,220	7,000	69,220	69,220	
Supplies and Materials	95,723	(9,827)	85,896	78,758	7,138
Other Objects	954		954	709	245
Total Educational Media Services/School Library	303,894	(4,687)	299,207	290,197	9,010
Instructional Staff Training Services:					
Salaries of Other Professional Staff	297,976	29,403	327,379	322,860	4,519
Purchased Professional - Educational Services	28,500	51	28,551	28,551	
Other Purchased Professional and Technical Services	1,000		1,000	1,000	
Other Purchased Services (400-500 series)	65,281	(1,516)	63,765	59,071	4,694
Supplies and Materials	7,000	15	7,015	5,399	1,616
Total Instructional Staff Training Services	399,757	27,953	427,710	416,881	10,829

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<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:					
General Administration:					
Salaries	\$ 416,563	\$ 2,670	\$ 419,233	\$ 404,204	\$ 15,029
Legal Services	65,473	35,814	101,287	93,717	7,570
Audit Fees	56,667	1	56,668	56,667	1
Other Purchased Professional Services	14,670	11,027	25,697	25,697	
Communications/Telephone	67,120	(16,409)	50,711	43,236	7,475
BOE Other Purchased Services	4,000	(1,708)	2,292	2,042	250
Miscellaneous Purchased Services (400-500 series)	259,063	(25,263)	233,800	230,264	3,536
General Supplies	5,700	3,257	8,957	3,306	5,651
Miscellaneous Expenditures	13,490	(1,555)	11,935	9,955	1,980
BOE Membership Dues and Fees	23,291	(2,851)	20,440	20,440	
Total General Administration	<u>926,037</u>	<u>4,983</u>	<u>931,020</u>	<u>889,528</u>	<u>41,492</u>
School Administration:					
Salaries of Principals/Assistant Principals	943,150		943,150	943,150	
Salaries of Other Professional Staff	359,811	3,517	363,328	363,328	
Salaries of Secretarial and Clerical Assistants	327,033	(14,031)	313,002	299,632	13,370
Other Purchased Services (400-500 series)	20,366	(3,900)	16,466	14,640	1,826
Supplies and Materials	8,200	(3,724)	4,476	3,794	682
Other Objects	50,080	(2,799)	47,281	38,940	8,341
Total School Administration	<u>1,708,640</u>	<u>(20,937)</u>	<u>1,687,703</u>	<u>1,663,484</u>	<u>24,219</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<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	\$ 403,304	\$ 10,604	\$ 413,908	\$ 407,315	\$ 6,593
Purchased Professional Services	37,253	(4,872)	32,381	23,099	9,282
Purchased Technical Services	15,000	(5,100)	9,900	8,960	940
Miscellaneous Purchased Services (400-500 series)	17,000	(990)	16,010	7,588	8,422
Supplies and Materials	7,500	(219)	7,281	2,721	4,560
Miscellaneous Expenditures	4,000	1,209	5,209	4,382	827
Total Central Services	484,057	632	484,689	454,065	30,624
Administrative Information Technology:					
Salaries	128,018	61,000	189,018	182,960	6,058
Purchased Technical Services	236,200	(62,612)	173,588	172,497	1,091
Other Purchased Services (400-500 series)	160,281	(28,868)	131,413	125,565	5,848
Supplies and Materials	155,580	29,438	185,018	183,730	1,288
Other Objects	900		900		900
Total Administrative Information Technology	680,979	(1,042)	679,937	664,752	15,185
Required Maintenance for School Facilities:					
Salaries	10,159		10,159	9,254	905
Cleaning, Repair and Maintenance Services	144,500	17,229	161,729	152,100	9,629
General Supplies	98,685	16,294	114,979	114,214	765
Total Required Maintenance for School Facilities	253,344	33,523	286,867	275,568	11,299

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE					
Undistributed Expenditures:					
Custodial Services:					
Salaries	\$ 1,071,178	\$ (285)	\$ 1,070,893	\$ 1,059,429	\$ 11,464
Purchased Professional and Technical Services	39,740	(52)	39,688	29,191	10,497
Cleaning, Repair and Maintenance Services	167,012	(9,903)	157,109	138,355	18,754
Rental of Land & Buildings Other than Lease Purchase Agreement:	144,941	(3,458)	141,483	134,475	7,008
Other Purchased Property Services	75,159	6,905	82,064	79,665	2,399
Insurance	38,269	(4,309)	33,960	33,960	
Miscellaneous Purchased Services	6,925	(4,180)	2,745	1,990	755
General Supplies	127,379	27,517	154,896	124,397	30,499
Energy (Natural Gas)	247,099	13,300	260,399	243,274	17,125
Energy (Electricity)	631,715	(48,504)	583,211	499,369	83,842
Other Objects	10,590	6,358	16,948	4,729	12,219
Total Custodial Services	<u>2,560,007</u>	<u>(16,611)</u>	<u>2,543,396</u>	<u>2,348,834</u>	<u>194,562</u>
Care & Upkeep of Grounds:					
Salaries	301,828	607	302,435	302,249	186
Cleaning, Repair and Maintenance Services	36,200	7,823	44,023	43,358	665
General Supplies	62,924		62,924	62,160	764
Total Care & Upkeep of Grounds	<u>400,952</u>	<u>8,430</u>	<u>409,382</u>	<u>407,767</u>	<u>1,615</u>
Security:					
Salaries	98,400		98,400	78,852	19,548
Purchased Professional and Technical Services	40,158		40,158	40,158	
General Supplies	16,500		16,500	16,179	321
Other Objects	5,500	(3,200)	2,300	451	1,849
Total Security	<u>160,558</u>	<u>(3,200)</u>	<u>157,358</u>	<u>135,640</u>	<u>21,718</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<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	\$ 71,584	\$ (3,484)	\$ 68,100	\$ 67,701	\$ 399
Between Home and School - Special	7,000	(1,070)	5,930	5,930	
Other Than Between Home and School	76,312	36,384	112,696	112,401	295
Between Home and School - Nonpublic Schools	25,593		25,593	24,119	1,474
Management Fee - ESC & CTSA Transportation Program	45,599	14,326	59,925	59,925	
Other Purchased Professional and Technical Services	6,610	(891)	5,719	5,489	230
Cleaning, Repair and Maintenance Services	35,374	762	36,136	35,850	286
Rental Payments - School Buses	500	(200)	300	62	238
Contracted Services:					
Other than Between Home and School - Vendors	298,484	4,894	303,378	300,663	2,715
Between Home and School - Joint Agreements	1,060,038	(55,273)	1,004,765	1,003,665	1,100
Special Education Students - Vendors	22,300	(8,504)	13,796	6,762	7,034
Special Education Students - Joint Agreements	86,485	(65,760)	20,725	20,725	
Regular Students - ESC's & CTSA's	194,843	29,332	224,175	224,175	
Special Education Students - ESC's & CTSA's	1,055,506	204,256	1,259,762	1,259,762	
Aid in Lieu of Payments - Nonpublic Students	72,488	(4,145)	68,343	68,343	
Miscellaneous Purchased Services	7,890	21	7,911	7,802	109
General Supplies	34,850	(8,226)	26,624	26,502	122
Other Objects	600	(230)	370	370	
Total Student Transportation Services	3,102,056	142,192	3,244,248	3,230,246	14,002

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<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	\$ 600,533	\$ (1)	\$ 600,532	\$ 573,495	\$ 27,037
TPAF Contributions - ERIP	1,331		1,331		1,331
Other Retirement Contributions - PERS	428,296	(6,507)	421,789	406,845	14,944
Other Retirement Contributions - Regular		6,507	6,507	6,507	
Unemployment Compensation	25,000		25,000		25,000
Workmen's Compensation	277,161		277,161	211,596	65,565
Health Benefits	5,920,815	32,656	5,953,471	5,950,339	3,132
Tuition Reimbursement	124,940	(933)	124,007	37,648	86,359
Other Employee Benefits	310,918	(32,656)	278,262	218,163	60,099
Total Unallocated Benefits	<u>7,688,994</u>	<u>(934)</u>	<u>7,688,060</u>	<u>7,404,593</u>	<u>283,467</u>
On-Behalf TPAF Contributions:					
Post Retirement Medical Benefits (Non-Budgeted)				1,830,804	(1,830,804)
Pension (Non-Budgeted)				1,153,262	(1,153,262)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				1,399,208	(1,399,208)
Total On-Behalf and Reimbursed Contributions				<u>4,383,274</u>	<u>(4,383,274)</u>
Total Personal Services - Employee Benefits	<u>7,688,994</u>	<u>(934)</u>	<u>7,688,060</u>	<u>11,787,867</u>	<u>(4,099,807)</u>
Total Undistributed Expenditures	<u>26,337,583</u>	<u>16,463</u>	<u>26,354,046</u>	<u>29,566,847</u>	<u>(3,212,801)</u>
TOTAL CURRENT EXPENSE	<u>47,922,520</u>	<u>(22,455)</u>	<u>47,900,065</u>	<u>49,822,537</u>	<u>(1,922,472)</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<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	\$ 5,600		\$ 5,600	\$ 5,600	
School-Sponsored and Other Instructional Programs	2,620	\$ 4,830	7,450	4,830	\$ 2,620
Undistributed Expenditures:					
Instruction	86,500		86,500	85,929	571
Instructional Staff	19,000	(1,000)	18,000	17,705	295
Required Maintenance for School Facilities	30,000	19,527	49,527		49,527
Care and Upkeep of Grounds	46,000	(902)	45,098	45,098	
Student Transportation - Non-Instructional Equipment	38,620		38,620	38,618	2
Total Equipment	<u>228,340</u>	<u>22,455</u>	<u>250,795</u>	<u>197,780</u>	<u>53,015</u>
Facilities Acquisition and Construction Services:					
Construction Services	90,000		90,000	54,065	35,935
Other Objects - Debt Service Assessment	102,861		102,861	102,861	
Total Facilities Acquisition and Construction Services	<u>192,861</u>		<u>192,861</u>	<u>156,926</u>	<u>35,935</u>
Assets Acquired Under Capital Leases (Non-Budgeted):					
Undistributed Expenditures:					
Student Transportation - Non-Instructional Equipment				216,401	(216,401)
Total Assets Acquired Under Capital Leases (Non-Budgeted)				<u>216,401</u>	<u>(216,401)</u>
TOTAL CAPITAL OUTLAY	<u>421,201</u>	<u>22,455</u>	<u>443,656</u>	<u>571,107</u>	<u>(127,451)</u>
TOTAL EXPENDITURES	<u>48,343,721</u>		<u>48,343,721</u>	<u>50,393,644</u>	<u>(2,049,923)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,553,900)</u>		<u>(2,553,900)</u>	<u>295,998</u>	<u>2,849,898</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources/(Uses):					
Capital Leases (Non-Budgeted)				\$ 216,401	\$ 216,401
Transfer from Capital Reserve to Capital Projects Fund	\$ (1,640,209)		\$ (1,640,209)	(1,455,469)	184,740
Transfer from Capital Projects Fund:					
Interest Earned				8	8
Total Other Financing Sources/(Uses)	(1,640,209)		(1,640,209)	(1,239,060)	401,149
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(4,194,109)		(4,194,109)	(943,062)	3,251,047
Fund Balance, July 1	7,998,122		7,998,122	7,998,122	
Fund Balance, June 30	\$ 3,804,013	\$ - 0 -	\$ 3,804,013	\$ 7,055,060	\$ 3,251,047
Recapitulation:					
Restricted for:					
Capital Reserve				\$ 806,321	
Maintenance Reserve				371,964	
Excess Surplus				2,035,103	
Excess Surplus - For Subsequent Year's Expenditures				2,031,086	
Assigned:					
Year-End Encumbrances				162,093	
For Subsequent Year's Expenditures				278,146	
Unassigned				1,370,347	
Total Fund Balance - Budgetary Basis				7,055,060	
Reconciliation to Governmental Fund Statements (GAAP):					
June State Aid payments not recognized on a GAAP basis				(426,717)	
Fund Balance per Governmental Funds on Exhibit B-1				\$ 6,628,343	

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
State Sources		\$ 88,245	\$ 88,245	\$ 86,543	\$ (1,702)
Federal Sources	\$ 566,176	39,521	605,697	557,848	(47,849)
Local Sources		134,577	134,577	33,028	(101,549)
Total Revenues	<u>566,176</u>	<u>262,343</u>	<u>828,519</u>	<u>677,419</u>	<u>(151,100)</u>
EXPENDITURES:					
Instruction					
Personal Services - Salaries	28,222	6,435	34,657	29,035	5,622
Other Purchased Services		57,106	57,106	56,322	784
Tuition	502,002	(178,869)	323,133	320,319	2,814
General Supplies	3,211	71,994	75,205	48,068	27,137
Textbooks		19,661	19,661	19,661	
Other Objects		24,289	24,289	10,256	14,033
Total Instruction	<u>533,435</u>	<u>616</u>	<u>534,051</u>	<u>483,661</u>	<u>50,390</u>
Support Services					
Personal Services - Employee Benefits	6,491	2,281	8,772	7,288	1,484
Purchased Professional/Technical Services	11,000	133,485	144,485	125,917	18,568
Other Purchased Services	11,000	4,165	15,165	14,436	729
Supplies and Materials	4,250	23,599	27,849	23,326	4,523
Total Support Services	<u>32,741</u>	<u>163,530</u>	<u>196,271</u>	<u>170,967</u>	<u>25,304</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<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		\$ 93,197	\$ 93,197	\$ 22,791	\$ 70,406
Non-Instructional Equipment		5,000	5,000		5,000
Total Facilities Acquisition and Construction Services		98,197	98,197	22,791	75,406
Total Expenditures	\$ 566,176	262,343	828,519	677,419	\$ 151,100
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 50,689,642	\$ 677,419
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.		7,888
State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements (Prior Year)	422,432	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements (Current Year)	<u>(426,717)</u>	
 Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u>\$ 50,685,357</u>	 <u>\$ 685,307</u>
 Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 50,393,644	\$ 677,419
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		<u>7,888</u>
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u>\$ 50,393,644</u>	 <u>\$ 685,307</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budget for the fiscal year ended June 30, 2015 was submitted to the County office and was approved by a vote of the Board of Education. 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 School Board resolution. All budgeting 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 budgets during the fiscal 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.

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, 2015

	<u>No Child Left Behind</u>		IDEA - Part B, Basic Regular
	<u>Title II</u>		
	<u>2014-15</u>	<u>Prior Years</u>	
REVENUE:			
State Sources			
Federal Sources	\$ 25,813	\$ 1,860	\$ 530,175
Local Sources			
Total Revenue	<u>25,813</u>	<u>1,860</u>	<u>530,175</u>
EXPENDITURES:			
Instruction:			
Personal Services - Salaries			29,035
Other Purchased Services			
Tuition			320,319
General Supplies			29,895
Textbooks			
Other Objects			<u>5,381</u>
Total Instruction			<u>384,630</u>
Support Services:			
Personal Services - Employee Benefits			7,288
Purchased Professional/Technical Services	5,817	128	119,972
Other Purchased Services	14,271		165
Supplies and Materials	<u>5,725</u>	<u>1,732</u>	<u>15,869</u>
Total Support Services	<u>25,813</u>	<u>1,860</u>	<u>143,294</u>
Facilities Acquisition and Construction Services:			
Instructional Equipment			<u>2,251</u>
Total Facilities Acquisition and Construction Services			<u>2,251</u>
Total Expenditures	<u>\$ 25,813</u>	<u>\$ 1,860</u>	<u>\$ 530,175</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, 2015

	NJ Nonpublic		
	Handicapped Services (Chapter 193)		
	Examination & Classification	Supplementary Instruction	Textbooks
REVENUE:			
State Sources	\$ 14,718	\$ 10,303	\$ 19,661
Federal Sources			
Local Sources			
Total Revenue	<u>14,718</u>	<u>10,303</u>	<u>19,661</u>
EXPENDITURES:			
Instruction:			
Personal Services - Salaries			
Other Purchased Services	14,718	10,303	
Tuition			
General Supplies			
Textbooks			19,661
Other Objects			
Total Instruction	<u>14,718</u>	<u>10,303</u>	<u>19,661</u>
Support Services:			
Personal Services - Employee Benefits			
Purchased Professional/Technical Services			
Other Purchased Services			
Supplies and Materials			
Total Support Services			
Facilities Acquisition and Construction Services:			
Instructional Equipment			
Total Facilities Acquisition and Construction Services			
Total Expenditures	<u>\$ 14,718</u>	<u>\$ 10,303</u>	<u>\$ 19,661</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, 2015

	NJ Nonpublic			Totals June 30, 2015
	Technology Initiative	Nursing Services	Other Local Projects	
REVENUE:				
State Sources	\$ 10,560	\$ 31,301		\$ 86,543
Federal Sources				557,848
Local Sources			\$ 33,028	33,028
Total Revenue	<u>10,560</u>	<u>31,301</u>	<u>33,028</u>	<u>677,419</u>
EXPENDITURES:				
Instruction:				
Personal Services - Salaries				29,035
Other Purchased Services		31,301		56,322
Tuition				320,319
General Supplies	10,560		7,613	48,068
Textbooks				19,661
Other Objects			4,875	10,256
Total Instruction	<u>10,560</u>	<u>31,301</u>	<u>12,488</u>	<u>483,661</u>
Support Services:				
Personal Services - Employee Benefits				7,288
Purchased Professional/Technical Services				125,917
Other Purchased Services				14,436
Supplies and Materials				23,326
Total Support Services				<u>170,967</u>
Facilities Acquisition and Construction Services:				
Instructional Equipment			20,540	22,791
Total Facilities Acquisition and Construction Services			<u>20,540</u>	<u>22,791</u>
Total Expenditures	<u>\$ 10,560</u>	<u>\$ 31,301</u>	<u>\$ 33,028</u>	<u>\$ 677,419</u>

CAPITAL PROJECTS FUND

Exhibit F-1

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, 2015

Revenue and Other Financing Sources:	
Transfer from Capital Reserve	\$ 1,455,469
Interest Revenue	8
	<hr/>
Total Revenue and Other Financing Sources	1,455,477
	<hr/>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	49,380
Construction Services	370,246
Equipment	80,211
Transfer to General Fund:	
Interest Earned	8
	<hr/>
Total Expenditures and Other Financing Uses	499,845
	<hr/>
Excess of Revenue & Other Financing Sources Over Expenditures & Other Financing Uses	955,632
	<hr/>
Fund Balance - Beginning	1,489,428
	<hr/>
Fund Balance - Ending	\$ 2,445,060
	<hr/> <hr/>
Reconciliation of Revenue from Budgetary Basis to GAAP Basis:	
SDA Grant Revenue (Budgetary Basis)	\$ -0-
SDA Grants Recognized as Revenue on the GAAP Basis - Expended and Submitted for Reimbursement	155,800
	<hr/>
SDA Grant Revenue (GAAP Basis)	\$ 155,800
	<hr/> <hr/>
Recapitulation of Fund Balance:	
Committed - Year-End Encumbrances	\$ 241,781
Committed	2,203,279
	<hr/>
Fund Balance per Governmental Funds (Budgetary Basis)	2,445,060
Reconciliation to Governmental Funds Statement (GAAP):	
SDA Grants not Recognized on the GAAP Basis	(907,673)
	<hr/>
Fund Balance per Governmental Funds (GAAP)	\$ 1,537,387
	<hr/> <hr/>

Exhibit F-1a

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WEST MORRIS MENDHAM HIGH SCHOOL - SECURITY CAMERA UPGRADE PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 20,000	\$ 20,000	\$ 20,000
Total Revenue and Other Financing Sources	\$ - 0 -	20,000	20,000	20,000
Expenditures:				
Equipment				20,000
Total Expenditures	- 0 -	- 0 -	- 0 -	20,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ - 0 -</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ - 0 -</u>

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	\$ 20,000
Change Orders	\$ -0-
Revised Authorized Cost	\$ 20,000
Change Order Percentage	0.00%
Percentage Completion	0.00%
Original Target Completion Date	06/30/15
Revised Target Completion Date	06/30/15

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WEST MORRIS MENDHAM HIGH SCHOOL - PARKING LOT PAVING AND REPAIR PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 23,760	\$ 23,760	\$ 23,760
Total Revenue and Other Financing Sources	\$ - 0 -	23,760	23,760	23,760
Expenditures:				
Construction Services		23,760	23,760	23,760
Total Expenditures	- 0 -	23,760	23,760	23,760
Excess/(Deficiency) of Revenue and Other Financing Sources 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	\$ 25,000
Change Orders	\$ -0-
Revised Authorized Cost	\$ 23,760
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	08/15/14
Revised Target Completion Date	08/15/14

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WEST MORRIS CENTRAL HIGH SCHOOL - REPLACE CLASSROOM HVAC PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 456,365		\$ 456,365	\$ 456,365
Transfer from Capital Reserve		\$ 684,547	684,547	684,547
Total Revenue and Other Financing Sources	<u>456,365</u>	<u>684,547</u>	<u>1,140,912</u>	<u>1,140,912</u>
Expenditures:				
Purchased Professional and Technical Services		28,080	28,080	142,614
Construction Services				950,760
Miscellaneous Expenditures				47,538
Total Expenditures	<u>- 0 -</u>	<u>28,080</u>	<u>28,080</u>	<u>1,140,912</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 456,365</u>	<u>\$ 656,467</u>	<u>\$ 1,112,832</u>	<u>\$ - 0 -</u>

Additional Project Information:

Project Number	5660-030-14-1002
Grant Date	March 31, 2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,140,912
Change Orders	\$ -0-
Revised Authorized Cost	\$ 1,140,912
Change Order Percentage	0.00%
Percentage Completion	2.46%
Original Target Completion Date	06/15/15
Revised Target Completion Date	08/15/16

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WEST MORRIS MENDHAM HIGH SCHOOL - REPLACE CLASSROOM HVAC PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 358,721		\$ 358,721	\$ 358,721
Transfer from Capital Reserve		\$ 538,081	538,081	538,081
Total Revenue and Other Financing Sources	<u>358,721</u>	<u>538,081</u>	<u>896,802</u>	<u>896,802</u>
Expenditures:				
Purchased Professional and Technical Services		21,120	21,120	126,543
Construction Services				733,580
Miscellaneous Expenditures				36,679
Total Expenditures	<u>- 0 -</u>	<u>21,120</u>	<u>21,120</u>	<u>896,802</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 358,721</u>	<u>\$ 516,961</u>	<u>\$ 875,682</u>	<u>\$ - 0 -</u>

Additional Project Information:

Project Number	5660-030-14-1003
Grant Date	March 31, 2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 896,802
Change Orders	\$ -0-
Revised Authorized Cost	\$ 896,802
Change Order Percentage	0.00%
Percentage Completion	2.36%
Original Target Completion Date	06/15/15
Revised Target Completion Date	08/15/16

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WEST MORRIS CENTRAL HIGH SCHOOL - POTABLE WATER SYSTEM UPGRADE PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 248,387		\$ 248,387	\$ 248,387
Transfer from Capital Reserve	250,000	\$ 122,581	372,581	372,581
Total Revenue and Other Financing Sources	<u>498,387</u>	<u>122,581</u>	<u>620,968</u>	<u>620,968</u>
Expenditures:				
Purchased Professional and Technical Services	34,495	180	34,675	52,500
Construction Services		346,486	346,486	556,755
Miscellaneous Expenditures				11,713
Total Expenditures	<u>34,495</u>	<u>346,666</u>	<u>381,161</u>	<u>620,968</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 463,892</u>	<u>\$ (224,085)</u>	<u>\$ 239,807</u>	<u>\$ - 0 -</u>

Additional Project Information:

Project Numbers	5660-050-07-1000; 5660-030-14-1001
Grant Date	March 31, 2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 620,968
Change Orders	\$ - 0 -
Revised Authorized Cost	\$ 620,968
Change Order Percentage	0.00%
Percentage Completion	61.38%
Original Target Completion Date	06/15/15
Revised Target Completion Date	06/30/16

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 HIGH SCHOOLS - BUILDING RENOVATIONS PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 347,950	\$ 66,500	\$ 414,450	\$ 414,450
Total Revenue and Other Financing Sources	<u>347,950</u>	<u>66,500</u>	<u>414,450</u>	<u>414,450</u>
Expenditures:				
Equipment	137,500	80,211	217,711	414,450
Total Expenditures	<u>137,500</u>	<u>80,211</u>	<u>217,711</u>	<u>414,450</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 210,450</u>	<u>\$ (13,711)</u>	<u>\$ 196,739</u>	<u>\$ - 0 -</u>

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	\$ 347,950
Additional Authorization	\$ 66,500
Change Orders	\$ -0-
Revised Authorized Cost	\$ 414,450
Change Order Percentage	0.00%
Percentage Completion	52.53%
Original Target Completion Date	08/15/14
Revised Target Completion Date	06/30/16

PROPRIETARY FUNDS

Exhibit G-1

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 51,560
Inventories	8,306
Other Accounts Receivable	<u>3,336</u>

Total Current Assets	<u>63,202</u>
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Non-Current Assets:

Capital Assets	147,693
Less: Accumulated Depreciation	<u>(115,152)</u>

Total Non-Current Assets	<u>32,541</u>
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Total Assets	<u>95,743</u>
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LIABILITIES:

Current Liabilities:

Accounts Payable - Vendors	50
Interfund Payable - General Fund	<u>27,917</u>

Total Current Liabilities	<u>27,967</u>
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Non-Current Liabilities:

Accrued Compensated Absences Payable	<u>19,125</u>
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Total Non-Current Liabilities	<u>19,125</u>
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Total Liabilities	<u>47,092</u>
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NET POSITION:

Net Investment in Capital Assets	32,541
Unrestricted	<u>16,110</u>

Total Net Position	<u><u>\$ 48,651</u></u>
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Exhibit G-2

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Operating Revenue:	
Local Sources:	
Daily Sales - Non-Reimbursable Programs	\$ 612,222
Special Events	4,557
	<hr/>
Total Operating Revenue	616,779
	<hr/>
Operating Expenses:	
Cost of Sales	210,008
Salaries, Benefits & Payroll Taxes	339,880
Supplies, Insurance & Other Costs	85,111
Depreciation Expense	5,493
	<hr/>
Total Operating Expenses	640,492
	<hr/>
Operating Loss	(23,713)
	<hr/>
Non-Operating Revenue:	
Interest Income	91
	<hr/>
Total Non-Operating Revenue	91
	<hr/>
Change in Net Position Before Special Item	(23,622)
	<hr/>
Special Item - Food Service Management Contractor Contribution	34,239
	<hr/>
Change in Net Position	10,617
	<hr/>
Net Position - Beginning of Year	38,034
	<hr/>
Net Position - End of Year	<u>\$ 48,651</u>

Exhibit G-3

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 616,779
Payments to Employees	(295,495)
Payments to Suppliers	<u>(369,557)</u>
Net Cash Used for Operating Activities	<u>(48,273)</u>
Cash Flows from Non-Capital Financing Activities:	
Operating Transfer In - FSMC Contribution	<u>34,239</u>
Net Cash Provided by Non-Capital Financing Activities	<u>34,239</u>
Cash Flows from Investing Activities:	
Interest Income	<u>91</u>
Net Cash Provided by Investing Activities	<u>91</u>
Net Decrease in Cash and Cash Equivalents	(13,943)
Cash and Cash Equivalents, July 1	<u>65,503</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 51,560</u></u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (23,713)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	5,493
Changes in Assets and Liabilities:	
Increase in Inventory	(1,211)
Increase in Accounts Receivable	(3,336)
Decrease in Interfund Receivable	19,118
Decrease in Accounts Payable	(69,891)
Increase in Interfund Payable	27,917
Decrease in Accrued Compensated Absences Payable	<u>(2,650)</u>
Net Cash Used for Operating Activities	<u><u>\$ (48,273)</u></u>

FIDUCIARY FUNDS

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

	Student Activities	Payroll Agency	Total Agency	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Flexible Benefits Trust	Totals
ASSETS:							
Cash and Cash Equivalents	\$ 307,359	\$ 250,394	\$ 557,753	\$ 69,694	\$ 76,783	\$ 11,611	\$ 715,841
Interfund Receivable:							
General Fund		1,094	1,094				1,094
Payroll Agency Fund				36,844			36,844
Total Assets	307,359	251,488	558,847	106,538	76,783	11,611	753,779
LIABILITIES:							
Interfund Payable:							
Unemployment Compensation Trust Fund		36,844	36,844				36,844
Payroll Deductions and Withholdings Due to Student Groups	307,359	214,644	307,359				307,359
Total Liabilities	307,359	251,488	558,847				558,847
NET POSITION:							
Held in Trust for:							
Unemployment Claims				106,538			106,538
Scholarships					76,783		76,783
Flexible Benefits Claims						11,611	11,611
Total Net Position	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 106,538	\$ 76,783	\$ 11,611	\$ 194,932

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Flexible Benefits Trust	Totals
ADDITIONS:				
Contributions:				
Employee	\$ 36,844		\$ 20,201	\$ 57,045
Donations		\$ 21,044		21,044
Total Contributions	36,844	21,044	20,201	78,089
Investment Earnings:				
Interest	78	413	12	503
Net Investment Earnings	78	413	12	503
Total Additions	36,922	21,457	20,213	78,592
DEDUCTIONS:				
Unemployment Compensation Claims	25,667			25,667
Scholarships Awarded		25,800		25,800
Flexible Benefits Claims			36,748	36,748
Total Deductions	25,667	25,800	36,748	88,215
Change in Net Position	11,255	(4,343)	(16,535)	(9,623)
Net Position - Beginning of the Year	95,283	81,126	28,146	204,555
Net Position - End of the Year	\$ 106,538	\$ 76,783	\$ 11,611	\$ 194,932

Exhibit H-3

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITIES AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS:				
Cash and Cash Equivalents	\$ 332,989	\$ 520,151	\$ 545,781	\$ 307,359
Total Assets	<u>\$ 332,989</u>	<u>\$ 520,151</u>	<u>\$ 545,781</u>	<u>\$ 307,359</u>
 LIABILITIES:				
Due to Student Groups	\$ 332,989	\$ 520,151	\$ 545,781	\$ 307,359
Total Liabilities	<u>\$ 332,989</u>	<u>\$ 520,151</u>	<u>\$ 545,781</u>	<u>\$ 307,359</u>

Exhibit H-4

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITIES AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Senior High Schools:				
West Morris Central and Mendham	\$ 332,456	\$ 494,192	\$ 519,856	\$ 306,792
West Morris Central Ice Hockey	2	25,959	25,925	36
West Morris Central Fencing	531			531
	<u>531</u>			<u>531</u>
Total All Schools	<u>\$ 332,989</u>	<u>\$ 520,151</u>	<u>\$ 545,781</u>	<u>\$ 307,359</u>

Exhibit H-5

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
ASSETS:				
Cash and Cash Equivalents	\$ 218,087	\$ 29,411,797	\$ 29,379,490	\$ 250,394
Interfund Receivable:				
General Fund	<u>12,257</u>	<u>1,094</u>	<u>12,257</u>	<u>1,094</u>
Total Assets	<u>\$ 230,344</u>	<u>\$ 29,412,891</u>	<u>\$ 29,391,747</u>	<u>\$ 251,488</u>
 LIABILITIES:				
Interfund Payable:				
Unemployment Compensation				
Trust Fund		\$ 36,844		\$ 36,844
Payroll Deductions				
and Withholdings	<u>\$ 230,344</u>	<u>29,376,047</u>	<u>\$ 29,391,747</u>	<u>214,644</u>
Total Liabilities	<u>\$ 230,344</u>	<u>\$ 29,412,891</u>	<u>\$ 29,391,747</u>	<u>\$ 251,488</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 Outstanding June 30, 2015		Interest Rate	Balance June 30, 2014	Matured	Balance June 30, 2015			
			Date	Amount							
Refunding School Bonds	11/29/11	\$ 17,850,000	5/1/16	\$ 1,525,000	5.00%						
			5/1/17	1,595,000	4.00%						
			5/1/18	175,000	3.50%						
			5/1/18	385,000	4.00%						
			5/1/18	1,100,000	5.00%						
			5/1/19	1,075,000	3.50%						
			5/1/19	665,000	4.00%						
			5/1/20	150,000	3.25%						
			5/1/20	655,000	4.00%						
			5/1/20	1,000,000	5.00%						
			5/1/21	1,815,000	4.00%						
			5/1/21	70,000	5.00%						
			5/1/22	1,000,000	4.50%						
			5/1/22	960,000	5.50%						
			5/1/23	1,000,000	4.50%						
			5/1/23	1,055,000	5.50%						
			5/1/24	1,100,000	4.50%						
5/1/24	1,050,000	5.50%				\$ 17,850,000	\$ 1,475,000	\$ 16,375,000			
									\$ 17,850,000	\$ 1,475,000	\$ 16,375,000

Exhibit I-2

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2014</u>	<u>Issued</u>	<u>Retired/ Matured</u>	<u>Balance June 30, 2015</u>
Lawn Mowers and Snow Blowers	2.10%	\$ 216,401	<u>\$ - 0 -</u>	<u>\$ 216,401</u>	<u>\$ 45,098</u>	<u>\$ 171,303</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (UNAUDITED)

	<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	\$ 2,273,550		\$ 2,273,550	\$ 2,273,550	
Total Revenue	<u>2,273,550</u>		<u>2,273,550</u>	<u>2,273,550</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	798,550		798,550	798,550	
Redemption of Principal	1,475,000		1,475,000	1,475,000	
Total Regular Debt Service	<u>2,273,550</u>		<u>2,273,550</u>	<u>2,273,550</u>	
Total Expenditures	<u>2,273,550</u>		<u>2,273,550</u>	<u>2,273,550</u>	
Excess of Revenue Over Expenditures	- 0 -		- 0 -	- 0 -	
Fund Balance, July 1	<u>- 0 -</u>		<u>- 0 -</u>	<u>- 0 -</u>	
Fund Balance, June 30	<u><u>\$ - 0 -</u></u>	<u><u>\$ - 0 -</u></u>	<u><u>\$ - 0 -</u></u>	<u><u>\$ - 0 -</u></u>	<u><u>\$ - 0 -</u></u>

STATISTICAL SECTION
(UNAUDITED)

STATISTICAL SECTION
(UNAUDITED)

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

Exhibit

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.

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

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.

J-10 thru J-13

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.

J-14 thru J-15

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.

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.

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

	June 30,				
	2011	2012	2013	2014 (Restated)	2015
Governmental Activities:					
Net Investment in Capital Assets	\$ 34,172,996	\$ 35,216,299	\$ 34,748,348	\$ 34,368,305	\$ 34,396,725
Restricted	6,155,345	5,542,469	6,253,644	6,439,065	5,244,474
Unrestricted/(Deficit)	(1,050,077)	(1,020,465)	(1,263,420)	(10,448,680)	(8,660,307)
Total Governmental Activities Net Position	<u>\$ 39,278,264</u>	<u>\$ 39,738,303</u>	<u>\$ 39,738,572</u>	<u>\$ 30,358,690</u>	<u>\$ 30,980,892</u>
Business-Type Activities:					
Net Investment in Capital Assets	\$ 57,593	\$ 50,920	\$ 44,247	\$ 38,034	\$ 32,541
Unrestricted	15,519	5,564			16,110
Total Business-Type Activities Net Position	<u>\$ 73,112</u>	<u>\$ 56,484</u>	<u>\$ 44,247</u>	<u>\$ 38,034</u>	<u>\$ 48,651</u>
District-Wide:					
Net Investment in Capital Assets	\$ 34,230,589	\$ 35,267,219	\$ 34,792,595	\$ 34,406,339	\$ 34,429,266
Restricted	6,155,345	5,542,469	6,253,644	6,439,065	5,244,474
Unrestricted/(Deficit)	(1,034,558)	(1,014,901)	(1,263,420)	(10,448,680)	(8,644,197)
Total District-Wide Net Position	<u>\$ 39,351,376</u>	<u>\$ 39,794,787</u>	<u>\$ 39,782,819</u>	<u>\$ 30,396,724</u>	<u>\$ 31,029,543</u>

Source: West Morris Regional High School District records.

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

	June 30,				
	2006	2007	2008	2009	2010
Governmental Activities:					
Net Investment in Capital Assets	\$ 19,305,426	\$ 19,541,234	\$ 23,520,657	\$ 32,904,897	\$ 34,204,719
Restricted	8,494,690	13,036,673	14,958,627	8,568,738	6,188,213
Unrestricted/(Deficit)	576,745	417,953	(1,477,874)	(1,631,149)	(1,591,462)
Total Governmental Activities Net Position	<u>\$ 28,376,861</u>	<u>\$ 32,995,860</u>	<u>\$ 37,001,410</u>	<u>\$ 39,842,486</u>	<u>\$ 38,801,470</u>
Business-Type Activities:					
Net Investment in Capital Assets	\$ 34,923	\$ 27,386	\$ 34,335	\$ 53,260	\$ 64,266
Unrestricted	199,955	115,055	61,142	7,639	
Total Business-Type Activities Net Position	<u>\$ 234,878</u>	<u>\$ 142,441</u>	<u>\$ 95,477</u>	<u>\$ 60,899</u>	<u>\$ 64,266</u>
District-Wide:					
Net Investment in Capital Assets	\$ 19,340,349	\$ 19,568,620	\$ 23,554,992	\$ 32,958,157	\$ 34,268,985
Restricted	8,494,690	13,036,673	14,958,627	8,568,738	6,188,213
Unrestricted/(Deficit)	776,700	533,008	(1,416,732)	(1,623,510)	(1,591,462)
Total District-Wide Net Position	<u>\$ 28,611,739</u>	<u>\$ 33,138,301</u>	<u>\$ 37,096,887</u>	<u>\$ 39,903,385</u>	<u>\$ 38,865,736</u>

Source: West Morris Regional High School District records.

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

	Fiscal Year Ended June 30,				
	2011	2012	2013	2014	2015
Expenses:					
Governmental Activities:					
Instruction:					
Regular	\$ 20,223,962	\$ 21,212,035	\$ 21,984,326	\$ 21,969,083	\$ 24,814,290
Special Education	3,418,895	3,539,992	3,781,193	3,809,040	4,306,828
Other Instruction	2,905,464	2,944,887	3,055,851	3,088,277	3,508,063
Support Services:					
Tuition	2,959,570	2,930,014	2,547,951	2,803,150	3,300,090
Student and Instruction Related Services	6,125,142	5,973,399	6,457,607	6,219,532	7,608,338
General Administration Services	942,224	970,327	977,377	1,112,496	991,618
School Administration Services	2,013,144	2,098,282	2,543,345	2,361,168	2,550,334
Central Services	532,619	527,544	548,817	562,932	566,463
Administrative Information Technology	618,921	638,576	729,339	865,858	835,980
Plant Operations and Maintenance	3,631,588	3,208,073	3,381,931	3,612,729	3,667,203
Pupil Transportation	2,680,860	2,858,984	2,770,169	3,153,997	3,299,484
Interest on Long-Term Debt	1,084,793	877,167	863,136	783,095	721,298
Unallocated Depreciation	1,883,717	1,901,655	1,929,377	1,932,450	1,946,031
Total Governmental Activities Expenses	<u>49,020,899</u>	<u>49,680,935</u>	<u>51,570,419</u>	<u>52,273,807</u>	<u>58,116,020</u>
Business-Type Activities:					
Enterprise Funds	737,661	754,356	780,390	707,857	640,492
Total Business-Type Activities Expense	<u>737,661</u>	<u>754,356</u>	<u>780,390</u>	<u>707,857</u>	<u>640,492</u>
Total District-Wide Expenses	<u>\$ 49,758,560</u>	<u>\$ 50,435,291</u>	<u>\$ 52,350,809</u>	<u>\$ 52,981,664</u>	<u>\$ 58,756,512</u>
Program Revenues:					
Governmental Activities:					
Charges for Services:					
Tuition	\$ 65,086	\$ 80,419	\$ 42,269	\$ 80,615	\$ 73,169
Operating Grants and Contributions	6,726,130	7,460,240	8,391,960	7,939,395	13,529,836
Capital Grants and Contributions	276,036	117,776	39,222	(795)	155,800
Total Governmental Activities	<u>7,067,252</u>	<u>7,658,435</u>	<u>8,473,451</u>	<u>8,019,215</u>	<u>13,758,805</u>
Business-Type Activities:					
Charges for Services:					
Enterprise Funds	746,384	774,394	737,156	655,801	616,779
Total Business Type Activities	<u>746,384</u>	<u>774,394</u>	<u>737,156</u>	<u>655,801</u>	<u>616,779</u>
Total District-Wide Program Revenues	<u>\$ 7,813,636</u>	<u>\$ 8,432,829</u>	<u>\$ 9,210,607</u>	<u>\$ 8,675,016</u>	<u>\$ 14,375,584</u>

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

	Fiscal Year Ended June 30,				
	2011	2012	2013	2014	2015
Net (Expense)/Revenue:					
Governmental Activities	\$(41,953,647)	\$(42,022,500)	\$(43,096,968)	\$(44,254,592)	\$(44,357,215)
Business-Type Activities	8,723	20,038	(43,234)	(52,056)	(23,713)
Total District-Wide Net Expense/(Revenue)	<u>\$ (41,944,924)</u>	<u>\$ (42,002,462)</u>	<u>\$ (43,140,202)</u>	<u>\$ (44,306,648)</u>	<u>\$ (44,380,928)</u>
General Revenues & Other Changes in Net Position:					
Governmental Activities:					
Property Taxes Levied for General Purposes, Net	\$ 38,638,243	\$ 38,638,243	\$ 39,285,434	\$ 40,071,143	\$ 40,804,192
Taxes Levied for Debt Service	2,374,400	2,373,181	2,318,238	2,229,437	2,273,550
Federal and State Aid Not Restricted	785,096	1,034,537	1,259,537	1,272,751	1,323,519
Investment Earnings	24,465	18,444	14,119	21,072	21,863
Miscellaneous Income	608,237	381,383	455,121	378,413	556,293
Transfers		36,751	(30,930)	(15,265)	
Total Governmental Activities	<u>42,430,441</u>	<u>42,482,539</u>	<u>43,301,519</u>	<u>43,957,551</u>	<u>44,979,417</u>
Business-Type Activities:					
Investment Earnings	123	85	67	87	91
Transfers		(36,751)	30,930	45,756	
Special Item - FSMC Contribution					34,239
Total Business-Type Activities	<u>123</u>	<u>(36,666)</u>	<u>30,997</u>	<u>45,843</u>	<u>34,330</u>
Total District-Wide Revenues & Other Changes in Net Position	<u>\$ 42,430,564</u>	<u>\$ 42,445,873</u>	<u>\$ 43,332,516</u>	<u>\$ 44,003,394</u>	<u>\$ 45,013,747</u>
Change in Net Position					
Governmental Activities	\$ 476,794	\$ 460,039	\$ 204,551	\$ (297,041)	\$ 622,202
Business-Type Activities	8,846	(16,628)	(12,237)	(6,213)	10,617
Total District-Wide Change in Net Position	<u>\$ 485,640</u>	<u>\$ 443,411</u>	<u>\$ 192,314</u>	<u>\$ (303,254)</u>	<u>\$ 632,819</u>

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

	Fiscal Year Ended June 30,				
	2006	2007	2008	2009	2010
Expenses:					
Governmental Activities:					
Instruction:					
Regular	\$ 18,618,437	\$ 19,937,621	\$ 20,456,087	\$ 19,896,754	\$ 20,064,790
Special Education	2,917,423	3,296,213	3,419,386	3,366,034	3,462,401
Other Special Instruction	58,296	109,196	27,394	5,234	
Other Instruction	2,299,246	2,442,343	2,625,068	2,805,379	2,924,041
Support Services:					
Tuition	1,707,244	2,016,424	2,211,096	1,988,958	2,908,145
Student and Instruction Related Services	5,631,604	5,839,198	5,825,514	5,904,264	6,394,322
General Administration Services	1,090,720	1,026,098	1,050,802	1,129,984	1,113,489
School Administration Services	1,954,939	2,196,272	2,220,565	2,254,675	2,285,167
Central Services	570,714	569,969	649,039	585,959	583,789
Administrative Information Technology	277,496	327,365	442,914	475,998	605,742
Plant Operations and Maintenance	3,124,645	3,313,369	3,771,588	3,495,803	3,647,911
Pupil Transportation	2,154,741	2,428,992	2,768,514	2,827,033	2,939,987
Capital Outlay					
Interest on Long-Term Debt	1,354,937	1,295,231	1,233,128	1,188,620	1,137,903
Unallocated Depreciation	76,786	76,786	1,164,735	1,216,272	1,840,093
Total Governmental Activities Expenses	<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>
Business-Type Activities:					
Enterprise Funds	904,557	869,034	792,837	744,888	793,161
Total Business-Type Activities Expense	<u>904,557</u>	<u>869,034</u>	<u>792,837</u>	<u>744,888</u>	<u>793,161</u>
Total District-Wide Expenses	<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>
Program Revenues:					
Governmental Activities:					
Charges for Services:					
Tuition	\$ 90,160	\$ 4,062	\$ 16,500	\$ 8,214	\$ 14,477
Operating Grants and Contributions	5,253,231	6,938,133	6,879,855	5,886,685	6,581,091
Capital Grants and Contributions	1,310,950	2,216,480	4,990,809	1,928,440	322,262
Total Governmental Activities	<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>
Business-Type Activities:					
Charges for Services:					
Enterprise Funds	834,137	762,083	723,537	708,621	759,541
Total Business Type Activities	<u>834,137</u>	<u>762,083</u>	<u>723,537</u>	<u>708,621</u>	<u>759,541</u>
Total District-Wide Program Revenues	<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>

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

	Fiscal Year Ended June 30,				
	2006	2007	2008	2009	2010
Expenses:					
Net (Expense)/Revenue:					
Governmental Activities	\$(35,182,887)	\$(35,716,402)	\$(35,978,666)	\$(39,317,628)	\$(42,989,950)
Business-Type Activities	(70,420)	(106,951)	(69,300)	(36,267)	(33,620)
Total District-Wide Net Expense/(Revenue)	<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>
General Revenues & Other Changes in Net Position:					
Governmental Activities:					
Property Taxes Levied for General Purposes, Net	\$ 30,792,945	\$ 33,202,895	\$ 34,821,294	\$ 36,686,159	\$ 37,672,234
Taxes Levied for Debt Service	2,293,544	1,748,062	2,272,613	2,227,853	2,376,888
Federal and State Aid Not Restricted	3,220,850	3,293,343	3,445,517	2,658,058	1,425,925
Investment Earnings	1,514,488	1,764,886	925,056	124,511	36,507
Miscellaneous Income	263,280	326,215	437,158	462,123	474,131
Total Governmental Activities	<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>
Business-Type Activities:					
Investment Earnings	13,794	14,514	7,851	1,689	236
Total Business-Type Activities	<u>13,794</u>	<u>14,514</u>	<u>7,851</u>	<u>1,689</u>	<u>36,987</u>
Total District-Wide Revenues & Other Changes in Net Position	<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>
Change in Net Position					
Governmental Activities	\$ 2,902,220	\$ 4,618,999	\$ 5,922,972	\$ 2,841,076	\$ (1,041,016)
Business-Type Activities	(56,626)	(92,437)	(61,449)	(34,578)	3,367
Total District-Wide Change in Net Position	<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>

Source: West Morris Regional High School District records.

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

	June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Reserved	\$ 2,286,369	\$ 5,032,234	\$ 6,062,654	\$ 7,019,038	\$5,132,100					
Unreserved	2,865,603	2,673,476	800,162	678,494	667,809					
Restricted						\$4,675,926	\$4,781,239	\$6,165,875	\$6,439,065	\$5,244,474
Assigned						371,557	829,696	845,946	277,124	440,239
Unassigned						875,180	754,510	768,610	859,501	943,630
Total General Fund	\$ 5,151,972	\$ 7,705,710	\$ 6,862,816	\$ 7,697,532	\$5,799,909	\$5,922,663	\$6,365,445	\$7,780,431	\$7,575,690	\$6,628,343
Other Governmental Funds:										
Reserved	\$ 8,452,248	\$ 24,148,361	\$ 7,398,105	\$ 884,078	\$ 62,557					
Unreserved (Deficit):										
Capital Projects Fund	18,653,647	(1,891,799)	1,348,471	665,622	993,556					
Debt Service Fund	736,667	256,305	149,397							
Committed						\$ 824,753	\$ 292,280	\$ 182,598	\$ 425,955	\$1,537,387
Restricted						654,666	742,435	87,769		
Total Other Governmental Funds	\$ 27,842,562	\$ 22,512,867	\$ 8,895,973	\$ 1,549,700	\$1,056,113	\$1,479,419	\$1,034,715	\$ 270,367	\$ 425,955	\$1,537,387
Total Governmental Funds	\$ 32,994,534	\$ 30,218,577	\$ 15,758,789	\$ 9,247,232	\$6,856,022	\$7,402,082	\$7,400,160	\$8,050,798	\$8,001,645	\$8,165,730

Source: West Morris Regional High School District records.

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Tax Levy	\$ 33,086,489	\$ 34,950,957	\$ 37,093,907	\$ 38,914,012	\$ 40,049,122	\$ 41,012,643	\$ 41,011,424	\$ 41,603,672	\$ 42,300,580	\$ 43,077,742
Tuition Charges	90,160	4,062	16,500	8,214	14,477	65,086	80,419	42,269	80,615	73,169
Interest Earned on Investments	1,364,516	1,653,401	881,357	117,333	28,222	16,037	15,813	12,075	16,564	17,621
Interest Earned on Capital Reserve Funds	149,972	111,485	43,699	7,178	8,285	8,428	2,405	1,704	1,975	1,617
Interest Earned on Maintenance Reserve Funds							226	340	2,533	2,625
Miscellaneous	272,591	343,574	444,046	468,632	478,254	623,983	387,899	434,729	400,923	589,790
State Sources	9,363,710	11,747,578	14,710,028	10,231,172	6,780,460	6,836,911	7,936,175	8,930,709	8,633,141	9,472,191
Federal Sources	412,010	683,019	599,265	235,502	1,544,695	934,605	669,862	738,441	555,700	565,267
Total Revenue	44,739,448	49,494,076	53,788,802	49,982,043	48,903,515	49,497,693	50,104,223	51,763,939	51,992,031	53,800,022
Expenditures:										
Instruction:										
Regular Instruction	13,469,060	13,783,243	14,545,875	15,092,264	14,954,098	15,003,208	15,597,634	15,637,831	15,811,116	15,490,130
Special Education Instruction	2,179,513	2,249,244	2,447,997	2,561,734	2,640,467	2,571,918	2,592,282	2,705,921	2,731,114	2,645,917
Other Special Instruction	43,288	76,397	19,260	3,933						
Other Instruction	1,801,973	1,854,460	1,968,303	2,102,864	2,256,111	2,235,421	2,245,001	2,261,447	2,291,024	2,285,678
Support Services:										
Tuition	1,707,244	2,016,424	2,211,096	1,988,958	2,908,145	2,959,570	2,930,014	2,547,951	2,803,150	3,300,090
Student and Instruction Related Services	4,418,614	4,504,451	4,753,924	4,716,834	4,828,718	4,614,821	4,527,243	4,671,352	4,542,457	4,897,689
General Administration Services	1,008,458	934,946	957,026	984,509	1,003,182	846,592	871,751	873,782	1,002,854	889,528
School Administration Services	1,539,826	1,568,285	1,661,299	1,701,501	1,724,402	1,534,665	1,539,499	1,796,106	1,631,257	1,663,484
Central Services	478,472	492,265	506,852	503,860	491,391	444,115	441,597	461,963	453,434	454,065
Administrative Information Technology	228,558	264,511	303,777	328,383	437,967	443,472	443,606	520,056	679,835	664,752
Plant Operations and Maintenance	2,717,106	2,860,859	3,404,183	3,190,911	3,250,643	3,117,606	2,761,839	2,892,073	3,109,468	3,167,809
Pupil Transportation	2,103,626	2,372,372	2,704,733	2,777,883	2,870,390	2,611,165	2,779,232	2,688,297	3,072,734	3,230,246

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenditures:										
Unallocated Benefits	\$ 7,390,042	\$ 9,227,981	\$ 9,592,979	\$ 8,554,197	\$ 9,295,640	\$ 9,230,522	\$ 9,973,938	\$ 11,339,066	\$ 11,144,672	\$ 11,787,867
Debt Service:										
Principal	1,000,000	1,060,000	1,123,000	1,185,000	1,235,000	1,285,000	1,340,000	1,395,000	1,455,000	1,475,000
Interest and Other Charges	1,376,407	1,317,820	1,256,521	1,192,250	1,141,888	1,089,400	945,412	923,238	862,206	798,550
Capital Outlay	4,442,004	7,686,775	20,791,765	9,608,519	2,219,932	964,158	1,153,848	410,249	435,598	1,101,533
Total Expenditures	<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>	<u>50,142,896</u>	<u>51,124,332</u>	<u>52,025,919</u>	<u>53,852,338</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<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>	546,060	(38,673)	639,607	(33,888)	(52,316)
Other Financing Sources (Uses)										216,401
Capital Leases (Non-Budgeted)								41,961		
Superstorm Sandy Insurance Claims							36,751	1,257,985	573,161	1,455,477
Transfers In								(1,288,915)	(588,426)	(1,455,477)
Transfers Out					(36,751)				(15,265)	216,401
Total Other Financing Sources (Uses)					<u>(36,751)</u>		<u>36,751</u>	<u>11,031</u>	<u>(15,265)</u>	<u>216,401</u>
Net Change in Fund Balances	<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>	<u>\$ (1,922)</u>	<u>\$ 650,638</u>	<u>\$ (49,153)</u>	<u>\$ 164,085</u>
Debt Service as a Percentage of Noncapital Expenditures	5.73%	5.33%	5.01%	5.07%	4.85%	4.95%	4.67%	4.57%	4.49%	4.31%

Source: West Morris Regional High School District records.

Exhibit J-5

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
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
2012	80,419	18,093	25,778	355,605	479,895
2013	42,269	13,817	26,870	386,290	469,246
2014	80,615	21,069	35,292	343,121	480,097
2015	73,169	21,855	66,602	489,691	651,317

Source: West Morris Regional High School District records.

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

Chester Borough

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities *	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^o	Estimated Actual (County Equalized Value)
2005	\$ 5,229,200	\$ 217,617,700	\$ 3,545,100	\$ 67,200	#####	\$ - 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
2011	4,445,100	213,716,600	1,167,400	53,400	158,600,100	- 0 -	1,840,800	379,823,400	8,165	379,831,565	41,180,500	0.35	440,171,759
2012	3,863,100	215,325,700	1,173,600	55,800	155,431,300	- 0 -	1,837,700	377,687,200	- 0 -	377,687,200	41,151,200	0.38	416,711,405
2013	3,369,700	207,567,300	1,160,100	55,800	155,137,100	- 0 -	1,795,300	369,085,300	- 0 -	369,085,300	40,893,000	0.40	402,175,524
2014	3,114,800	214,814,100	1,180,100	55,800	156,563,800	- 0 -	1,849,100	377,577,700	- 0 -	377,577,700	41,616,200	0.40	387,561,161

Chester Township

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities *	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^o	Estimated Actual (County Equalized Value)
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 *
2011	18,576,400	1,670,362,000	91,688,600	1,227,800	49,731,900	3,908,600	835,200	1,836,330,500	2,179,636	1,838,510,136	230,806,900	0.51	2,063,339,316
2012	16,979,400	1,668,358,200	89,086,500	1,213,200	49,761,800	3,908,600	835,200	1,830,142,900	2,310,658	1,832,453,558	231,185,900	0.52	2,003,040,867
2013	14,619,500	1,664,309,100	88,383,100	1,228,000	48,990,700	2,469,700	835,200	1,820,835,300	442,529	1,821,277,829	232,195,400	0.55	1,917,321,277
2014	13,704,800	1,663,455,100	88,665,800	1,224,900	48,804,500	2,469,700	835,200	1,819,160,000	372,270	1,819,532,270	234,237,700	0.56	1,894,076,792

Mendham Borough

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities *	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^o	Estimated Actual (County Equalized Value)
2005	\$ 7,851,304	\$ 544,056,600	\$ 15,421,400	\$ 841,011	\$ 55,412,000	\$ -	\$ 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 *	1,511,328,993 *
2011	7,898,100	1,105,338,700	63,764,800	378,500	109,617,500	- 0 -	2,342,200	1,289,339,800	2,300,875	1,291,640,675	123,773,600	0.47	1,410,302,723
2012	7,384,900	1,101,185,800	66,422,700	394,600	109,079,300	- 0 -	2,342,200	1,286,809,500	2,300,875	1,289,110,375	123,773,600	0.47	1,377,289,533
2013	7,771,700	1,097,277,400	66,897,700	397,100	105,202,000	- 0 -	2,342,200	1,279,888,100	2,287,733	1,282,175,833	124,763,600	0.48	1,354,282,340
2014	8,207,800	1,100,795,200	66,843,500	400,500	103,997,100	- 0 -	2,342,200	1,282,586,300	1,927,735	1,284,514,035	124,763,600	0.52	1,361,837,683

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN 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)
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
2011	28,338,400	1,751,185,500	98,208,100	594,200	10,150,000	2,100	- 0 -	1,888,478,300	1,446,047	1,889,924,347	152,824,000	0.48	2,083,317,102
2012	26,460,500	1,746,400,700	105,180,500	607,200	10,162,400	2,100	- 0 -	1,888,813,400	1,446,047	1,890,259,447	152,447,200	0.50	2,010,591,255
2013	26,692,700	1,743,151,500	104,058,700	622,500	10,162,400	2,100	- 0 -	1,884,689,900	1,537,902	1,886,227,802	152,592,200	0.52	1,951,547,561
2014	23,995,000	1,733,473,800	109,314,900	617,800	10,162,400	2,100	- 0 -	1,877,566,000	1,239,350	1,878,805,350	152,605,300	0.52	1,895,672,519

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)
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 *
2011	36,687,200	2,467,409,800	115,743,900	4,396,700	125,513,400	34,966,600	35,481,100	2,820,198,700	4,384,292	2,824,582,992	244,640,300	0.53	3,152,132,846
2012	34,941,700	2,469,983,800	115,719,400	4,328,500	122,484,700	34,966,600	35,430,900	2,817,855,600	4,013,846	2,821,869,446	248,566,600	0.53	3,051,555,188
2013	31,560,000	2,478,920,800	115,230,000	4,334,500	119,232,700	34,966,400	35,358,200	2,819,602,600	1,383,066	2,820,985,666	252,694,900	0.52	2,896,200,018
2014	30,285,400	2,473,660,800	115,685,500	4,434,000	119,360,900	32,800,100	35,358,200	2,811,584,900	939,069	2,812,523,969	253,470,500	0.52	2,812,947,929

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 or reassessment of real property was effective in this year.

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		Chester Borough	Chester		
		Obligation Debt ^b	Total Direct		Borough Schools	Morris County	
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
2011	0.33	0.02	0.35	0.84	0.95	0.27	2.41
2012	0.36	0.02	0.38	0.86	0.94	0.27	2.45
2013	0.38	0.02	0.40	0.90	0.96	0.28	2.54
2014	0.38	0.02	0.40	0.90	0.94	0.26	2.50

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		Chester Township	Chester		
		Obligation Debt ^b	Total Direct		Township Schools	Morris County	
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 *
2011	0.48	0.03	0.51	0.49	0.91	0.27	2.18
2012	0.49	0.03	0.52	0.51	0.92	0.27	2.22
2013	0.52	0.03	0.55	0.52	0.93	0.27	2.27
2014	0.53	0.03	0.56	0.52	0.95	0.27	2.30

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			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Direct Rate			Mendham			
	Basic Rate ^a	Obligation Debt ^b	Total Direct	Mendham Borough	Borough Schools	Morris County	
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 *
2011	0.44	0.03	0.47	0.43	0.75	0.26	1.91
2012	0.44	0.03	0.47	0.43	0.76	0.26	1.92
2013	0.45	0.03	0.48	0.43	0.77	0.27	1.95
2014	0.49	0.03	0.52	0.45	0.78	0.27	2.02

Mendham Township

Year Ended December 31,	West Morris Regional High School			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Direct Rate			Mendham			
	Basic Rate ^a	Obligation Debt ^b	Total Direct	Mendham Township	Township Schools	Morris County	
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 *
2011	0.45	0.03	0.48	0.36	0.80	0.26	1.90
2012	0.47	0.03	0.50	0.36	0.80	0.26	1.92
2013	0.49	0.03	0.52	0.36	0.80	0.26	1.94
2014	0.49	0.03	0.52	0.38	0.82	0.26	1.98

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	Obligation Debt ^b	Total Direct	Township	Township Schools	Morris County	
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 *
2011	0.50	0.03	0.53	0.40	1.14	0.26	2.33
2012	0.50	0.03	0.53	0.41	1.13	0.27	2.34
2013	0.49	0.03	0.52	0.42	1.13	0.26	2.33
2014	0.49	0.03	0.52	0.43	1.15	0.26	2.36

* - Property revaluation or reassessment was 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.

Source: Municipal Tax Collectors and School Business Administrator.

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

Chester Borough

<u>Taxpayer</u>	<u>2014</u>		<u>Taxpayer</u>	<u>2005</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>
Chester Springs LLC	\$ 26,500,000	7.02%	Chester Springs LLC	\$ 25,824,400	6.96%
CPP Streets of Chester LLC	18,000,000	4.77%	NS-MPG, Inc.	8,981,300	2.42%
Savro LLC/Chester Shopping Mall	6,405,000	1.70%	Savro LLC	6,161,500	1.66%
ARC RBCSR NJ Zero Zero One LLC	5,920,000	1.57%	Williamson Associates	3,708,000	1.00%
Williamson Associates	3,725,000	0.99%	Sprint	2,143,491	0.58%
Turkey Farm Acquisition LLC	2,909,100	0.77%	Chester Franklin Associates	2,011,400	0.54%
95 West Main Associates	2,900,000	0.77%	Turkey Farm Acquisition LLC	1,920,100	0.52%
DeSapio Real Estate Development LLC	2,400,000	0.64%	AJ Weite Enterprises	1,764,800	0.48%
MGHC Group LLC	2,240,000	0.59%	Group 206 North Associates	1,653,800	0.45%
MGHC II Group LLC	1,760,000	0.47%	Peapack Gladstone Bank	1,583,000	0.43%
Total	\$ 72,759,100	19.27%	Total	\$ 55,751,791	15.04%

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: Chester Borough Tax Assessor.

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

Chester Township

Taxpayer	2014		Taxpayer	2005	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Individual Taxpayer #1	\$ 4,309,200	0.24%	Welkind Rehabilitation Hospital, Inc.	\$ 6,170,200	0.63%
Individual Taxpayer #2	3,732,500	0.21%	Individual Taxpayer #1	5,040,000	0.51%
Individual Taxpayer #3	3,485,100	0.19%	Individual Taxpayer #2	4,324,000	0.44%
Individual Taxpayer #4	3,124,900	0.17%	Individual Taxpayer #3	4,034,600	0.41%
Individual Taxpayer #5	3,008,300	0.17%	Individual Taxpayer #4	3,843,000	0.39%
Individual Taxpayer #6	2,732,100	0.15%	Individual Taxpayer #5	3,383,800	0.34%
Individual Taxpayer #7	2,621,700	0.14%	Individual Taxpayer #6	3,125,500	0.32%
Individual Taxpayer #8	2,536,100	0.14%	P&N Di Paola, LLC	3,125,000	0.32%
Individual Taxpayer #9	2,319,200	0.13%	Individual Taxpayer #7	3,124,400	0.32%
Individual Taxpayer #10	2,319,100	0.13%	Individual Taxpayer #8	3,111,300	0.32%
Total	<u>\$ 30,188,200</u>	<u>1.66%</u>	Total	<u>\$ 39,281,800</u>	<u>4.00%</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 Borough

<u>Taxpayer</u>	<u>2014</u>		<u>Taxpayer</u>	<u>2005</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>
V-Fee Realty	\$ 22,000,000	1.71%	Mendham Investment Company	\$ 12,400,000	1.98%
Roxiticus Golf Club	10,003,700	0.78%	Roxiticus Golf Club, Inc.	5,510,200	0.88%
Holly Manor	8,558,600	0.67%	Holly Manor Assoc. of NJ	4,587,100	0.73%
Individual Taxpayer #1	6,430,800	0.50%	Individual Taxpayer #1	3,750,080	0.60%
Individual Taxpayer #2	5,652,500	0.44%	Individual Taxpayer #2	3,585,900	0.57%
Individual Taxpayer #3	5,379,200	0.42%	Individual Taxpayer #3	3,538,800	0.57%
Individual Taxpayer #4	5,224,100	0.41%	Individual Taxpayer #4	3,406,755	0.54%
MTWOL Associates, LLC	4,552,900	0.35%	Individual Taxpayer #5	3,035,100	0.48%
Individual Taxpayer #5	4,398,200	0.34%	Individual Taxpayer #6	3,032,500	0.48%
Individual Taxpayer #6	4,294,900	0.33%	Individual Taxpayer #7	3,001,200	0.48%
Total	\$ 76,494,900	5.95%	Total	\$ 45,847,635	7.31%

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

Taxpayer	2014		Taxpayer	2005	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Shemy, LLC	\$ 8,454,200	0.45%	Woodland Lakes, Inc.	\$ 6,830,600	0.32%
Woodland Lakes, Inc.	7,795,500	0.41%	Mendham Golf & Tennis Club	5,942,800	0.28%
Mendham Golf & Tennis Club	6,199,400	0.33%	Individual Taxpayer #1	5,770,400	0.27%
Southeast Morris County MUA	4,870,100	0.26%	Individual Taxpayer #2	5,640,700	0.27%
Individual Taxpayer #1	4,097,300	0.22%	Individual Taxpayer #3	5,251,800	0.25%
Individual Taxpayer #2	3,985,600	0.21%	Sisters of John the Baptist	5,134,000	0.24%
Desiree Farm, LLC	3,850,000	0.20%	Individual Taxpayer #4	5,083,400	0.24%
Individual Taxpayer #3	3,800,000	0.20%	Individual Taxpayer #5	5,047,500	0.24%
Individual Taxpayer #4	3,603,300	0.19%	Individual Taxpayer #6	4,859,700	0.23%
Individual Taxpayer #5	3,560,600	0.19%	Southeast Morris County MUA	4,640,300	0.22%
Total	\$ 50,216,000	2.66%	Total	\$ 54,201,200	2.56%

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	2014		Taxpayer	2005	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Heath Village	\$ 21,761,200	0.77%	Heath Village	\$ 12,786,900	0.77%
Target Corporation	15,900,000	0.57%	Peachtree Village, LP	6,850,000	0.41%
2085 Realty Partners, LLC	12,519,100	0.45%	Kings Highway Investment Co., LLC	6,849,400	0.41%
Peachtree Village, LP	10,250,000	0.36%	The Great Atlantic & Pacific Tea Co.	4,350,000	0.26%
Bay Ridge Motor Sales	7,940,000	0.28%	Transistor Devices, Inc.	4,285,700	0.26%
Transistor Devices, Inc.	7,605,500	0.27%	WSG Minebrook IV, LLC	3,952,000	0.24%
Amerace ESNA Corporation	6,178,400	0.22%	Amerace ESNA Corporation	3,600,000	0.22%
Black Oak Golf Club	6,036,500	0.21%	Columbia Gas Transmission Corporation	3,481,000	0.21%
Columbia Gas Transmission Corporation	5,872,300	0.21%	Individual Taxpayer #1	3,312,100	0.20%
Long Valley Shopping Center	5,500,000	0.20%	Individual Taxpayer #2	2,379,400	0.14%
Total	\$ 99,563,000	3.54%	Total	\$ 51,846,500	3.12%

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	
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 -
2012	1,270,174	1,270,174	100.00%	- 0 -
2013	1,571,270	1,571,270	100.00%	- 0 -
2014	1,381,831	1,381,831	100.00%	- 0 -
2015	1,602,084	1,602,084	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	
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 -
2012	9,553,093	9,553,093	100.00%	- 0 -
2013	9,547,871	9,547,871	100.00%	- 0 -
2014	10,309,802	10,309,802	100.00%	- 0 -
2015	10,047,830	10,047,830	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 FISCAL 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	
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 -
2012	6,011,625	6,011,625	100.00%	- 0 -
2013	6,020,739	6,020,739	100.00%	- 0 -
2014	6,423,969	6,423,969	100.00%	- 0 -
2015	6,871,925	6,871,925	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	
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 -
2012	9,250,500	9,250,500	100.00%	- 0 -
2013	9,739,185	9,739,185	100.00%	- 0 -
2014	9,681,323	9,681,323	100.00%	- 0 -
2015	10,029,619	10,029,619	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 FISCAL 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	
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 -
2012	14,926,032	14,926,032	100.00%	- 0 -
2013	14,724,607	14,724,607	100.00%	- 0 -
2014	14,503,655	14,503,655	100.00%	- 0 -
2015	14,526,284	14,526,284	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.

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

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			
2006	\$ 1,003,930	\$ - 0 -	\$ - 0 -	\$ 1,003,930	0.93%	\$ 617.80
2007	1,037,141	- 0 -	- 0 -	1,037,141	0.92%	642.19
2008	825,058	- 0 -	- 0 -	825,058	0.70%	500.04
2009	870,328	- 0 -	- 0 -	870,328	0.78%	525.24
2010	868,648	- 0 -	- 0 -	868,648	0.77%	526.45
2011	761,866	- 0 -	- 0 -	761,866	0.64%	457.30
2012	641,104	- 0 -	- 0 -	641,104	0.51%	384.35
2013	729,103	- 0 -	- 0 -	729,103	0.58%	434.51
2014	583,105	- 0 -	- 0 -	583,105	0.46%	348.33
2015	608,995	- 0 -	6,371	615,366	0.49%	367.60

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			
2006	\$ 6,732,374	\$ - 0 -	\$ - 0 -	\$ 6,732,374	1.31%	\$ 876.61
2007	6,288,178	- 0 -	- 0 -	6,288,178	1.18%	821.23
2008	6,253,249	- 0 -	- 0 -	6,253,249	1.13%	814.76
2009	5,730,159	- 0 -	- 0 -	5,730,159	1.10%	745.53
2010	5,396,025	- 0 -	- 0 -	5,396,025	1.00%	685.82
2011	5,184,349	- 0 -	- 0 -	5,184,349	0.91%	655.00
2012	4,821,804	- 0 -	- 0 -	4,821,804	0.81%	607.43
2013	4,430,418	- 0 -	- 0 -	4,430,418	0.74%	556.66
2014	4,350,530	- 0 -	- 0 -	4,350,530	0.73%	547.58
2015	3,819,449	- 0 -	39,956	3,859,405	0.65%	485.77

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			
2006	\$ 4,362,876	\$ - 0 -	\$ - 0 -	\$ 4,362,876	1.29%	\$ 859.00
2007	4,133,100	- 0 -	- 0 -	4,133,100	1.18%	821.53
2008	4,006,451	- 0 -	- 0 -	4,006,451	1.10%	792.73
2009	3,802,229	- 0 -	- 0 -	3,802,229	1.11%	751.73
2010	3,826,612	- 0 -	- 0 -	3,826,612	1.12%	767.78
2011	3,437,841	- 0 -	- 0 -	3,437,841	0.95%	686.06
2012	3,034,292	- 0 -	- 0 -	3,034,292	0.81%	603.84
2013	2,793,752	- 0 -	- 0 -	2,793,752	0.74%	556.52
2014	2,710,787	- 0 -	- 0 -	2,710,787	0.72%	542.27
2015	2,612,202	- 0 -	27,327	2,639,529	0.70%	528.01

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			
2006	\$ 6,200,560	\$ - 0 -	\$ - 0 -	\$ 6,200,560	1.70%	\$ 1,133.35
2007	6,343,139	- 0 -	- 0 -	6,343,139	1.66%	1,158.99
2008	5,918,398	- 0 -	- 0 -	5,918,398	1.50%	1,081.58
2009	5,744,815	- 0 -	- 0 -	5,744,815	1.55%	1,047.18
2010	5,297,321	- 0 -	- 0 -	5,297,321	1.32%	904.60
2011	5,063,160	- 0 -	- 0 -	5,063,160	1.20%	860.94
2012	4,669,073	- 0 -	- 0 -	4,669,073	1.06%	791.50
2013	4,519,192	- 0 -	- 0 -	4,519,192	1.02%	766.22
2014	4,085,325	- 0 -	- 0 -	4,085,325	0.93%	694.55
2015	3,812,526	- 0 -	39,884	3,852,410	0.87%	654.95

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			
2006	\$ 10,339,260	\$ - 0 -	\$ - 0 -	\$ 10,339,260	0.85%	\$ 565.11
2007	9,777,442	- 0 -	- 0 -	9,777,442	0.77%	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	0.68%	466.12
2011	8,303,784	- 0 -	- 0 -	8,303,784	0.62%	444.50
2012	7,533,727	- 0 -	- 0 -	7,533,727	0.54%	401.71
2013	6,832,535	- 0 -	- 0 -	6,832,535	0.49%	364.34
2014	6,120,253	- 0 -	- 0 -	6,120,253	0.44%	327.18
2015	5,521,828	- 0 -	57,765	5,579,593	0.40%	298.28

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 ^b
	General Obligation Bonds	Deductions			
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%	526.45
2011	761,866	- 0 -	761,866	0.201%	457.30
2012	641,104	- 0 -	641,104	0.170%	384.35
2013	729,103	- 0 -	729,103	0.198%	434.51
2014	583,105	- 0 -	583,105	0.154%	348.33
2015	608,995	- 0 -	608,995	0.161%	363.80

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			
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%	685.82
2011	5,184,349	- 0 -	5,184,349	0.282%	655.00
2012	4,821,804	- 0 -	4,821,804	0.263%	607.43
2013	4,430,418	- 0 -	4,430,418	0.243%	556.66
2014	4,350,530	- 0 -	4,350,530	0.239%	547.58
2015	3,819,449	- 0 -	3,819,449	0.210%	480.74

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					
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%	767.78
2011	3,437,841		- 0 -	3,437,841	0.266%	686.06
2012	3,034,292		- 0 -	3,034,292	0.235%	603.84
2013	2,793,752		- 0 -	2,793,752	0.218%	556.52
2014	2,710,787		- 0 -	2,710,787	0.211%	542.27
2015	2,612,202		- 0 -	2,612,202	0.203%	522.54

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					
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%	904.60
2011	5,063,160		- 0 -	5,063,160	0.268%	860.94
2012	4,669,073		- 0 -	4,669,073	0.247%	791.50
2013	4,519,192		- 0 -	4,519,192	0.240%	766.22
2014	4,085,325		- 0 -	4,085,325	0.217%	694.55
2015	3,812,526		- 0 -	3,812,526	0.203%	648.17

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		Net General Bonded Debt Outstanding	Percentage of Net Valuation Taxable ^a	Per Capita ^b
	General Obligation Bonds	Deductions			
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%	466.12
2011	8,303,784	- 0 -	8,303,784	0.294%	444.50
2012	7,533,727	- 0 -	7,533,727	0.267%	401.71
2013	6,832,535	- 0 -	6,832,535	0.242%	364.34
2014	6,120,253	- 0 -	6,120,253	0.218%	327.18
2015	5,521,828	- 0 -	5,521,828	0.196%	295.19

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.

Exhibit J-12

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014
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	\$ 4,230,000	100.00%	\$ 4,230,000
Township of Chester	9,721,300	100.00%	9,721,300
Borough of Mendham	4,619,586	100.00%	4,619,586
Township of Mendham	15,080,986	100.00%	15,080,986
Township of Washington	10,560,000	100.00%	10,560,000
County of Morris General Obligation Debt	235,116,781	9.35%	<u>21,973,167</u>
Subtotal, Overlapping Debt			66,185,039
West Morris Regional School District Direct Debt			<u>17,850,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 84,035,039</u></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				
	2006	2007	2008	2009	2010
Debt Limit	\$ 226,074,862	\$ 251,382,288	\$ 273,823,951	\$ 288,794,690	\$ 291,571,815
Total Net Debt Applicable to Limit	28,639,000	27,579,000	26,456,000	25,271,000	24,036,000
Legal Debt Margin	<u>\$ 197,435,862</u>	<u>\$ 223,803,288</u>	<u>\$ 247,367,951</u>	<u>\$ 263,523,690</u>	<u>\$ 267,535,815</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.67%	10.97%	9.66%	8.75%	8.24%

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt Limit	\$ 285,737,548	\$ 275,929,859	\$ 265,007,516	\$ 257,201,826	\$ 253,650,778
Total Net Debt Applicable to Limit	22,751,000	20,700,000	19,305,000	17,850,000	16,375,000
Legal Debt Margin	<u>\$ 262,986,548</u>	<u>\$ 255,229,859</u>	<u>\$ 245,702,516</u>	<u>\$ 239,351,826</u>	<u>\$ 237,275,778</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	7.96%	7.50%	7.28%	6.94%	6.46%

Legal Debt Margin Calculation for Fiscal Year 2015

Year Ended December 31,	Chester Borough	Chester Township	Mendham Borough	Mendham Township	Washington Township	Equalized Valuation Basis
2012	\$ 402,051,522	\$ 1,924,238,145	\$ 1,356,678,440	\$ 1,953,473,368	\$ 2,888,034,847	\$ 8,524,476,322
2013	384,063,788	1,893,153,774	1,354,522,277	1,900,847,100	2,815,379,531	8,347,966,470
2014	463,171,860	1,871,756,354	1,399,439,498	1,963,570,383	2,794,696,918	8,492,635,013
	<u>\$ 1,249,287,170</u>	<u>\$ 5,689,148,273</u>	<u>\$ 4,110,640,215</u>	<u>\$ 5,817,890,851</u>	<u>\$ 8,498,111,296</u>	<u>\$ 25,365,077,805</u>
	Average Equalized Valuation of Taxable Property					<u>\$ 8,455,025,935</u>
	Debt Limit ^a (3% of Average Equalization Value)					\$ 253,650,778
	Net Bonded School Debt					<u>16,375,000</u>
	Legal Debt Margin					<u>\$ 237,275,778</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.

Exhibit J-14

1 of 3

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
2005	1,640	\$ 62,173	\$ 101,963,720	4.10%
2006	1,625	66,763	108,489,875	4.20%
2007	1,615	69,843	112,796,445	3.80%
2008	1,650	71,937	118,696,050	5.10%
2009	1,657	67,698	112,175,586	8.60%
2010	1,650	68,656	113,282,400	8.70%
2011	1,666	71,914	119,808,724	8.40%
2012	1,668	74,826	124,809,768	8.80%
2013	1,678	75,054	125,940,612	6.50%
2014	1,674	75,054 *	125,640,396	3.80%

Chester Township

Year	Township Population ^a	Morris County Per Capita Personal Income ^b	Township Personal Income ^c	Township Unemployment Rate ^d
2005	7,704	\$ 62,173	\$ 478,980,792	1.90%
2006	7,680	66,763	512,739,840	2.30%
2007	7,657	69,843	534,787,851	2.10%
2008	7,675	71,937	552,116,475	2.80%
2009	7,686	67,698	520,326,828	4.90%
2010	7,868	68,656	540,185,408	4.90%
2011	7,915	71,914	569,199,310	4.80%
2012	7,938	74,826	593,968,788	5.00%
2013	7,959	75,054	597,354,786	5.80%
2014	7,945	75,054 *	596,304,030	4.40%

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

Mendham Borough

Year	Borough Population ^a	Morris County Per Capita Personal Income ^b	Borough Personal Income ^c	Borough Unemployment Rate ^d
2005	5,109	\$ 62,173	\$ 317,641,857	1.50%
2006	5,079	66,763	339,089,277	1.50%
2007	5,031	69,843	351,380,133	1.40%
2008	5,054	71,937	363,569,598	1.80%
2009	5,058	67,698	342,416,484	3.20%
2010	4,984	68,656	342,181,504	3.30%
2011	5,011	71,914	360,361,054	3.10%
2012	5,025	74,826	376,000,650	3.30%
2013	5,020	75,054	376,771,080	6.70%
2014	4,999	75,054 *	375,194,946	4.70%

Mendham Township

Year	Township Population ^a	Morris County Per Capita Personal Income ^b	Township Personal Income ^c	Township Unemployment Rate ^d
2005	5,510	\$ 62,173	\$ 342,573,230	0.90%
2006	5,471	66,763	365,260,373	1.00%
2007	5,473	69,843	382,250,739	0.90%
2008	5,472	71,937	393,639,264	1.20%
2009	5,486	67,698	371,391,228	2.10%
2010	5,856	68,656	402,049,536	2.10%
2011	5,881	71,914	422,926,234	2.00%
2012	5,899	74,826	441,398,574	2.10%
2013	5,898	75,054	442,668,492	2.00%
2014	5,882	75,054 *	441,467,628	4.00%

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

Washington 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>
2005	18,341	\$ 62,173	\$ 1,140,314,993	3.10%
2006	18,296	66,763	1,221,495,848	3.20%
2007	18,279	69,843	1,276,660,197	2.90%
2008	18,303	71,937	1,316,662,911	3.90%
2009	18,336	67,698	1,241,310,528	6.60%
2010	18,552	68,656	1,273,706,112	6.70%
2011	18,681	71,914	1,343,425,434	6.50%
2012	18,754	74,826	1,403,286,804	6.70%
2013	18,753	75,054	1,407,487,662	5.00%
2014	18,706	75,054 *	1,403,960,124	4.60%

* - Latest Morris County per capita personal income available (2013) 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 2010 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	2014		Employer	2005	
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment
U.S. Army Armament Research and Development	5,841	2.27%	Novartis Corporation	5,631	2.17%
Novartis	5,035	1.96%	U.S. Army Armament Research and Development	3,939	1.52%
Atlantic Health	4,463	1.74%	Atlantic Health Systems	3,667	1.41%
Automatic Data Processing, Inc.	2,060	0.80%	Cendant Corporation	3,006	1.16%
Bayer Healthcare, LLC	1,900	0.74%	Lucent Technologies	2,539	0.98%
County of Morris	1,674	0.65%	County of Morris	2,268	0.87%
Wyndham Worldwide Corporation	1,653	0.64%	Pfizer	2,250	0.87%
Saint Clare's Health System	1,642	0.64%	Saint Clare's Health Services	2,128	0.82%
BASF Corporation	1,500	0.58%	Automated Data Processing	1,950	0.75%
Accenture	1,480	0.57%	Greystone Pyschiatric Hospital	1,212	0.47%
	<u>27,248</u>	<u>10.60%</u>		<u>28,590</u>	<u>11.03%</u>
Total Employment *	<u>257,024</u>			<u>259,239</u>	

* - 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 TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction:										
Regular	183.40	185.00	187.00	186.00	180.00	179.60	181.00	176.80	177.20	179.60
Special Education	51.20	55.60	58.60	40.80	37.40	40.00	40.00	43.00	40.40	39.40
Support Services:										
Student & Instruction-Related Services	40.00	40.80	41.20	58.00	57.00	56.90	55.50	53.00	49.00	48.00
General Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	5.00	8.00	8.00
School Administration	15.60	16.60	16.60	16.60	15.60	14.60	14.60	16.50	20.50	20.50
Central Services	7.50	5.00	5.50	5.50	5.60	4.10	4.00	4.00	4.00	5.80
Administrative Information Technology	4.00	3.80	3.80	3.80	3.50	4.00	4.00	4.00	5.60	5.00
Plant Operations/Maintenance	29.00	30.00	31.00	34.00	31.00	31.00	31.00	31.00	30.00	30.00
Student Transportation	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	2.80	2.80
Total	<u>338.70</u>	<u>343.80</u>	<u>350.70</u>	<u>351.70</u>	<u>337.10</u>	<u>337.20</u>	<u>337.10</u>	<u>337.30</u>	<u>337.50</u>	<u>339.10</u>

Source: West Morris Regional High School District records.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN 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>
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	2,736	45,613,075	16,671	-4.03%	241	11.4:1	2,726	2,565	1.47%	94.08%
2012	2,736	46,703,636	17,070	2.39%	241	11.6:1	2,729	2,583	0.11%	94.64%
2013	2,766	48,395,845	17,497	2.50%	240	11.5:1	2,774	2,621	1.65%	94.47%
2014	2,735	49,273,115	18,016	2.97%	240	11.4:1	2,741	2,599	-1.20%	94.82%
2015	2,722	50,477,255	18,544	2.93%	240	11.3:1	2,659	2,524	-2.98%	94.92%

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.

Source: West Morris Regional High School District records.

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

<u>District Buildings</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
West Morris Central High School (1958, 2008)										
Square Feet	147,994	147,994	212,605	212,605	212,605	212,605	212,605	212,605	212,605	212,605
Capacity (Students)	1,079	1,079	1,079	1,455	1,455	1,455	1,455	1,455	1,455	1,455
Enrollment	1,299	1,300	1,364	1,380	1,389	1,412	1,370	1,340	1,318	1,315
West Morris Mendham High School (1970, 2008)										
Square Feet	153,215	153,215	198,553	198,553	198,553	198,553	198,553	198,553	198,553	198,553
Capacity (Students)	1,073	1,073	1,073	1,308	1,308	1,308	1,308	1,308	1,308	1,308
Enrollment	1,192	1,208	1,253	1,274	1,297	1,324	1,366	1,426	1,417	1,407
Administation Building (1975)										
Square Feet	3,840	3,840	3,840	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	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	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	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	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	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	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	1,000	1,000	1,000

Number of Schools at June 30, 2015:

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.

Source: West Morris Regional High School District Business Office.

Exhibit J-19

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

<u>Fiscal Year</u> <u>Ended</u> <u>June 30</u>	<u>Central</u> <u>High</u> <u>School</u>	<u>Mendham</u> <u>High</u> <u>School</u>	<u>Total</u> <u>School</u> <u>Facilities*</u>
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
2012	77,782	112,922	190,704
2013	105,392	124,763	230,155
2014	107,405	134,770	242,175
2015	138,782	136,786	275,568

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

Source: West Morris Regional High School District records.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
UNAUDITED

Type of Policy	Insurance Company	Policy Limits	Deductible
PROPERTY:	Zurich Insurance Company		
Property - Blanket and Contents			
School Limit Per Statement of Values		\$ 107,342,819	\$ 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		
16 Vehicles Combined Single Limit		1,000,000	
Comprehensive			1,000
Collision			1,000
COMMERCIAL UMBRELLA	Zurich Insurance Company	10,000,000	10,000
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, 2015
UNAUDITED

Type of Policy	Insurance Company	Policy Limits	Deductible
WORKERS' COMPENSATION:	Morris Essex Insurance Group		
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	Darwin Insurance Company	1,000,000	10,000
EMPLOYMENT PRACTICES LIABILITY	Darwin Insurance Company	1,000,000	12,500
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	Arch/US Fire Insurance Company	5,000,000	
Disability Plan - All Students	Arch/US Fire Insurance Company	1,000,000	
Disability Plan - All Athletes	Arch/US Fire Insurance Company	1,000,000	

Source: West Morris Regional High School District records.

SINGLE AUDIT SECTION



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Report on Internal Control Over Financial Reporting and
 on Compliance and Other Matters Based on an Audit of Financial Statements
 Performed in Accordance with *Government Auditing Standards*

Independent 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, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), 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 "District") as of, and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 16, 2015.

Internal Control Over Financial Reporting

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

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

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

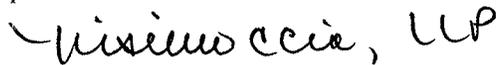
The Honorable President and Members
of the Board of Education
West Morris Regional High School District
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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*.

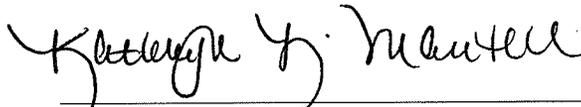
Purpose of this Report

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



NISIVOCCIA, LLP

November 16, 2015
Mount Arlington, New Jersey



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



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Report on Compliance For Each Major Federal and State Program;
 Report on Internal Control Over Compliance Required by OMB Circular A-133
 and New Jersey's OMB Circulars 04-04 and 15-08

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the West Morris Regional High School District (the "District's") compliance with the types of compliance requirements described in the *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 the District's major federal and state programs for the fiscal year ended June 30, 2015. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08 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 District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance.

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

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJOMB 04-04 and 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results that the testing based on the requirements of OMB Circular A-133 or NJOMB 04-04 and 15-08. Accordingly, this report is not suitable for any other purpose.

Nisivoccia, LLP

November 16, 2015
Mount Arlington, New Jersey

NISIVOCCIA, LLP

Kathryn L. Mantell

Kathryn L. 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, 2015

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, 2014		Cash Received	Budgetary Expenditures	Prior Year Encum- brances Canceled	June 30, 2015			
			From	To		Unearned Revenue/ (Accounts Receivable)	Due to Grantor				Carryover/ (Walkover) Amount	(Accounts Receivable)	Unearned Revenue	Due to Grantor
US Department of Education:														
Passed-through State Department of Education:														
Special Revenue Fund:														
No Child Left Behind Consolidated Formula Subgrant:														
Title I	84.010A	NCLB-5660-14	7/1/13	6/30/14	\$ 60,860	\$ (27,098)		\$ 27,098						
Title II - Parts A and D	84.367	NCLB-5660-15	7/1/14	6/30/15	27,359			24,940	\$ (25,813)		\$ (873)			
Title II - Parts A and D	84.367	NCLB-5660-14	7/1/13	6/30/14	31,981	1,032		202	(128)			\$ 1,106		
Title II - Parts A and D	84.367	NCLB-5660-13	9/1/12	8/31/13	36,661	364						364		
Title II - Parts A and D	84.367	NCLB-5660-12	9/1/11	8/31/12	19,205	30						30		
Title II - Parts A and D - C/O	84.367	NCLB-5660-08	9/1/07	8/31/09	23,906	1,732			(1,732)					
Special Education Cluster:														
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5660-15	7/1/14	6/30/15	576,478			409,638	(530,175)		(120,537)			
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5660-14	7/1/13	6/30/14	453,319	(130,567)		127,985		\$ 2,582				
Total Special Education Cluster						(130,567)		537,623	(530,175)	2,582	(120,537)			
Total U.S. Department of Education						(154,507)		589,863	(557,848)	2,582	(121,410)	1,500		
Total Special Revenue Fund						(154,507)		589,863	(557,848)		(121,410)	1,500		
TOTAL FEDERAL AWARDS						\$ (154,507)	\$ -0-	\$ -0-	\$ 589,863	\$ (557,848)	\$ 2,582	\$ (121,410)	\$ 1,500	\$ -0-

C/O - Carryover

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period From To		Program/ Award Amount	June 30, 2014			June 30, 2015			MEMO		
					Budgetary Unearned Revenue/	Due to Grantor	Cash Received	Budgetary Expenditures	GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor	Budgetary (Accounts Receivable)	Cumulative Total Expenditures
					(Accounts Receivable)								
State Department of Education:													
General Fund:													
Transportation Aid	15-495-034-5120-014	7/1/14	6/30/15	\$ 1,354,617			\$ 1,224,002	\$ (1,354,617)				\$ (130,615)	\$ 1,354,617
Transportation Aid	14-495-034-5120-014	7/1/13	6/30/14	1,354,617	\$ (130,963)		130,963						
Special Education	15-495-034-5120-089	7/1/14	6/30/15	1,742,285			1,574,290	(1,742,285)				(167,995)	1,742,285
Categorical Aid	14-495-034-5120-089	7/1/13	6/30/14	1,742,285	(168,442)		168,442						
Security Aid	15-495-034-5120-084	7/1/14	6/30/15	214,099			193,455	(214,099)				(20,644)	214,099
Security Aid	14-495-034-5120-084	7/1/13	6/30/14	214,099	(20,699)		20,699						
Equalization Aid	15-495-034-5120-078	7/1/14	6/30/15	324,799			293,481	(324,799)				(31,318)	324,799
Equalization Aid	14-495-034-5120-078	7/1/13	6/30/14	324,799	(31,401)		31,401						
Adjustment Aid	15-495-034-5120-085	7/1/14	6/30/15	733,641			662,902	(733,641)				(70,739)	733,641
Adjustment Aid	14-495-034-5120-085	7/1/13	6/30/14	733,641	(70,927)		70,927						
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14	6/30/15	28,030			25,327	(28,030)				(2,703)	28,030
PARCC Readiness Aid	15-495-034-5120-098	7/1/14	6/30/15	28,030			25,327	(28,030)				(2,703)	28,030
Extraordinary Special	15-100-034-5120-473	7/1/14	6/30/15	395,119				(395,119)	\$ (395,119)			(395,119)	395,119
Education Costs	14-100-034-5120-473	7/1/13	6/30/14	348,651	(348,651)		348,651						
Nonpublic School	15-495-034-5120-014	7/1/14	6/30/15	30,239				(30,239)	(30,239)			(30,239)	30,239
Transportation Costs	14-495-034-5120-014	7/1/13	6/30/14	22,740	(22,740)		22,740						
TPAF Social Security Aid	15-495-034-5095-002	7/1/14	6/30/15	1,399,208			1,330,446	(1,399,208)	(68,762)			(68,762)	1,399,208
TPAF Social Security Aid	14-495-034-5095-002	7/1/13	6/30/14	1,469,028	(74,731)		74,731						
Total General Fund State Aid												(868,554)	6,250,067
Special Revenue Fund:													
State Department of Education:													
NJ Nonpublic Aid:													
Textbook Aid (Chapter 194)	15-100-034-5120-064	7/1/14	6/30/15	19,661			19,661	(19,661)					19,661
Nursing Services (Chapter 226)	15-100-034-5120-070	7/1/14	6/30/15	31,301			31,301	(31,301)					31,301
Handicapped Services (Chapter 193):													
Examination & Classification	15-100-034-5120-066	7/1/14	6/30/15	15,133			15,133	(14,718)			\$ 415		14,718
Supplementary Instruction	15-100-034-5120-066	7/1/14	6/30/15	10,672			10,672	(10,303)			369		10,303
Technology Initiative	15-100-034-5120-373	7/1/14	6/30/15	10,560			10,560	(10,560)					10,560
Character Education Aid	06-495-034-5120-053	7/1/05	6/30/14	6,651	918					\$ 918			
Total State Department of Education					918		87,327	(86,543)		918	784		86,543
Total Special Revenue Fund					918		87,327	(86,543)		918	784		86,543

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program/ Award Amount	June 30, 2014			June 30, 2015			MEMO		
		From	To		Budgetary Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor	Budgetary (Accounts Receivable)	Cumulative Total Expenditures
Capital Projects Fund:													
Schools Development Authority:													
Educational Facilities Construction & Financing Act:													
WM Central - HVAC	5660-030-14-1002	3/31/14	6/30/16	\$ 456,365	\$ (456,365)							\$ (456,365)	
WM Mendham - HVAC	5660-030-14-1003	3/31/14	6/30/16	358,721	(358,721)							(358,721)	
WM Central - Potable Water	5660-030-14-1001	3/31/14	6/30/16	248,387	(248,387)			\$ (155,800)	\$ (155,800)			(248,387)	\$ 155,800
Total Capital Projects Fund					(1,063,473)			(155,800)	(155,800)			(1,063,473)	155,800
TOTAL STATE AWARDS					\$ (1,931,109)	\$ -0-	\$ 6,285,111	\$ (6,492,410)	\$ (649,920)	\$ 918	\$ 784	\$ (1,984,310)	\$ 6,492,410

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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, 2015. 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 Circulars 04-04 and 15-08, *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 position 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. This basis of accounting is 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 fiscal 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 fiscal year and current fiscal year, which is mandated pursuant to P.L. 2003, C.97. For GAAP purposes, the final two state aid payments for the current fiscal year are not recognized until the subsequent budget year due to the state deferral and recording of those payments in the subsequent fiscal year and the final two state aid payments for the prior fiscal year are recognized in the current fiscal 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 fiscal year of award but is not recognized on the GAAP basis 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, 2015
(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 \$(4,285) for the General Fund and \$7,888 for the Special Revenue Fund (of which \$469 is associated with the District's local grants). See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Additionally, the schedule of expenditures of state awards does not include the on-behalf TPAF Post-Retirement Medical Benefit and Pension Contributions revenue of \$1,830,804 and \$1,153,262, respectively. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	Federal	State	Total
General Fund		\$ 9,229,848	\$ 9,229,848
Special Revenue Fund	\$ 565,267	86,543	651,810
Capital Projects Fund		155,800	155,800
Total Financial Awards	\$ 565,267	\$ 9,472,191	\$10,037,458

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 fiscal year ended June 30, 2015.

NOTE 6. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District has active grants awarded in the amount of \$1,063,473 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2015, \$155,800 has been expended and submitted for reimbursement and \$-0- 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, 2015

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal or state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circulars 04-04 and 15-08 or Section 510(a) of Federal OMB Circular A-133.
- The District's federal and state programs tested as major programs for the current fiscal year were the following:

	<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	IDEA-5660-15	7/1/14-6/30/15	\$ 576,478	\$ 530,175
<u>State:</u>				
Special Education				
Categorical Aid	15-495-034-5120-089	7/1/14-6/30/15	1,742,285	1,742,285
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	214,099	214,099
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	324,799	324,799
Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	733,641	733,641
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	28,030	28,030
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	28,030	28,030

- The threshold used for distinguishing between Type A and Type B programs was \$300,000.
- The single audit threshold identified in Federal OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08 was \$500,000.
- The District was determined to be a "low-risk" auditee for both state and federal programs under the provisions of section 530 of the federal Circular.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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 Section 510(a) of 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 Section 510(a) of Federal OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Status of Prior Fiscal Year Findings:

There were no findings or questioned costs for the prior fiscal year ended June 30, 2014.