

**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, 2016**

**Comprehensive Annual  
Financial Report**

**of the**

**West Morris Regional  
High School District**

**Chester, New Jersey**

**For the Fiscal Year Ended June 30, 2016**

**Prepared by**

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2016

INTRODUCTORY SECTION (UNAUDITED)

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

FINANCIAL SECTION..... 8

Independent Auditors' Report.....	9
Required Supplementary Information.....	12
Management's Discussion and Analysis (Unaudited).....	13
Basic Financial Statements (Sections A. and B.) .....	21
A. District-Wide Financial Statements.....	22
A-1 Statement of Net Position .....	23
A-2 Statement of Activities.....	24
B. Fund Financial Statements.....	26
B-1 Balance Sheet – Governmental Funds .....	27
B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds.....	28
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	30
B-4 Statement of Net Position – Proprietary Funds.....	31
B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds .....	32
B-6 Statement of Cash Flows – Proprietary Funds.....	33
B-7 Statement of Fiduciary Net Position – Fiduciary Funds.....	34
B-8 Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....	35
Notes to the Basic Financial Statements .....	36

Required Supplementary Information (Unaudited)

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68) (Unaudited).....	70
L-1 Schedule of District's Proportionate Share of the Net Pension Liability – Public Employees' Retirement System .....	70
L-2 Schedule of District Contributions – Public Employees' Retirement System.....	71
L-3 Schedule of State's Proportionate Share of the Net Pension Liability Attributable to the District – Teachers' Pension and Annuity Fund.....	72
Notes to Required Supplementary Information (Unaudited).....	73
C. Budgetary Comparison Schedules (Unaudited).....	74
C-1 Budgetary Comparison Schedule – General Fund.....	75
C-2 Budgetary Comparison Schedule – Special Revenue Fund.....	88
C-3 Budgetary Comparison Schedule – Note to Required Supplementary Information.....	90

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

FINANCIAL SECTION (Cont'd)

Supplementary Schedules (Sections D. to I.)

D. School Level Schedules (Not Applicable).....	92
E. Special Revenue Fund .....	93
E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis.....	94
E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	
F. Capital Projects Fund.....	97
F-1 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis.....	98
F-1a Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Mendham High School – Security Camera Upgrade Project.....	99
F-1b Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Central High School – Irrigation System Project.....	100
F-1c Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Central High School – Security Cameras Project.....	101
F-1d Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Mendham High School – Security Fencing Project .....	102
F-1e Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Mendham High School – Asphalt Repairs Project.....	103
F-1f Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Mendham High School – HVAC Replacement Project .....	104
F-1g Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Central and Mendham High Schools – Building Renovations Project.....	105
F-1h Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Central High School – Replace Classroom HVAC Project.....	106
F-1i Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Mendham High School – Replace Classroom HVAC Project.....	107
F-1j Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Central High School – Potable Water System Upgrade Project.....	108
G. Proprietary Funds.....	109
Enterprise Fund:	
G-1 Statement of Net Position .....	110
G-2 Statement of Revenue, Expenses and Changes in Fund Net Position.....	111
G-3 Statement of Cash Flows .....	112
H. Fiduciary Funds.....	113
H-1 Combining Statement of Fiduciary Net Position .....	114
H-2 Combining Statement of Changes in Fiduciary Net Position .....	115
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements.....	116
H-4 Student Activity Agency Fund Statement of Activity .....	117
H-5 Payroll Agency Fund Schedule of Receipts and Disbursements .....	118

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

FINANCIAL SECTION (Cont'd)

Supplementary Schedules (Sections D. to I.) (Cont'd)

I. Long-Term Debt.....	119
I-1 Schedule of Serial Bonds.....	120
I-2 Schedule of Obligations Under Capital Leases.....	121
I-3 Budgetary Comparison Schedule – Debt Service Fund.....	122

STATISTICAL SECTION

J. Statistical Schedules (Unaudited).....	123
J-1 Net Position by Component.....	124
J-2 Changes in Net Position.....	126
J-3 Fund Balances - Governmental Funds.....	130
J-4 Changes in Fund Balances - Governmental Funds.....	131
J-5 General Fund Other Local Revenue by Source.....	133
J-6 Assessed Value and Estimated Actual Value of Taxable Property.....	134
J-7 Direct and Overlapping Property Tax Rates.....	136
J-8 Principal Property Taxpayers.....	139
J-9 Property Tax Levies and Collections.....	144
J-10 Ratios of Outstanding Debt by Type.....	147
J-11 Ratios of Net General Bonded Debt Outstanding.....	150
J-12 Ratios of Overlapping Governmental Activities Debt.....	153
J-13 Legal Debt Margin Information.....	154
J-14 Demographic and Economic Statistics.....	155
J-15 Principal Employers.....	158
J-16 Full-Time Equivalent District Employees by Function/Program.....	159
J-17 Operating Statistics.....	160
J-18 School Building Information.....	161
J-19 Schedule of Required Maintenance for School Facilities.....	162
J-20 Insurance Schedule.....	163

SINGLE AUDIT SECTION

K. Single Audit.....	165
K-1 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	166
K-2 Report on Compliance for Each Major State Program; Report on Internal Control over Compliance.....	168
Schedule of Expenditures of Federal Awards.....	170
Schedule of Expenditures of State Awards.....	171
Notes to the Schedules of Expenditures of Federal and State Awards.....	173
Schedule of Findings and Questioned Costs.....	175
Summary Schedule of Prior Audit Findings.....	177

INTRODUCTORY SECTION

# WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

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

---

September 30, 2016

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, 2016 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 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 Township School District" and the remaining three municipalities constitute separate districts.

The Honorable President and Members  
of the Board of Education  
West Morris Regional High School District  
Page 2  
September 30, 2016

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. 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. In January 2012, the Board voted to move the election to November as allowed by NJ Statutes, forgoing a budget vote for four years, provided the budget is at or below the tax cap indicated within state statute. Bonds authorized by the Board for capital projects must be approved or disapproved by the voters in the School District in a referendum election which may be held at various specific times in accordance with State statute.

The District provides a full range of educational services appropriate to grade levels 9 through 12. These include regular, vocational as well as special education for students with educational disabilities. The District completed the 2015/2016 fiscal year with an enrollment of 2,598 students. The following table illustrates the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015-2016	2,598	(0.023%)
2014-2015	2,659	(0.03%)
2013-2014	2,735	(0.01%)
2012-2013	2,774	1.62%
2011-2012	2,729	0.11%
2010-2011	2,726	1.49%
2009-2010	2,686	1.47%
2008-2009	2,647	1.11%
2007-2008	2,618	3.68%
2006-2007	2,525	0.60%
2005-2006	2,510	1.16%

**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.



The Honorable President and Members  
of the Board of Education  
West Morris Regional High School District  
Page 3  
September 30, 2016

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 were ranked in the top 1% of high schools in the Newsweek ranking and New Jersey Monthly ranked West Morris Central High School as #40 and West Morris Mendham High School as #41 in the state of New Jersey.

The District is in its first year of a one to one initiative. During the 2016-2017 school year, the West Morris Regional High School District provided Chromebooks to all incoming freshmen. We intend to continue this initiative with every incoming class until the District achieves a complete one to one learning environment. The District has continued to support ongoing professional training for administrators and teachers that supports technology integration in the classroom.

The District has achieved accreditation for the IB Career Program. Our district offers Career Program pathways in Life Science, S.T.E.A.M., and Business. The number of students enrolled in the program has continued to increase for the 2016-2017 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.

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, 2016.

The Honorable President and Members  
of the Board of Education  
West Morris Regional High School District  
Page 4  
September 30, 2016

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.

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.

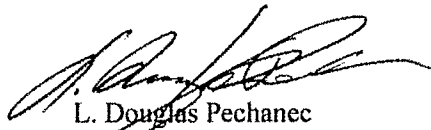
9. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia, LLP, CPAs, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 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,



Michael Ben-David  
Superintendent



L. Douglas Pechanec  
Business Administrator



**WEST MORRIS REGIONAL HIGH SCHOOL BOARD of EDUCATION**

10 South Four Bridges Road, Chester, New Jersey

**SUPERINTENDENT**

EXECUTIVE/CONFIDENTIAL SECRETARY & Support Staff

**ASSISTANT SUPERINTENDENT**

**DIR. SPECIAL EDUCATION**

**BUSINESS ADMINISTRATOR**

**BOARD SECRETARY**

Admin. Asst.

Admin. Asst.

CHILD STUDY TEAM

EXECUTIVE ASSISTANT & ASST. BOARD SECRETARY

DIST.COORD of TECH INTEGRATION

IB /IBCC COORDINATOR

**PRINCIPALS**

DISTRICT SUPERVISORS

BUSINESS OFFICE

DISTRICT SECURITY MANAGER

DISTRICT FACILITY MANAGER

TRANSPORTATION SUPERVISOR

FOOD SERVICE

TECHNICAL STAFF

Admin. Asst.

SUPERVISOR of COLLEGE and CAREER COUNSELING

NON\_SUPRV COORD of ATHLS & STUDENT ACTIVITIES

GUIDANCE COUNSELORS

**ASSISTANT PRINCIPALS**

STAFF ACCTG PAYROLL ACCTS PAYABLE

SRO & SAFETY /SECURITY MONITORS

FACILITIES PERSONNEL

BUS/VAN DRIVERS

MANAGERS & STAFF

PE/COACH/ CO-CURR

SCHOOL LIBRARY MEDIA SPECIALIST

SUBSTITUTES

TEACHER ASSISTANTS

INSTRUCTIONAL STAFF



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

**ROSTER OF OFFICIALS  
AS OF JUNE 30, 2016**

<b><u>MEMBERS OF THE BOARD OF EDUCATION</u></b>		<b><u>TERM EXPIRES</u></b>
Robert Strobel	President	December 2017
Lisa Woodring	Vice President	December 2016
Marcia Asdal	Member	December 2017
Thomas Brooks	Member	December 2016
Joseph Galayda	Member	December 2018
David Kennedy	Member	December 2018
Gary Lakritz	Member	December 2016
Thomas Richar	Member	December 2017
Don Storms	Member	December 2018

**OTHER OFFICIALS**

Michael Ben-David, 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 LLP  
Mt. Arlington Corporate Park  
200 Valley Road, Suite 300  
Mt. Arlington, New Jersey 07856

**Financial Advisors**

Phoenix Advisors, LLC  
4 West Park Street  
Bordentown, New Jersey 08505

**Architect**

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

**Insurance Consultant**

Conner, Strong & Buckelew  
9 Campus Drive  
Suite 216  
Parsippany, New Jersey 07054

**Attorney**

Cleary | Giacobbe | Alfieri | Jacobs  
169 Ramapo Valley Road  
Upper Level 105  
Oakland, New Jersey 07436

**Official Depository**

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

**Construction Attorney**

Murphy, McKeon P.C.  
Riverdale South  
51 Route 23 South  
Riverdale, NJ 07457

**Bond Counsel**

McManimon & Scotland  
One Gateway Center  
Newark, New Jersey 07102-5311

**Conflict Attorney**

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

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

FINANCIAL SECTION



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

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

## Independent Auditors' Report

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

### **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, 2016, 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  
Page 2

### ***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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are 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  
Page 3

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 September 23, 2016 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*

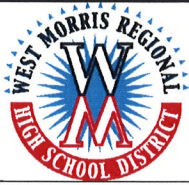
September 30, 2016  
Mt. Arlington, New Jersey

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, 2016  
 (unaudited)

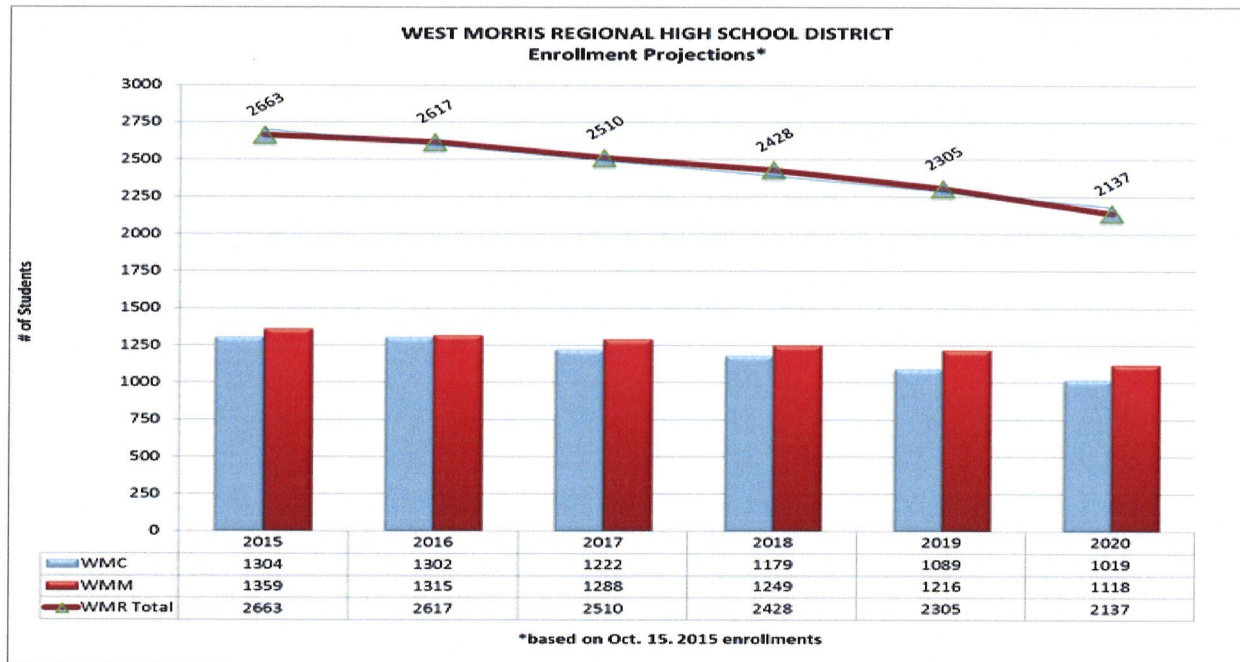
**Management's Discussion and Analysis:**

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, 2016. 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, 2015 and a five year projection.

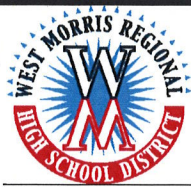


**District's Mission**

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, 2016  
 (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 2015-2016 fiscal year budget and the change from the prior year.

SOURCE of REVENUES	2014-15	2015-16	\$ incl/(dec)
<b>Tax Revenue</b>	\$40,804,192	\$41,620,276	\$816,084
<b>Debt Svc. (Bonds)</b>	\$2,273,550	\$2,271,050	-\$2,500
<b>TAX LEVY TOTALS:</b>	<b>\$43,077,742</b>	<b>\$43,891,326</b>	<b>\$813,584</b>
	<b>% overall tax levy increase</b>		<b>1.89%</b>
<b>State Aid Revenue</b>	\$4,425,501	\$4,425,501	\$0
<b>Fund Balance</b>	\$2,759,304	\$2,031,086	-\$728,218
<b>Misc. Revenues</b>	\$560,128	\$554,545	-\$5,583
<b>Special Revenue-Fed/IDEA Funds</b>	\$566,176	\$566,176	\$0
<b>Capital Reserve deposit</b>	\$0	\$278,146	\$278,146
<b>Capital Reserve withdrawl</b>	\$1,640,209	\$108,000	-\$1,532,209
<b>TOTAL REVENUE/BUDGET:</b>	<b>\$53,029,060</b>	<b>\$51,854,780</b>	<b>-\$1,174,280</b>
	<b>% overall revenue/budget decrease</b>		<b>-2.21%</b>

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 1.89% reflecting the BOE's goal to minimize the tax impact to our local communities while maintaining quality educational programs. The state aid revenue remained unchanged for 2015-16 from the 2014-15 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 \$2,032,181 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, 2016 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.



**WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT**  
 Management's Discussion and Analysis  
 for Fiscal Year End June 30, 2016  
 (unaudited)

**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:**

**Statement of Net Position** shows slight decrease during 2015-2016. Total Net Position for Governmental Activities decreased (\$29,463), Net Position from Business Activities increased slightly by \$225 for a total decrease in Net Position of (\$29,238) which represents a (0.09%) decrease from the prior year.

	Governmental Activities		Business Activities		TOTAL	TOTAL	%
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	
<b>ASSETS:</b>							
<b>Current &amp; Other Assets</b>	\$8,250,830	\$9,968,502	\$41,009	\$35,285	\$8,291,839	\$10,003,787	-17.11%
<b>Capital Assets</b>	\$49,463,170	\$50,943,028	\$27,555	\$32,541	\$49,490,725	\$50,975,569	-2.91%
<b>TOTAL ASSETS</b>	<b>\$57,714,000</b>	<b>\$60,911,530</b>	<b>\$68,564</b>	<b>\$67,826</b>	<b>\$57,782,564</b>	<b>\$60,979,356</b>	<b>-5.24%</b>
Deferred Outflow of Resources	\$2,780,872	\$1,947,104	-	-	\$2,780,872	\$1,947,104	42.82%
<b>LIABILITIES:</b>							
<b>Long Term Liabil.</b>	\$26,715,947	\$27,401,499	\$14,750	\$19,125	\$26,730,697	\$27,420,624	-2.52%
<b>Other Liabilities</b>	\$2,004,072	\$3,927,049	\$4,938	\$50	\$2,009,010	\$3,927,099	-48.84%
<b>TOTAL LIABILITIES</b>	<b>\$28,720,019</b>	<b>\$31,328,548</b>	<b>\$19,688</b>	<b>\$19,175</b>	<b>\$28,739,707</b>	<b>\$31,347,723</b>	<b>-8.32%</b>
Deferred Inflows of Resources	\$823,424	\$0	-	-	\$823,424	\$0	49.93%
<b>NET POSITION:</b>							
<b>Investment in Capital Assets, Net of Debt</b>	\$34,483,367	\$34,396,725	\$27,555	\$32,541	\$34,510,922	\$34,429,266	0.24%
<b>Restricted Net Assets</b>	\$5,489,939	\$5,244,474	\$0	\$0	\$5,489,939	\$5,244,474	4.68%
<b>Unrestricted Assets</b>	<b>(\$9,021,877)</b>	<b>(\$8,660,307)</b>	<b>\$21,321</b>	<b>\$16,110</b>	<b>(\$9,000,556)</b>	<b>(\$8,644,197)</b>	<b>-4.12%</b>
<b>TOTAL NET POSITION</b>	<b>\$30,951,429</b>	<b>\$30,980,892</b>	<b>\$48,876</b>	<b>\$48,651</b>	<b>\$31,000,305</b>	<b>\$31,029,543</b>	<b>-0.09%</b>



**WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT**  
 Management's Discussion and Analysis  
 for Fiscal Year End June 30, 2016  
 (unaudited)

**Net Position** "Net Investment in Capital Assets" increased \$81,656 or 0.24% as a result of \$715,276 in asset additions, a \$1,525,000 reduction in bonded debt and a \$41,500 reduction in capital leases., offset by \$(2,200,120) in depreciation expense. Also the district disposed \$74,200 of fully depreciated machinery and equipment.

**Restricted Net Position** increased \$245,465 or 4.68% as a result of \$278,146 budgeted increase in the capital reserve account, \$56,552 unexpended local share of capital projects returned to the capital reserve account, interest on the capital and maintenance reserve accounts of \$1,929 and \$4,769, respectively, and an increase in excess surplus of \$1,007, offset by budgeted withdrawals from the capital reserve account of \$(96,938) for capital projects.

**Unrestricted Net Position** decreased \$(304,221) or (4.12%) as a result of \$(2,309,232) surplus used to support the 2015/2016 budget, prior year encumbrances appropriated of \$(162,093), a decrease in deferred amount on refunding of \$(153,713), current year state aid payments not received \$(425,894), capital projects expenditures of \$(421,670), \$(56,552) unexpended local share of capital projects returned to the capital reserve account, Board approved increases in the capital reserve account of \$(300,000), change in net pension liability of \$(899,773), and changes in proportion in pensions of \$(711,138), offset by \$215,387 excess in local revenue, excluding interest on the capital and maintenance reserve accounts, \$518,127 excess in state revenue, capital projects local share funded by capital reserve account of \$96,938, capital projects fund interest of \$6, prior year state aid payments received of \$426,717, unexpended budget appropriations of \$1,844,189, decreases in unamortized bond premiums of \$222,215, governmental activities compensated absences of \$18,825, excess surplus of \$298,993 and accrued interest of \$12,709, and an increase in the business-type activities of \$5,211, changes in pension assumptions of \$796,514, difference between expected and actual pension experience of \$241,315, and investment gains in pensions of \$386,560.

**Statement of Changes in Net Position from Operating Results:**

The overall impact of school operations resulted in an decrease of (\$662,056) over the 2014-2015 results. Revenues increased in total by 5.38% or \$3,195,910. Expenses increased by 6.56% or \$3,857,244. The revenue increase is attributable to the rise in property tax assessed, operating grants and contributions 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	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	\$'s	%
<b>REVENUES:</b>								
Program Revenues								
Charges for Service	\$ 120,688	\$73,169	\$ 546,202	\$616,779	\$666,890	\$689,948	(\$23,058)	-3.34%
Operating Grants & Contrib.	\$ 16,008,812	\$13,529,836			\$16,008,812	\$13,529,836	\$2,478,976	18.32%
Capital Grants & Contrib.	\$ -	\$155,800			\$0	\$155,800	(\$155,800)	-100.0%
General Revenues								
Property Taxes	\$ 43,891,325	\$43,077,742			\$43,891,325	\$43,077,742	\$813,583	1.89%
Federal & State Aid (unrestricted)	\$ 1,328,846	\$1,323,519			\$1,328,846	\$1,323,519	\$5,327	0.40%
Other	\$ 654,949	\$578,156	180	\$91	\$655,129	\$578,247	\$76,882	13.30%
<b>TOTAL REVENUES:</b>	<b>\$62,004,620</b>	<b>\$58,738,222</b>	<b>\$546,382</b>	<b>\$616,870</b>	<b>\$62,551,002</b>	<b>\$59,355,092</b>	<b>\$3,195,910</b>	<b>5.38%</b>
<b>EXPENSES:</b>								
Instruction	\$ 35,212,149	\$32,629,181			\$35,212,149	\$32,629,181	\$2,582,968	7.92%
Pupil & Instruction Services	\$ 11,844,369	\$10,908,428			\$11,844,369	\$10,908,428	\$935,941	8.58%
Admin/Business/Technology	\$ 5,514,685	\$ 4,944,395			\$5,514,685	\$4,944,395	\$570,290	11.53%
Maintenance & Operations	\$ 3,520,619	\$ 3,667,203			\$3,520,619	\$3,667,203	(\$146,584)	-4.00%
Transportation	\$ 3,313,190	\$ 3,299,484			\$3,313,190	\$3,299,484	\$13,706	0.42%
Other Expenses	\$ 2,629,071	\$ 2,667,329	\$ 579,674	\$640,492	\$3,208,745	\$3,307,821	(\$99,076)	-3.00%
<b>TOTAL EXPENSES</b>	<b>\$62,034,083</b>	<b>\$58,116,020</b>	<b>\$579,674</b>	<b>\$640,492</b>	<b>\$62,613,757</b>	<b>\$58,756,512</b>	<b>\$3,857,245</b>	<b>6.56%</b>
Other Resources	\$0	\$0	\$0		\$0	\$0		
Transfers	-0-	-0-	\$33,517	\$34,239	\$33,517	\$34,239	(\$722)	-2.11%
<b>CHANGE IN NET POSITION</b>	<b>(\$29,463)</b>	<b>\$622,202</b>	<b>\$225</b>	<b>\$10,617</b>	<b>(\$29,238)</b>	<b>\$632,819</b>	<b>(\$662,057)</b>	

**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 99.12% of the total revenues and 99.1% of expenses shown on this statement.

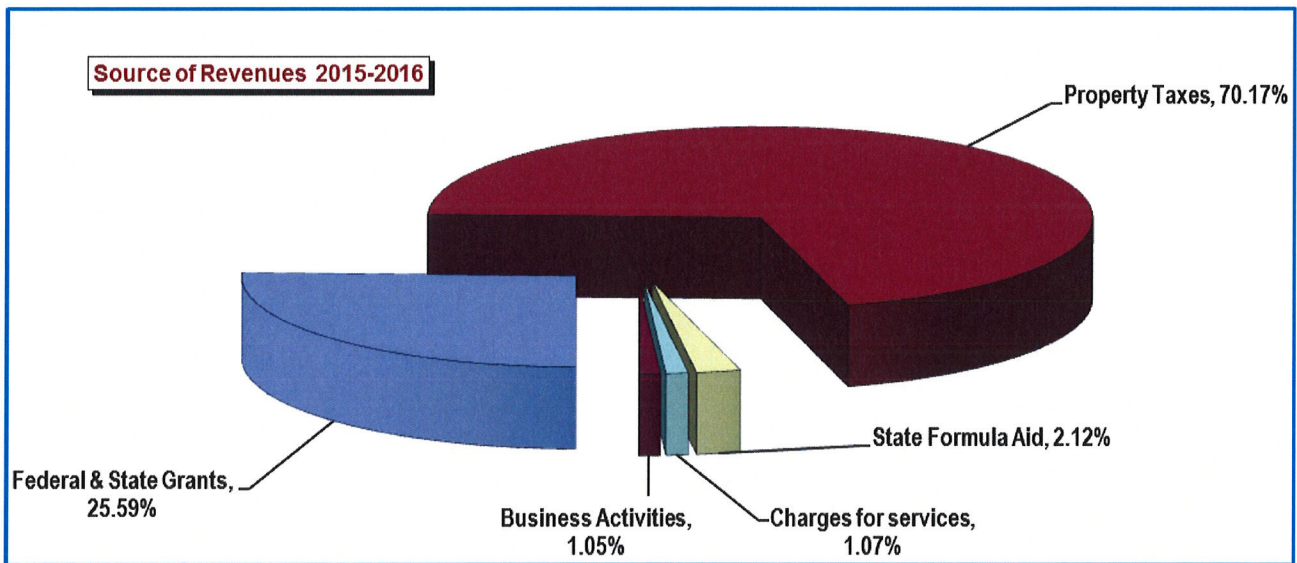


**WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT**  
 Management's Discussion and Analysis  
 for Fiscal Year End June 30, 2016  
 (unaudited)

***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, 2016 and 2015 and the percentage of increases (decreases) in relation to prior year revenues. As seen in the chart below, 70.17% 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 \$813,583. The increase in grants and state aid totaled \$2,323,176 or 16.98%. The "Other" category increased \$76,882 or 13.30% over last year due in part to online course offerings and increased fees from facility rental.

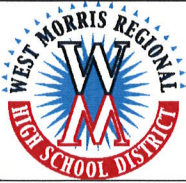
Revenue Source	2015-2016	2015-2016	2014-2015	2014-2015	Variance from 2014 to 2015	
	Revenue Amount	Percent of Total	Revenue Amount	Percent of Total	(in dollars)	(in percent)
<b>Governmental Activities:</b>						
Federal & State Grants	\$16,008,812	25.59%	\$13,685,636	23.06%	\$2,323,176	16.98%
Property Taxes	\$43,891,325	70.17%	\$43,077,742	72.58%	\$813,583	1.89%
State Formula Aid	\$1,328,846	2.12%	\$1,323,519	2.23%	\$5,327	0.40%
Charges for Services	\$666,890	1.07%	\$689,948	1.16%	(\$23,058)	-3.34%
Other	\$655,129	1.05%	\$578,247	0.97%	\$76,882	13.30%
<b>TOTAL</b>	<b>\$62,551,002</b>	<b>100.00%</b>	<b>\$59,355,092</b>	<b>100.00%</b>	<b>\$3,195,910</b>	<b>5.38%</b>



Federal and State Categorical Aid includes non-public aid, transportation special ed., extra-ordinary aid, 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, 2016 and 2015, and the percentage of increases (decreases) in relation to prior year expenses. As seen in the charts that follow, 75.16% of the total expenses relate to the instructional and pupil & instruction services at both schools, slightly above the 2015 level. The increases in Pupil & Instruction Services are related primarily to out of district tuition costs. Administrative, Business & Technology costs increased 11.53% due to professional service fees for support of technology infrastructure however the percentage of total expense decreased. This represents 8.8% of total costs.

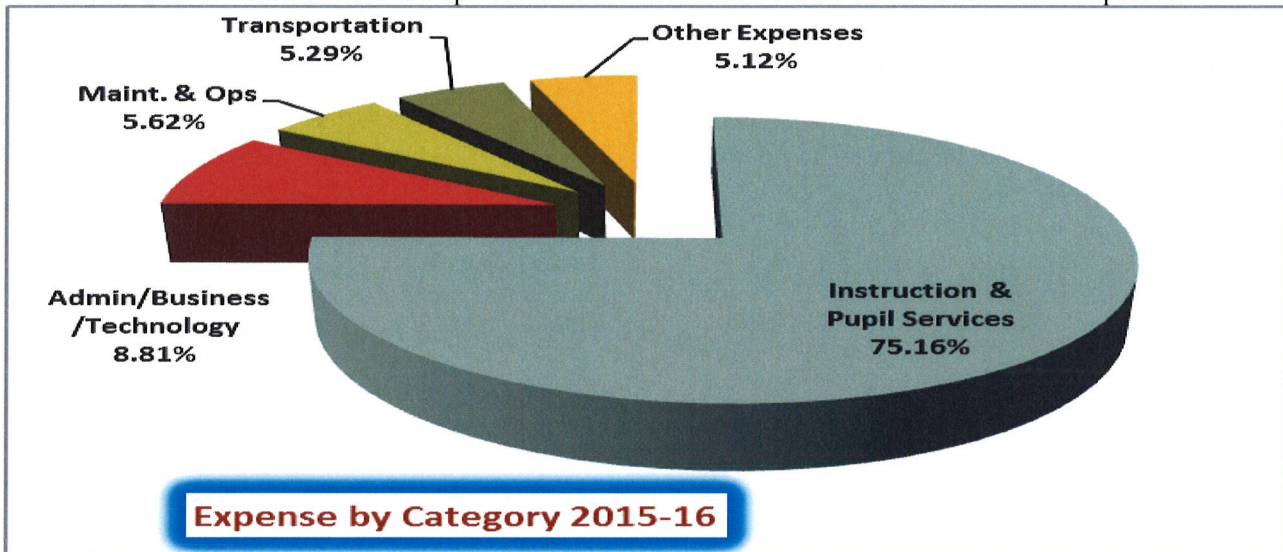


**WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT**  
 Management's Discussion and Analysis  
 for Fiscal Year End June 30, 2016  
 (unaudited)

Therefore 91.2 cents of every dollar is spent on educational, social, recreational, safety or maintenance programs that benefit the students. The Maintenance & Operations costs decrease of (4.0%) reflects lower utility costs due to the mild winter. Transportation costs increased slightly to 0.42% due to the additional routes needed for special education. Other expenses decreased (3.00%) due to lower interest cost and food service expenditures.

Expense Category	2015-2016	2015-2016	2014-2015	2014-2015	Variance from 2012 to 2013	
	Expense Amount	% of Total	Expense Amount	% of Total	in dollars	in percent
<b>Governmental Activities:</b>						
Instruction	\$ 35,212,149	56.24%	\$ 32,629,181	55.53%	\$2,582,968	7.92%
Pupil & Instruction Services	\$ 11,844,369	18.92%	\$ 10,908,428	18.57%	\$935,941	8.58%
Admin/Business/Technology	\$ 5,514,685	8.81%	\$ 4,944,395	8.42%	\$570,290	11.53%
Maintenance & Operations	\$ 3,520,619	5.62%	\$ 3,667,203	6.24%	(\$146,584)	-4.00%
Transportation	\$ 3,313,190	5.29%	\$ 3,299,484	5.62%	\$13,706	0.42%
Other	\$ 3,208,745	5.12%	\$ 3,307,821	5.63%	(\$99,076)	-3.00%
<b>TOTAL</b>	<b>\$ 62,613,757</b>	<b>100.00%</b>	<b>\$ 58,756,512</b>	<b>100.00%</b>	<b>\$ 3,857,245</b>	<b>6.56%</b>

The combination of "Instruction and Pupil & Instruction Services" is attributable to 75.16% 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, 2016 and 2015 net of their related revenues. Various factors attributed to the overall increases in net costs this fiscal year.

Cost Category	2015-2016 Total Cost of Services	2014-2015 Total Cost of Services	2015-2016 Net Cost of Services	2014-2015 Net Cost of Services
<b>Governmental Activities:</b>				
Instruction	\$ 35,212,149	\$ 32,629,181	\$ 23,769,344	\$ 23,104,301
Pupil & Instruction Services	\$ 11,844,369	\$ 10,908,428	\$ 9,307,458	\$ 8,823,926
Admin/Business/Technology	\$ 5,514,685	\$ 4,944,395	\$ 4,742,921	\$ 4,335,976
Maintenance & Operations	\$ 3,520,619	\$ 3,667,203	\$ 3,520,618	\$ 3,511,403
Transportation	\$ 3,313,190	\$ 3,299,484	\$ 1,935,170	\$ 1,914,280
Other	\$ 2,629,071	\$ 2,667,329	\$ 2,629,071	\$ 2,667,329
<b>TOTAL</b>	<b>\$ 62,034,083</b>	<b>\$ 58,116,020</b>	<b>\$ 45,904,582</b>	<b>\$ 44,357,215</b>





**WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT**  
 Management's Discussion and Analysis  
 for Fiscal Year End June 30, 2016  
 (unaudited)

**Capital Assets (Net of Depreciation):**

At the end of fiscal year 2016, the district had a total of \$49,490,725 invested in land, building, furniture, equipment and vehicles, net of depreciation. The table below compares this balance to fiscal year 2015. The (2.91%) overall decrease is primarily attributable to depreciation of our fixed assets during the year which was \$2,195,134 for governmental activities and \$4,986 for business type activities. Capital additions were \$715,276 and attributable to \$251,343 from capital projects, \$421,669 from capital outlay and \$42,264 from special grants.

Capital Assets	Governmental Activities		Business Activities		TOTAL	TOTAL	VARIANCE	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	\$'s	%
Sites	\$ 130,448	\$ 130,448	\$ -	\$ -	\$ 130,448	\$ 130,448	\$ 0	0.00%
Site Improvements	\$ 1,415,192	\$ 1,472,230	\$ -	\$ -	\$ 1,415,192	\$ 1,472,230	(\$57,038)	-3.87%
Building & Improv.	\$45,869,892	\$47,281,836	\$ -	\$ -	\$45,869,892	\$47,281,836	(\$1,411,944)	-2.99%
Machinery & Equip.	\$ 1,258,509	\$ 1,269,385	\$27,555	\$32,541	\$ 1,286,064	\$ 1,301,926	(\$15,862)	-1.22%
Construction in Progress	\$ 789,129	\$ 789,129	\$ -	\$ -	\$ 789,129	\$ 789,129	\$ 0	0.00%
<b>TOTAL</b>	<b>\$49,463,170</b>	<b>\$50,943,028</b>	<b>\$27,555</b>	<b>\$32,541</b>	<b>\$49,490,725</b>	<b>\$50,975,569</b>	<b>(\$1,484,844)</b>	<b>-2.91%</b>

**Outstanding Long-Term Debt:**

At the end of fiscal year 2016, 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 \$26,730,697 in outstanding long-term debt, a reduction of (2.52%) from 2015. The table below compares this balance to fiscal year 2015. 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 (\$1,525,000) for scheduled maturities. Compensated Absences decreased by (\$18,825) for the governmental funds and decreased (\$4,375) for the business type activities, based on the outstanding days due to eligible staff. The GASB 68 impact for pension liability amounted to a 9.76% increase or \$899,773 over the 2014-2015 liability.

Outstanding Long Term Debt	2015-2016	2014-2015	VARIANCE	
	Long-Term Debt	Long-Term Debt	\$'s	%
General Obligation Bonds (Financed w/Property Taxes)	\$14,850,000	\$16,375,000	(\$1,525,000)	-9.31%
Capital Leases Payable	\$129,803	\$171,303	(\$41,500)	100%
Net Pension Liability	\$10,115,272	\$9,215,499	\$899,773	9.76%
Other Long-Term Debt				
-Governmental Activities	\$1,620,872	\$1,639,697	(\$18,825)	-1.15%
-Business-Type Activities	\$14,750	\$19,125	(\$4,375)	-22.88%
<b>TOTAL</b>	<b>\$26,730,697</b>	<b>\$27,420,624</b>	<b>(\$689,927)</b>	<b>-2.52%</b>

**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 2015-2016:

The Food Service Program experienced an operating loss this year. The district's revenues overall decreased (\$39,018), or (12.92%) over fiscal year 2014-2015 and expenses decreased (\$60,818) or (10.49%). 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 2015-2016. The district is required by law to bid the service every five years and selected Aramark in 2014-15.



**WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT**  
 Management's Discussion and Analysis  
 for Fiscal Year End June 30, 2016  
 (unaudited)

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 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. However two areas of great concern are healthcare costs and the demands for increased spending for special education services.

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

<b>Five Year Look Ahead</b>					
<b>Fiscal Year</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
<b>Enrollments</b>	2,617	2,510	2,428	2,305	2,137
<b>Student/Faculty Ratio</b>	<u>11.12</u>	<u>10.77</u>	<u>10.51</u>	<u>10.11</u>	<u>9.50</u>
<b>FTE - Faculty</b>	235.25	233.0	231.0	228.0	225.0
<b>Fiscal Year</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
<b>Tax Levy</b>	42,763,311	43,618,577	44,490,948	45,380,767	46,288,383
<b>Other Revenues*</b>	<u>7,052,967</u>	<u>6,802,967</u>	<u>6,552,967</u>	<u>6,302,967</u>	<u>6,052,967</u>
<b>Total Anticipated Revenues</b>	49,816,277	50,421,543	51,043,915	51,683,734	52,341,349
<b>Total Anticipated Expenditure</b>	49,530,851	50,371,424	51,252,281	52,035,080	52,827,243

**Assumptions:**

- the student teacher ratio will decline 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 15% 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 one of its NJEA affiliated bargaining units. The teacher contract expired on June 30, 2016. Negotiations began in April 2016 and negotiations are continuing as of this report submission. The Administrator contract also expired on June 30, 2016 and negotiations are in process.

**Conclusion:**

The West Morris Regional High School District completed the fiscal year 2015-16 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 remained flat.

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@wmrhsd.org).

**BASIC FINANCIAL STATEMENTS**

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2016

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 5,558,289	\$ 49,181	\$ 5,607,470
Receivables from Other Governments	837,932		837,932
Internal Balances	26,935	(26,935)	
Other Receivables	104,931	11,096	116,027
Inventory		7,667	7,667
Restricted Assets - Cash and Cash Equivalents:			
Capital Reserve Account	1,346,010		1,346,010
Maintenance Reserve Account	376,733		376,733
Capital Assets, Net:			
Sites (Land) and Construction in Progress	919,577		919,577
Depreciable Buildings and Building Improvements, Site Improvements, Machinery & Equipment	48,543,593	27,555	48,571,148
<b>Total Assets</b>	<b>57,714,000</b>	<b>68,564</b>	<b>57,782,564</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding	1,229,704		1,229,704
Changes in Assumptions - Pensions	1,086,299		1,086,299
Changes in Proportion - Pensions	223,554		223,554
Difference Between Expected and Actual Experience - Pensions	241,315		241,315
<b>Total Deferred Outflows of Resources</b>	<b>2,780,872</b>		<b>2,780,872</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	23,957	50	24,007
Accrued Interest Expense	111,633		111,633
Payable to State Government	345		345
Interfund Payable	1,094		1,094
Unamortized Bond Premiums, Net	1,777,720		1,777,720
Unearned Revenue	89,323	4,888	94,211
Noncurrent Liabilities:			
Due Within One Year	1,637,372		1,637,372
Due Beyond One Year	25,078,575	14,750	25,093,325
<b>Total Liabilities</b>	<b>28,720,019</b>	<b>19,688</b>	<b>28,739,707</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Investment Gains - Pensions	162,634		162,634
Changes in Proportion - Pensions	660,790		660,790
<b>Total Deferred Inflows of Resources</b>	<b>823,424</b>		<b>823,424</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	34,483,367	27,555	34,510,922
Restricted for:			
Capital Projects	1,346,010		1,346,010
Other Purposes	4,143,929		4,143,929
Unrestricted (Deficit)	(9,021,877)	21,321	(9,000,556)
<b>Total Net Position</b>	<b>\$ 30,951,429</b>	<b>\$ 48,876</b>	<b>\$ 31,000,305</b>

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, 2016

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	\$ 26,287,983		\$ 6,851,454		\$ (19,436,529)		\$ (19,436,529)
Special Education	5,086,659		3,669,058		(1,417,601)		(1,417,601)
Other Instruction	3,837,507		922,293		(2,915,214)		(2,915,214)
Support Services:							
Tuition	3,674,161	\$ 120,688	233,985		(3,319,488)		(3,319,488)
Student & Instruction Related Services	8,170,208		2,182,238		(5,987,970)		(5,987,970)
General Administration Services	1,007,236				(1,007,236)		(1,007,236)
School Administration Services	3,079,417		771,764		(2,307,653)		(2,307,653)
Central Services	569,971				(569,971)		(569,971)
Administrative Information Technology	858,061				(858,061)		(858,061)
Plant Operations and Maintenance	3,520,619				(3,520,619)		(3,520,619)
Pupil Transportation	3,313,190		1,378,020		(1,935,170)		(1,935,170)
Interest on Long-Term Debt	668,437				(668,437)		(668,437)
Unallocated Depreciation	1,960,634				(1,960,634)		(1,960,634)
<b>Total Governmental Activities</b>	<b>62,034,083</b>	<b>120,688</b>	<b>16,008,812</b>		<b>(45,904,583)</b>		<b>(45,904,583)</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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	\$ 579,674	\$ 546,202				\$ (33,472)	\$ (33,472)
Total Business-Type Activities	579,674	546,202				(33,472)	(33,472)
Total Primary Government	<u>\$ 62,613,757</u>	<u>\$ 666,890</u>	<u>\$ 16,008,812</u>	<u>\$ -0-</u>	<u>\$ (45,904,583)</u>	<u>(33,472)</u>	<u>(45,938,055)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					41,620,275		41,620,275
Taxes Levied for Debt Service					2,271,050		2,271,050
Federal and State Aid Not Restricted					1,328,846		1,328,846
Investment Earnings					37,385	180	37,565
Other Miscellaneous Income					617,564		617,564
Special Item - Food Service Management Contractor Contribution						33,517	33,517
Total General Revenues and Special Item					<u>45,875,120</u>	<u>33,697</u>	<u>45,908,817</u>
Change in Net Position					(29,463)	225	(29,238)
Net Position - Beginning					<u>30,980,892</u>	<u>48,651</u>	<u>31,029,543</u>
Net Position - Ending					<u>\$ 30,951,429</u>	<u>\$ 48,876</u>	<u>\$ 31,000,305</u>

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

FUND FINANCIAL STATEMENTS



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 5,554,025	\$ 4,258	\$ 6	\$ 5,558,289
Receivables from Federal Government		93,090		93,090
Receivables from State Government	589,042		155,800	744,842
Other Receivables	104,931			104,931
Interfund Receivable	26,936		1,000,297	1,027,233
Restricted Cash and Cash Equivalents	1,722,743			1,722,743
<b>Total Assets</b>	<b>\$ 7,997,677</b>	<b>\$ 97,348</b>	<b>\$ 1,156,103</b>	<b>\$ 9,251,128</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 16,278	\$ 7,679		\$ 23,957
Payable to State Government		345		345
Interfund Payable	1,001,391	1		1,001,392
Unearned Revenue		89,323		89,323
<b>Total Liabilities</b>	<b>1,017,669</b>	<b>97,348</b>		<b>1,115,017</b>
<b>Fund Balances:</b>				
<b>Restricted:</b>				
Capital Reserve Account	1,346,010			1,346,010
Maintenance Reserve Account	376,733			376,733
Excess Surplus	1,732,093			1,732,093
Excess Surplus - For Subsequent Year's Expenditures	2,035,103			2,035,103
Committed			\$ 1,156,103	1,156,103
<b>Assigned:</b>				
Year-End Encumbrances	62,391			62,391
For Subsequent Year's Expenditures	394,540			394,540
Unassigned	1,033,138			1,033,138
<b>Total Fund Balances</b>	<b>6,980,008</b>		<b>1,156,103</b>	<b>8,136,111</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,997,677</b>	<b>\$ 97,348</b>	<b>\$ 1,156,103</b>	<b>\$ 9,251,128</b>

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

Total Fund Balances - Governmental Funds (Above)	\$ 8,136,111
Capital Assets used in Governmental Activities are not financial resources and are not reported in the Funds. The cost of the assets is \$80,512,911 and the accumulated depreciation is \$31,049,741.	49,463,170
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(10,115,272)
<b>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:</b>	
Changes in Assumptions - Pensions	1,086,299
Changes in Proportions - Pensions	223,554
Difference Between Expected and Actual Experience - Pensions	241,315
Changes in Proportions - Pensions	(162,634)
Investment Gains - Pensions	(660,790)
Deferred Amount on Refunding is not reported as expenditures in the Governmental Funds in the year of the expenditure. The Deferred Amount on Refunding is \$1,998,274 and the accumulated amortization is \$768,570.	1,229,704
Interest on Long-Term Debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(111,633)
Bond Issuance Premiums are reported as revenue in the Funds. These premiums total \$2,888,798 and the accumulated amortization is \$1,111,078.	(1,777,720)
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.	(16,600,675)
<b>Net Position of Governmental Activities (Exhibit A-1)</b>	<b>\$30,951,429</b>

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, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 41,620,275			\$ 2,271,050	\$ 43,891,325
Tuition Revenue	120,688				120,688
Miscellaneous	654,943	\$ 30,821	\$ 6		685,770
Total - Local Sources	42,395,906	30,821	6	2,271,050	44,697,783
State Sources	10,093,699	82,236			10,175,935
Federal Sources		555,798			555,798
Total Revenue	52,489,605	668,855	6	2,271,050	55,429,516
EXPENDITURES:					
Current:					
Regular Instruction	15,639,981	57,469			15,697,450
Special Education Instruction	2,910,215	105,906			3,016,121
Other Instruction	2,377,362				2,377,362
Support Services and Undistributed Costs:					
Tuition	3,440,176	233,985			3,674,161
Student & Instruction Related Services	4,885,280	271,495			5,156,775
General Administration Services	894,256				894,256
School Administration Services	1,734,588				1,734,588
Central Services	459,489				459,489
Administrative Information Technology	672,822				672,822
Plant Operations and Maintenance	2,972,604				2,972,604
Pupil Transportation	3,220,094				3,220,094
Unallocated Benefits	12,476,212				12,476,212

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd):					
Debt Service:					
Principal				\$ 1,525,000	\$ 1,525,000
Interest and Other Charges				746,050	746,050
Capital Outlay	\$ 414,481		\$ 421,670		836,151
Total Expenditures	52,097,560	\$ 668,855	421,670	2,271,050	55,459,135
Excess/(Deficit) of Revenue Over/(Under) Expenditures	392,045	- 0 -	(421,664)	- 0 -	(29,619)
OTHER FINANCING SOURCES/(USES):					
Transfers In	56,558		96,938		153,496
Transfers Out	(96,938)		(56,558)		(153,496)
Total Other Financing Sources/(Uses)	(40,380)	- 0 -	40,380	- 0 -	-0-
Net Change in Fund Balances	351,665	- 0 -	(381,284)	- 0 -	(29,619)
Fund Balance—July 1	6,628,343	- 0 -	1,537,387	- 0 -	8,165,730
Fund Balance—June 30	\$ 6,980,008	\$ - 0 -	\$ 1,156,103	\$ - 0 -	\$ 8,136,111

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, 2016

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)		\$ (29,619)
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	\$ (2,195,134)
	Capital Outlays	<u>715,276</u>
		(1,479,858)
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.		41,500
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		(899,773)
Deferred Outflows:		
Changes in Assumptions		796,514
Changes in Proportion		(50,348)
Difference Between Expected and Actual Experience		241,315
Deferred Inflows:		
Changes in Proportion		(660,790)
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		386,560
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 (+).		18,825
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.		1,525,000
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. (+)		12,709
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>\$ (29,463)</u>

Exhibit B-4

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016

	<u>Business-type Activities - Enterprise Funds</u>
	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 49,181
Inventories	7,667
Other Accounts Receivable	<u>11,096</u>
Total Current Assets	<u>67,944</u>
Non-Current Assets:	
Capital Assets	147,693
Less: Accumulated Depreciation	<u>(120,138)</u>
Total Non-Current Assets	<u>27,555</u>
Total Assets	<u>95,499</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable - Vendors	50
Interfund Payable - General Fund	26,935
Unearned Revenue	<u>4,888</u>
Total Current Liabilities	<u>31,873</u>
Non-Current Liabilities:	
Accrued Compensated Absences Payable	<u>14,750</u>
Total Liabilities	<u>46,623</u>
<b>NET POSITION:</b>	
Net Investment in Capital Assets	27,555
Unrestricted	<u>21,321</u>
Total Net Position	<u>\$ 48,876</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, 2016

	<u>Business-type Activities - Enterprise Funds</u> Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Non-reimbursable Programs	\$ 543,123
Special Events	<u>3,079</u>
Total Operating Revenue	<u>546,202</u>
Operating Expenses:	
Cost of Sales - Non-Reimbursable Programs	177,173
Salaries, Benefits & Payroll Taxes	298,984
Supplies, Insurance and Other Costs	98,531
Depreciation Expense	<u>4,986</u>
Total Operating Expenses	<u>579,674</u>
Operating Loss	(33,472)
Non-Operating Revenue:	
Interest Income	<u>180</u>
Total Non-Operating Revenue	<u>180</u>
Change in Net Position Before Special Item	(33,292)
Special Item - Food Service Management Contractor Contribution	<u>33,517</u>
Change in Net Position	225
Net Position - Beginning of Year	<u>48,651</u>
Net Position - End of Year	<u><u>\$ 48,876</u></u>

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

Exhibit B-6

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 551,090
Payments to Employees	(304,341)
Payments to Suppliers	(282,825)
	(36,076)
Net Cash Used for Operating Activities	(36,076)
Cash Flows from Non-Capital Financing Activities:	
Operating Transfer In - FSMC Contribution	33,517
	33,517
Net Cash Provided by Non-Capital Financing Activities	33,517
Cash Flows from Investing Activities:	
Interest Income	180
	180
Net Cash Provided by Investing Activities	180
Net Decrease in Cash and Cash Equivalents	(2,379)
Cash and Cash Equivalents, July 1	51,560
Cash and Cash Equivalents, June 30	\$ 49,181
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (33,472)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	4,986
Changes in Assets and Liabilities:	
Decrease in Inventory	639
(Increase) in Accounts Receivable	(7,760)
(Decrease) in Interfund Payable	(982)
Increase in Unearned Revenue	4,888
(Decrease) in Accrued Compensated Absences Payable	(4,375)
	(36,076)
Net Cash Used for Operating Activities	\$ (36,076)

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

Exhibit B-7

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2016

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>	<u>Flexible Benefits Trust</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 749,099	\$ 13,954	\$ 72,693	\$ 25,127
Interfund Receivable:				
General Fund	1,094			
Payroll Agency Fund		74,328		
Total Assets	<u>750,193</u>	<u>88,282</u>	<u>72,693</u>	<u>25,127</u>
<b>LIABILITIES:</b>				
Interfund Payable:				
Unemployment Compensation Trust Fund	74,328			
Payroll Deductions and Withholdings	353,148			
Due to Student Groups	322,717			
Total Liabilities	<u>750,193</u>			
<b>NET POSITION:</b>				
Held in Trust for:				
Unemployment Claims		88,282		
Scholarships			72,693	
Flexible Benefits Claims				25,127
Total Net Position	<u>\$ - 0 -</u>	<u>\$ 88,282</u>	<u>\$ 72,693</u>	<u>\$ 25,127</u>

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



Exhibit B-8

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Flexible Benefits Trust
ADDITIONS:			
Contributions:			
Employee	\$ 37,484		\$ 37,150
Donations		\$ 15,445	
Total Contributions	37,484	15,445	37,150
Investment Earnings:			
Interest	56	765	25
Net Investment Earnings	56	765	25
Total Additions	37,540	16,210	37,175
DEDUCTIONS:			
Unemployment Compensation Claims	55,796		
Scholarships Awarded		20,300	
Flexible Benefits Claims			23,659
Total Deductions	55,796	20,300	23,659
Change in Net Position	(18,256)	(4,090)	13,516
Net Position - Beginning of the Year	106,538	76,783	11,611
Net Position - End of the Year	\$ 88,282	\$ 72,693	\$ 25,127

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, 2016

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, 2016  
(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 capital 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, 2016  
(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, 2016  
(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, 2016 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.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 52,488,782	\$ 694,538
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.		(25,683)
State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes (Prior Year)	426,717	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements (Current Year)	<u>(425,894)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 52,489,605</u>	<u>\$ 668,855</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(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	\$ 52,097,560	\$ 694,538
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.		(25,683)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 52,097,560	\$ 668,855
	Capital Projects Fund	
	Revenue	Fund Balance
Summary Schedule of Revenue, Expenditures and Changes in Fund Balance (Budgetary Basis) (per Exhibit F-1)	\$ 6	\$ 2,063,776
Reconciliation to Governmental Funds Statement (GAAP):		
SDA Grants are Recognized as Revenue on the Budgetary Basis when awarded but are not Reconized on the GAAP Basis until Expended.		(907,673)
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds (GAAP Basis) (per Exhibit B-2)	\$ 6	\$ 1,156,103

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, 2016  
(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, 2016.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(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, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital 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, 2016.



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(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 \$6,980,008 General Fund balance at June 30, 2016, \$62,391 is assigned for encumbrances; \$1,346,010 is restricted in the capital reserve account; \$376,733 is restricted in the maintenance reserve account; \$394,540 is assigned and included as anticipated revenue for the fiscal year ending June 30, 2017; \$3,767,196 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended (\$2,035,103 is prior fiscal year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2017 and the remaining \$1,732,093 is current fiscal year excess surplus and will be included as anticipated revenue for the fiscal year ending June 30, 2018); and \$1,033,138 is unassigned which is \$425,894 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, 2017.

Capital Projects Fund: The Capital Projects Fund balance at June 30, 2016 of \$1,156,103 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, 2016 as outlined above.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(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 \$425,894 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, 2016 of \$2,780,872 for the deferred amount on refunding of debt related to the District's 2011 refunding bonds, changes in assumptions in pensions, changes in proportion in pensions and the difference between expected and actual experience 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, 2016 of \$823,424 for the net difference between projected and actual investment earnings on pension plan investments, and changes in proportion in pensions.

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, 2016  
(Continued)

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

R. Deficit Net Position:

The \$9,021,877 deficit in unrestricted net position from its governmental activities is the result of \$1,777,720 of unamortized bond premiums, the accrual of \$1,620,872 in compensated absences and \$111,633 in interest payable, investment gains in pensions of \$162,634, changes in proportion in pensions of \$660,790, and net pension liability of \$10,115,272, offset by \$1,156,103 committed fund balance for capital projects, \$62,391 assigned fund balance for year-end encumbrances, \$394,540 assigned fund balance which is designated for subsequent year's expenditures, \$1,033,138 of unassigned General Fund fund balance, \$1,229,704 of deferred amount on refunding as of June 30, 2016, changes in pension assumptions of \$1,086,299, changes in proportion in pensions of \$223,554, and differences between expected and actual experience in pensions of \$241,315. 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 \$1,156,103 of committed resources in the Capital Projects Fund at June 30, 2016.

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 \$62,391 for year-end encumbrances and \$394,540 for amounts designated for the subsequent fiscal year's expenditures in the General Fund at June 30, 2016.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(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, 2016  
(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, 2016  
(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, 2016  
(Continued)

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

As of June 30, 2016, 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	\$ 6,459,289	\$ 1,340,780	\$ 376,733	\$ 8,176,802
New Jersey Cash Management Fund	9,054	5,230		14,284
	\$ 6,468,343	\$ 1,346,010	\$ 376,733	\$ 8,191,086

During the period ended June 30, 2016, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2016 was \$8,191,086 and the bank balance was \$9,589,018. The \$14,284 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, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$ 806,321
Interest Earnings	1,929
Unexpended Funds Returned (Prior Year Projects)	56,552
Budgeted Increase	278,146
Board Approved Increase - Resolution Dated June 27, 2016	300,000
Budgeted Withdrawal, Net of Unexpended Funds Returned	(96,938)
Ending Balance, June 30, 2016	\$ 1,346,010

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(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, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$ 371,964
Interest Earnings	<u>4,769</u>
Ending Balance, June 30, 2016	<u><u>\$ 376,733</u></u>

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2016, the District transferred \$28,540 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, 2016  
(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2016 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	2,790,964	\$ 56,789		2,847,753
Buildings and Building Improvements	72,062,583	418,907		72,481,490
Machinery and Equipment	4,098,711	239,580	\$ (74,200)	4,264,091
Total Capital Assets Being Depreciated	<u>78,952,258</u>	<u>715,276</u>	<u>(74,200)</u>	<u>79,593,334</u>
Governmental Activities Capital Assets	<u>79,871,835</u>	<u>715,276</u>	<u>(74,200)</u>	<u>80,512,911</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,318,734)	(113,827)		(1,432,561)
Buildings and Building Improvements	(24,780,747)	(1,830,851)		(26,611,598)
Machinery and Equipment	(2,829,326)	(250,456)	74,200	(3,005,582)
	<u>(28,928,807)</u>	<u>(2,195,134)</u>	<u>74,200</u>	<u>(31,049,741)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 50,943,028</u>	<u>\$ (1,479,858)</u>	<u>\$ -0-</u>	<u>\$ 49,463,170</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 147,693			\$ 147,693
Less Accumulated Depreciation	(115,152)	\$ (4,986)		(120,138)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 32,541</u>	<u>\$ (4,986)</u>	<u>\$ -0-</u>	<u>\$ 27,555</u>

The District had active construction projects totaling \$3,185,742 with unexpended balances of \$2,116,001 as of June 30, 2016. The District had \$1,883,002 in outstanding construction commitments at June 30, 2016.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 7,735
Student and Instruction Related Services	14,890
Administrative Information Technology	143,260
Plant Operations and Maintenance	39,527
Transportation	29,088
Unallocated	<u>1,960,634</u>
Total Depreciation - Governmental Activities	<u>\$ 2,195,134</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(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>
2017	\$ 72,352
2018	72,352
2019	36,176
	<u>\$ 180,880</u>

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2016, the following changes occurred in liabilities reported in the District-wide financial statements:

	<u>Balance</u> 6/30/2015	<u>Issued/ Added</u>	<u>Retired/ Defeased</u>	<u>Balance</u> 6/30/2016
Serial Bonds Payable	\$ 16,375,000		\$ 1,525,000	\$ 14,850,000
Capital Leases Payable	171,303		41,500	129,803
Net Pension Liability	9,215,499	\$ 899,773		10,115,272
Compensated Absences Payable:				
Governmental Funds	1,639,697	127,375	146,200	1,620,872
Proprietary Funds	19,125		4,375	14,750
	<u>\$ 27,420,624</u>	<u>\$ 1,027,148</u>	<u>\$ 1,717,075</u>	<u>\$ 26,730,697</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, 2016 as follows:

<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
05/01/2024	3.25%-5.50%	<u>\$ 14,850,000</u>

The current portion of bonds payable at June 30, 2016 is \$1,595,000 and the long-term portion is \$13,255,000.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(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</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2021	1,885,000	384,175	2,269,175
Thereafter:			
2022-2024	<u>6,165,000</u>	<u>625,600</u>	<u>6,790,600</u>
	<u>\$ 14,850,000</u>	<u>\$ 3,280,300</u>	<u>\$ 18,130,300</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2016, 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, 2016. 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, 2016 are detailed below.

<u>Year</u>	<u>Amount</u>
2017	\$ 45,098
2018	45,098
2019	45,098
	<u>135,294</u>
Less: Amount representing interest	<u>(5,491)</u>
Present value of net minimum lease payments	<u>\$ 129,803</u>

The current portion of capital leases payable at June 30, 2016 is \$42,372 and the long-term portion is \$87,431. 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, 2016  
(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 entire compensated absences balance of \$1,620,872 in the Governmental Funds is reported as a long-term liability. 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, 2016, the entire \$14,750 of compensated absences is reported as a long-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, 2016 is \$-0- and the long-term portion is \$10,115,272. 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](http://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, 2016  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 \$387,403 for fiscal year 2016.

The employee contribution rate was 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> 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, 2016, the District reported a liability of \$10,115,272 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. 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, 2015, the District's proportion was 0.045%, which was a decrease of 0.004% from its proportion measured as of June 30, 2014.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(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, 2016, the District recognized pension expense of \$573,913. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Amortization Period</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions:			
2014	6.44 years	\$ 216,526	
2015	5.72 years	<u>869,773</u>	
Subtotal		<u>1,086,299</u>	
Changes in Proportion:			
2014	6.44 years	<u>223,554</u>	
2015	5.72 years		<u>\$ 660,790</u>
Difference Between Expected and Actual Experience:			
2015	5.72 years	<u>241,315</u>	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments:			
2014	5 years		377,083
2015	5 years		<u>(214,449)</u>
Subtotal			<u>162,634</u>
		<u>\$ 1,551,168</u>	<u>\$ 823,424</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(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)

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</u> <u>Ending June 30,</u>	<u>Total</u>
2016	\$ 212,085
2017	212,085
2018	212,085
2019	337,779
2020	190,946
	<u>\$ 1,164,980</u>

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	3.04%
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%

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

The actuarial assumptions used in the July 1, 2014 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, 2015 are 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, 2016  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex. U.S.	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. 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 3.80% as of June 30, 2015 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 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.



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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, 2015 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, 2015		
	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
District's proportionate share of the Net Pension Liability	\$ 12,572,045	\$ 10,115,272	\$ 8,055,531

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](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

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:

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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 2015, 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 2016, the State of New Jersey contributed \$1,657,148 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$8,232,252.

The employee contribution rate was 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> 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, 2016, the State's proportionate share of the net pension liability associated with the District was \$134,824,544. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. 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, 2015, the District's proportion was 0.2133%, which was an increase of 0.0015% from its proportion measured as of June 30, 2014.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>\$ 134,824,544</u>
Total	<u><u>\$ 134,824,544</u></u>

For the fiscal year ended June 30, 2015, the State recognized pension expense on behalf of the District in the amount of \$8,232,252 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2016 financial statements.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(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)

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

	<u>Amortization Period</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions:			
2014	8.5 years	\$ 1,999,074,013	
2015	8.3 years	5,201,079,373	
Difference Between Expected and Actual Experience:			
2014	8.5 years		\$ 19,039,817
2015	8.3 years	321,224,871	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments:			
2014	5 years		1,305,927,430
2015	5 years		(770,568,242)
		<u>\$ 7,521,378,257</u>	<u>\$ 554,399,005</u>

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2016	\$ 818,433,596
2017	818,433,596
2018	818,433,598
2019	1,253,742,742
2020	1,061,100,680
Thereafter	<u>2,196,835,040</u>
	<u>\$ 6,966,979,252</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
 (Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014.

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, 2014 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, 2015 are 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, 2016  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block in which best-estimate ranges of expected future real rates of return (expected\_returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. 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 3.80% as of June 30, 2015 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, 2016  
(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 State's proportionate share of the net pension liability associated with the District as of June 30, 2015 calculated using the discount rate as disclosed above, as well as what the State's proportionate share of the net pension liability associated with the District 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, 2015		
	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 160,233,931	\$ 134,824,544	\$ 112,932,836

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 \$7,545 for the fiscal year ended June 30, 2016. Employee contributions to DCRP amounted to \$13,832 for the fiscal year ended June 30, 2016.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(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, 2015, there were 107,314 retirees receiving post-retirement medical benefits and the State contributed \$1.25 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members for Fiscal Year 2015.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publically available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at <http://www.nj.gov/treasury/pensions/pdf/financial2015combined.pdf>.

The State's on behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$1,973,205, \$1,830,804 and \$1,469,160 for 2016, 2015 and 2014, 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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

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

The June 30, 2016 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, 2015 is as follows:

	Morris-Essex Insurance Group
	<hr/> <hr/>
Total Assets	\$ 9,175,098
Net Position	\$ 6,102,625
Total Revenue	\$ 3,268,234
Total Expenses	\$ 1,811,032
Member Dividends	\$ 764,521
Change in Net Position for the Year Ended June 30	\$ 692,681

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>
2015-2016	\$ -0-	\$ 56	\$ 37,484	\$ 55,796	\$ 88,282
2014-2015	-0-	78	36,844	25,667	106,538
2013-2014	59,767	38	64,881	64,172	95,283



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(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> <p>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>	<p><u>457</u></p> <p>AXA Equitable Life Insurance Company  Variable Annuity Life Insurance Company</p>
--	--

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, 2016, there were encumbrances as detailed below in the governmental funds.

Governmental Funds			
General	Special Revenue	Capital Projects	Total
\$ 62,391	\$ 27,014	\$ 1,883,002	\$ 1,972,407

In the District’s Governmental Funds Balance Sheet as of June 30, 2016, 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 \$27,014 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 \$1,883,002 of fiscal year-end encumbrances in the Capital Projects Fund on a budgetary basis are included in the \$1,156,103 committed fund balance on a GAAP basis at June 30, 2016 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, 2016  
(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, 2016:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 26,936	\$ 1,001,391
Special Revenue Fund		1
Capital Projects Fund	1,000,297	
Proprietary Funds		26,935
Fiduciary Funds	75,422	74,328
	<u>\$ 1,102,655</u>	<u>\$ 1,102,655</u>

During the fiscal year, the General Fund transferred \$96,938 to the Capital Projects Fund for the local share of capital projects and the Capital Projects Fund transferred \$6 of interest earnings and \$56,552 of unexpended local share of capital projects to the General Fund.

At June 30, 2016, the General Fund owes the Capital Projects Fund \$1,000,297 for the local share of capital projects authorized and owes the Payroll Agency Fund \$1,094 for payroll liabilities not transferred by June 30, 2016. The Special Revenue Fund owes the General Fund \$1 for an interfund advanced for federal grant expenditures for which reimbursement has not been received as of June 30, 2016. The Food Service Enterprise Fund owes the General Fund \$26,935 for payroll expenses. The Payroll Agency Fund owes the Unemployment Compensation Trust Fund \$74,328 for employee contributions.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
 (Continued)

NOTE 18. ACCOUNTS PAYABLE

Accounts payable recorded in the District’s Governmental Activities and Business-Type Activities as of June 30, 2016 consisted of the following:

	<u>Governmental Activities</u>			<u>Business-Type</u>
	<u>General</u>	<u>Special</u>	<u>Total</u>	<u>Activities</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Governmental</u>	<u>Proprietary</u>
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
Salaries	\$ 16,278		\$ 16,278	
Vendors				\$ 50
Due to Other Governmental Units		\$ 7,679	7,679	
	<u>\$ 16,278</u>	<u>\$ 7,679</u>	<u>\$ 23,957</u>	<u>\$ 50</u>

**SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION**

L-1

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 THREE FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,		
	2014	2015	2016
District's proportion of the net pension liability	0.0475243141%	0.0492208999%	0.0450609130%
District's proportionate share of the net pension liability	\$ 9,082,841	\$ 9,215,499	\$ 10,115,272
District's covered employee payroll	\$ 3,060,943	\$ 3,068,637	\$ 3,277,081
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	296.73%	300.31%	308.67%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%	47.93%

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

L-2

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

	Fiscal Year Ending June 30,		
	2014	2015	2016
Contractually required contribution	\$ 358,086	\$ 405,770	\$ 387,403
Contributions in relation to the contractually required contribution	(358,086)	(405,770)	(387,403)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 3,060,943	\$ 3,068,637	\$ 3,277,081
Contributions as a percentage of covered employee payroll	11.70%	13.22%	11.82%

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

L-3

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 THREE FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,		
	2014	2015	2016
State's proportion of the net pension liability attributable to the District	0.1957394393%	0.2118079146%	0.2133155613%
State's proportionate share of the net pension liability attributable to the District	\$ 98,925,173	\$ 113,204,437	\$ 134,824,544
District's covered employee payroll	\$ 20,809,267	\$ 20,158,162	\$ 20,432,108
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	475.39%	561.58%	659.87%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%

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, 2016

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.39% as of June 30, 2014 to 4.90% as of June 30, 2015. The inflation rate changed from 3.01% as of June 30, 2014 to 3.04% as of June 30, 2015.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.68% as of June 30, 2014 to 4.13% as of June 30, 2015.



BUDGETARY COMPARISON SCHEDULES

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 41,620,275		\$ 41,620,275	\$ 41,620,275	
Tuition - From Individuals	79,860	\$ (51,000)	28,860	29,752	\$ 892
Tuition - Other LEA's Within state		50,000	50,000	85,936	35,936
Tuition - Other		1,000	1,000	5,000	4,000
Unrestricted Miscellaneous Revenue	39,026		39,026	46,621	7,595
Interest on Capital Reserve	1,000		1,000	1,929	929
Interest on Maintenance Reserve				4,769	4,769
Miscellaneous	434,660		434,660	601,624	166,964
<b>Total - Local Sources</b>	<b>42,174,821</b>		<b>42,174,821</b>	<b>42,395,906</b>	<b>221,085</b>
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				494,976	494,976
Nonpublic Transportation Costs				23,151	23,151
On-Behalf TPAF Contributions:					
Post Retirement Medical Benefits (Non-Budgeted)				1,973,205	1,973,205
Pension (Non-Budgeted)				1,657,148	1,657,148
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				1,518,895	1,518,895
<b>Total State Sources</b>	<b>4,425,501</b>		<b>4,425,501</b>	<b>10,092,876</b>	<b>5,667,375</b>
<b>TOTAL REVENUE</b>	<b>46,600,322</b>		<b>46,600,322</b>	<b>52,488,782</b>	<b>5,888,460</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(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	\$ 14,964,276	\$ (101,307)	\$ 14,862,969	\$ 14,672,552	\$ 190,417
Regular Programs - Home Instruction:					
Salaries of Teachers	200,000	(4,833)	195,167	139,237	55,930
Purchased Professional - Educational Services	70,000	44,833	114,833	69,397	45,436
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	40,000	(40,000)			
Other Purchased Services (400-500 series)	260,667	8,385	269,052	268,749	303
General Supplies	418,187	(19,759)	398,428	371,394	27,034
Textbooks	148,349	(18,462)	129,887	118,652	11,235
Total Regular Programs - Instruction	<u>16,101,479</u>	<u>(131,143)</u>	<u>15,970,336</u>	<u>15,639,981</u>	<u>330,355</u>
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	2,497,899	8,573	2,506,472	2,506,472	
Other Salaries for Instruction	393,570	(10,129)	383,441	383,441	
Other Purchased Services (400-500 series)	760	(533)	227	227	
General Supplies	19,000	(573)	18,427	18,427	
Textbooks	3,300	(1,652)	1,648	1,648	
Total Resource Room/Resource Center	<u>2,914,529</u>	<u>(4,314)</u>	<u>2,910,215</u>	<u>2,910,215</u>	
Total Special Education - Instruction	<u>2,914,529</u>	<u>(4,314)</u>	<u>2,910,215</u>	<u>2,910,215</u>	

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	\$ 376,582	\$ (6,189)	\$ 370,393	\$ 355,009	\$ 15,384
Purchased Services (300-500 series)	16,163	(4,463)	11,700	8,822	2,878
Supplies and Materials	45,883	(3,602)	42,281	36,195	6,086
Other Objects	15,997	(13)	15,984	13,848	2,136
	<u>454,625</u>	<u>(14,267)</u>	<u>440,358</u>	<u>413,874</u>	<u>26,484</u>
Total School-Sponsored Cocurricular Activities - Instruction					
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	1,621,090	56,715	1,677,805	1,649,245	28,560
Purchased Services (300-500 series)	1,889	470	2,359	2,359	
Supplies and Materials	116,848	(11,266)	105,582	105,582	
Other Objects	186,171	13,664	199,835	199,835	
	<u>1,925,998</u>	<u>59,583</u>	<u>1,985,581</u>	<u>1,957,021</u>	<u>28,560</u>
Total School-Sponsored Cocurricular Athletics - Instruction					
Other Instructional Programs - Instruction:					
Salaries	8,000		8,000	6,467	1,533
	<u>8,000</u>		<u>8,000</u>	<u>6,467</u>	<u>1,533</u>
Total Other Instructional Programs - Instruction					
Total Instruction Expenditures	<u>21,404,631</u>	<u>(90,141)</u>	<u>21,314,490</u>	<u>20,927,558</u>	<u>386,932</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(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	\$ 315,731	\$ (64,150)	\$ 251,581	\$ 243,584	\$ 7,997
Tuition to County Vocational School District - Regular	362,670	(29,000)	333,670	277,185	56,485
Tuition to County Vocational School District - Special	97,624	20,000	117,624	92,203	25,421
Tuition to CSSD & Regional Day Schools	345,296	35,200	380,496	342,061	38,435
Tuition to Private Schools for the Disabled - Within State	2,859,817	(285,714)	2,574,103	2,446,076	128,027
Tuition to Private Schools for the Disabled and Other LEAs Special - Outside the State	45,000		45,000	39,067	5,933
Total Undistributed Expenditures - Instruction	<u>4,026,138</u>	<u>(323,664)</u>	<u>3,702,474</u>	<u>3,440,176</u>	<u>262,298</u>
Attendance & Social Work Services:					
Salaries	17,793	2,493	20,286	20,286	
Supplies and Materials	4,220	(650)	3,570	2,466	1,104
Total Attendance & Social Work Services	<u>22,013</u>	<u>1,843</u>	<u>23,856</u>	<u>22,752</u>	<u>1,104</u>
Health Services:					
Salaries	469,053	1,936	470,989	464,180	6,809
Purchased Professional and Technical Services	32,409	(789)	31,620	31,620	
Other Purchased Services (400-500 series)	150	(150)			
Supplies and Materials	9,685	(391)	9,294	9,161	133
Other Objects	1,501	(1,501)			
Total Health Services	<u>512,798</u>	<u>(895)</u>	<u>511,903</u>	<u>504,961</u>	<u>6,942</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(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	\$ 88,709	\$ 15,877	\$ 104,586	\$ 104,586	
Supplies and Materials	605	(605)			
Total Speech, OT, PT & Related Services	<u>89,314</u>	<u>15,272</u>	<u>104,586</u>	<u>104,586</u>	
Guidance:					
Salaries of Other Professional Staff	1,227,701	(13,208)	1,214,493	1,193,321	\$ 21,172
Salaries of Secretarial and Clerical Assistants	128,264	6,412	134,676	133,037	1,639
Other Salaries	51,506		51,506	51,506	
Other Purchased Professional and Technical Services	19,229	574	19,803	18,805	998
Other Purchased Services (400-500 series)	276	(20)	256		256
Supplies and Materials	15,945	(574)	15,371	13,672	1,699
Other Objects	1,975	20	1,995	1,344	651
Total Guidance	<u>1,444,896</u>	<u>(6,796)</u>	<u>1,438,100</u>	<u>1,411,685</u>	<u>26,415</u>
Child Study Team:					
Salaries of Other Professional Staff	952,191	28,782	980,973	967,650	13,323
Salaries of Secretarial and Clerical Assistants	158,000	14,404	172,404	168,186	4,218
Purchased Professional - Educational Services	266,888	(6,964)	259,924	229,708	30,216
Other Purchased Services (400-500 series)	11,900	(3,350)	8,550	4,425	4,125
Supplies and Materials	10,000	(284)	9,716	8,024	1,692
Other Objects	1,800		1,800	803	997
Total Child Study Team	<u>1,400,779</u>	<u>32,588</u>	<u>1,433,367</u>	<u>1,378,796</u>	<u>54,571</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	\$ 286,238	\$ (7,467)	\$ 278,771	\$ 240,537	\$ 38,234
Salaries of Other Professional Staff	9,000	39,209	48,209	48,203	6
Salaries of Secretarial and Clerical Assistants	127,990	10,800	138,790	137,644	1,146
Other Purchased Professional and Technical Services	78,510	6,398	84,908	63,756	21,152
Other Purchased Services (400-500 series)	5,000	(1,000)	4,000	1,771	2,229
Supplies and Materials	186,000	(17,631)	168,369	162,941	5,428
Other Objects	1,250		1,250	134	1,116
<b>Total Improvement of Instructional Services</b>	<b>693,988</b>	<b>30,309</b>	<b>724,297</b>	<b>654,986</b>	<b>69,311</b>
Educational Media Services/School Library:					
Salaries	148,687	14,761	163,448	163,448	
Salaries of Technology Coordinators	184,173	45,141	229,314	229,314	
Supplies and Materials	91,053	(7,639)	83,414	72,253	11,161
Other Objects	910		910	851	59
<b>Total Educational Media Services/School Library</b>	<b>424,823</b>	<b>52,263</b>	<b>477,086</b>	<b>465,866</b>	<b>11,220</b>
Instructional Staff Training Services:					
Salaries of Other Professional Staff	284,588	(25,583)	259,005	243,776	15,229
Purchased Professional - Educational Services	37,000		37,000	35,578	1,422
Other Purchased Professional and Technical Services	4,100	(1,309)	2,791	1,500	1,291
Other Purchased Services (400-500 series)	72,000		72,000	57,630	14,370
Supplies and Materials	3,000	1,100	4,100	3,164	936
<b>Total Instructional Staff Training Services</b>	<b>400,688</b>	<b>(25,792)</b>	<b>374,896</b>	<b>341,648</b>	<b>33,248</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
General Administration:					
Salaries	\$ 414,854	\$ 14,921	\$ 429,775	\$ 425,132	\$ 4,643
Legal Services	56,100	20,512	76,612	76,612	
Audit Fees	57,790	(4,200)	53,590	53,590	
Other Purchased Professional Services	14,863	3,969	18,832	18,832	
Communications/Telephone	66,120	(18,174)	47,946	40,440	7,506
BOE Other Purchased Services	4,000	(1,227)	2,773	2,173	600
Miscellaneous Purchased Services (400-500 series)	276,312	(29,313)	246,999	237,776	9,223
General Supplies	9,524	(1,430)	8,094	6,970	1,124
Miscellaneous Expenditures	13,490	(760)	12,730	12,287	443
BOE Membership Dues and Fees	23,292	(2,848)	20,444	20,444	
Total General Administration	936,345	(18,550)	917,795	894,256	23,539
School Administration:					
Salaries of Principals/Assistant Principals	965,370		965,370	965,370	
Salaries of Other Professional Staff	368,314	1,779	370,093	370,093	
Salaries of Secretarial and Clerical Assistants	314,671	32,446	347,117	347,085	32
Other Purchased Services (400-500 series)	18,793	(4,815)	13,978	13,978	
Supplies and Materials	5,500	(3,333)	2,167	2,167	
Other Objects	18,062	23,166	41,228	35,895	5,333
Total School Administration	1,690,710	49,243	1,739,953	1,734,588	5,365



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Central Services:					
Salaries	\$ 411,057	\$ 8,135	\$ 419,192	\$ 415,734	\$ 3,458
Purchased Professional Services	36,000	(7,330)	28,670	19,821	8,849
Purchased Technical Services	15,000		15,000	8,960	6,040
Miscellaneous Purchased Services (400-500 series)	13,000	(805)	12,195	5,565	6,630
Supplies and Materials	8,477		8,477	6,727	1,750
Miscellaneous Expenditures	4,000		4,000	2,682	1,318
<b>Total Central Services</b>	<b>487,534</b>		<b>487,534</b>	<b>459,489</b>	<b>28,045</b>
Administrative Information Technology:					
Salaries	120,909	38,711	159,620	155,140	4,480
Purchased Technical Services	236,200	(47,456)	188,744	96,224	92,520
Other Purchased Services (400-500 series)	176,522	(19,108)	157,414	147,880	9,534
Supplies and Materials	149,504	130,779	280,283	272,753	7,530
Other Objects	900		900	825	75
<b>Total Administrative Information Technology</b>	<b>684,035</b>	<b>102,926</b>	<b>786,961</b>	<b>672,822</b>	<b>114,139</b>
Required Maintenance for School Facilities:					
Salaries	10,296		10,296	8,494	1,802
Cleaning, Repair and Maintenance Services	147,200		147,200	123,208	23,992
General Supplies	104,255		104,255	88,556	15,699
<b>Total Required Maintenance for School Facilities</b>	<b>261,751</b>		<b>261,751</b>	<b>220,258</b>	<b>41,493</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE					
Undistributed Expenditures:					
Custodial Services:					
Salaries	\$ 1,065,329	\$ 20,959	\$ 1,086,288	\$ 1,076,975	\$ 9,313
Purchased Professional and Technical Services	63,150	(23,577)	39,573	18,224	21,349
Cleaning, Repair and Maintenance Services	151,893	(7,432)	144,461	105,988	38,473
Rental of Land & Buildings Other than Lease Purchase Agreement	147,600	(14,342)	133,258	123,889	9,369
Other Purchased Property Services	75,159	4,374	79,533	75,297	4,236
Insurance	38,269		38,269	38,269	
Miscellaneous Purchased Services	6,900	520	7,420	4,559	2,861
General Supplies	148,054	(1,592)	146,462	117,216	29,246
Energy (Natural Gas)	254,068	(254,068)			
Energy (Electricity)	608,074	249,968	858,042	678,263	179,779
Other Objects	8,040	15,004	23,044	4,707	18,337
Total Custodial Services	<u>2,566,536</u>	<u>(10,186)</u>	<u>2,556,350</u>	<u>2,243,387</u>	<u>312,963</u>
Care & Upkeep of Grounds:					
Salaries	306,092		306,092	303,092	3,000
Cleaning, Repair and Maintenance Services	36,200		36,200	19,893	16,307
General Supplies	62,924		62,924	57,993	4,931
Total Care & Upkeep of Grounds	<u>405,216</u>		<u>405,216</u>	<u>380,978</u>	<u>24,238</u>
Security:					
Salaries	98,400	2,613	101,013	86,513	14,500
Purchased Professional and Technical Services	40,961		40,961	40,961	
General Supplies	1,500	(366)	1,134		1,134
Other Objects	5,500	(2,247)	3,253	507	2,746
Total Security	<u>146,361</u>		<u>146,361</u>	<u>127,981</u>	<u>18,380</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(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	\$ 81,608	\$ (13,262)	\$ 68,346	\$ 68,346	
Between Home and School - Special	7,000	8,872	15,872	15,872	
Other Than Between Home and School	92,000	38,382	130,382	130,382	
Between Home and School - Nonpublic Schools	26,105	153	26,258	26,258	
Management Fee - ESC & CTSA Transportation Program	53,804	(20,474)	33,330	33,330	
Other Purchased Professional and Technical Services	6,495	(1,150)	5,345	5,345	
Cleaning, Repair and Maintenance Services	37,113	5,450	42,563	42,563	
Contracted Services:					
Other than Between Home and School - Vendors	293,484	17,848	311,332	311,332	
Between Home and School - Joint Agreements	975,156	12,732	987,888	987,888	
Special Education Students - Vendors	22,300	(8,850)	13,450	13,450	
Special Education Students - Joint Agreements	86,485	(77,691)	8,794	8,794	
Regular Students - ESC's & CTSA's	198,740	17,795	216,535	216,535	
Special Education Students - ESC's & CTSA's	1,057,637	211,791	1,269,428	1,269,428	
Aid in Lieu of Payments - Nonpublic Students	72,488	(3,632)	68,856	68,856	
Miscellaneous Purchased Services	7,890	(416)	7,474	7,474	
General Supplies	33,350	(19,984)	13,366	13,366	
Other Objects	600	275	875	875	
Total Student Transportation Services	<u>3,052,255</u>	<u>167,839</u>	<u>3,220,094</u>	<u>3,220,094</u>	

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(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	\$ 599,948	\$ 30,236	\$ 630,184	\$ 630,184	
TPAF Contributions - ERIP	1,331		1,331		\$ 1,331
Other Retirement Contributions - PERS	428,296	(8,219)	420,077	387,403	32,674
Other Retirement Contributions - Regular		7,545	7,545	7,545	
Unemployment Compensation	25,000		25,000		25,000
Workmen's Compensation	277,929		277,929	209,706	68,223
Health Benefits	6,005,019	(8,631)	5,996,388	5,783,115	213,273
Tuition Reimbursement	134,315	(30,240)	104,075	72,513	31,562
Other Employee Benefits	270,903	4,510	275,413	236,498	38,915
Total Unallocated Benefits	<u>7,742,741</u>	<u>(4,799)</u>	<u>7,737,942</u>	<u>7,326,964</u>	<u>410,978</u>
On-Behalf TPAF Contributions:					
Post Retirement Medical Benefits (Non-Budgeted)				1,973,205	(1,973,205)
Pension (Non-Budgeted)				1,657,148	(1,657,148)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				1,518,895	(1,518,895)
Total On-Behalf and Reimbursed Contributions				<u>5,149,248</u>	<u>(5,149,248)</u>
Total Personal Services - Employee Benefits	<u>7,742,741</u>	<u>(4,799)</u>	<u>7,737,942</u>	<u>12,476,212</u>	<u>(4,738,270)</u>
Total Undistributed Expenditures	<u>26,988,921</u>	<u>61,601</u>	<u>27,050,522</u>	<u>30,755,521</u>	<u>(3,704,999)</u>
TOTAL CURRENT EXPENSE	<u>48,393,552</u>	<u>(28,540)</u>	<u>48,365,012</u>	<u>51,683,079</u>	<u>(3,318,067)</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(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	8,041	\$ 3,915	11,956	11,592	\$ 364
Undistributed Expenditures:					
Instruction	86,500	(56)	86,444	76,046	10,398
Instructional Staff	20,000		20,000	18,360	1,640
Required Maintenance for School Facilities	83,527	78,425	161,952	161,346	606
Custodial Services	7,800	(7,800)			
Care and Upkeep of Grounds	46,000	(46,000)			
Student Transportation - Non-Instructional Equipment	38,620	56	38,676	38,676	
Total Equipment	<u>296,088</u>	<u>28,540</u>	<u>324,628</u>	<u>311,620</u>	<u>13,008</u>
Facilities Acquisition and Construction Services:					
Other Objects - Debt Service Assessment	<u>102,861</u>		<u>102,861</u>	<u>102,861</u>	
Total Facilities Acquisition and Construction Services	<u>102,861</u>		<u>102,861</u>	<u>102,861</u>	
TOTAL CAPITAL OUTLAY	<u>398,949</u>	<u>28,540</u>	<u>427,489</u>	<u>414,481</u>	<u>13,008</u>
TOTAL EXPENDITURES	<u>48,792,501</u>		<u>48,792,501</u>	<u>52,097,560</u>	<u>(3,305,059)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,192,179)</u>		<u>(2,192,179)</u>	<u>391,222</u>	<u>2,583,401</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Financing Sources/(Uses):					
Transfer from Capital Reserve to Capital Projects Fund	\$ (108,000)		\$ (108,000)	\$ (96,938)	\$ 11,062
Transfer from Capital Projects Fund:					
Capital Reserve Unexpended Funds Returned				56,552	56,552
Transfer from Capital Projects Fund - Interest Earned				6	6
	<u>(108,000)</u>		<u>(108,000)</u>	<u>(40,380)</u>	<u>67,620</u>
Total Other Financing Sources/(Uses)					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(2,300,179)		(2,300,179)	350,842	2,651,021
Fund Balance, July 1	<u>7,055,060</u>		<u>7,055,060</u>	<u>7,055,060</u>	
Fund Balance, June 30	<u>\$ 4,754,881</u>	<u>\$ - 0 -</u>	<u>\$ 4,754,881</u>	<u>\$ 7,405,902</u>	<u>\$ 2,651,021</u>
Recapitulation:					
Restricted for:					
Capital Reserve				\$ 1,346,010	
Maintenance Reserve				376,733	
Excess Surplus				1,732,093	
Excess Surplus - For Subsequent Year's Expenditures				2,035,103	
Assigned:					
Year-End Encumbrances				62,391	
For Subsequent Year's Expenditures				394,540	
Unassigned				<u>1,459,032</u>	
Total Fund Balance - Budgetary Basis				7,405,902	
Reconciliation to Governmental Fund Statements (GAAP):					
June State Aid payments not recognized on a GAAP basis				<u>(425,894)</u>	
Fund Balance per Governmental Funds on Exhibit B-1				<u>\$ 6,980,008</u>	

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
State Sources		\$ 82,581	\$ 82,581	\$ 82,236	\$ (345)
Federal Sources	\$ 566,176	138,962	705,138	581,481	(123,657)
Local Sources		30,821	30,821	30,821	
<b>Total Revenues</b>	<u>566,176</u>	<u>252,364</u>	<u>818,540</u>	<u>694,538</u>	<u>(124,002)</u>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Personal Services - Salaries	28,222	11,141	39,363	30,789	8,574
Other Purchased Services		55,777	55,777	54,647	1,130
Tuition	502,002	(243,995)	258,007	258,007	
General Supplies	3,211	71,562	74,773	52,306	22,467
Textbooks		18,957	18,957	18,957	
Other Objects		18,596	18,596	6,716	11,880
<b>Total Instruction</b>	<u>533,435</u>	<u>(67,962)</u>	<u>465,473</u>	<u>421,422</u>	<u>44,051</u>
<b>Support Services</b>					
Personal Services - Employee Benefits	6,491	2,281	8,772	7,679	1,093
Purchased Professional/Technical Services	11,000	217,073	228,073	222,021	6,052
Other Purchased Services	11,000	655	11,655	2,800	8,855
Supplies and Materials	4,250	44,062	48,312	40,616	7,696
<b>Total Support Services</b>	<u>32,741</u>	<u>264,071</u>	<u>296,812</u>	<u>273,116</u>	<u>23,696</u>





WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 52,488,782	\$ 694,538
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.		(25,683)
State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements (Prior Year)	426,717	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements (Current Year)	(425,894)	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 52,489,605	\$ 668,855
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 52,097,560	\$ 694,538
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		(25,683)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 52,097,560	\$ 668,855

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(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, 2016 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, 2016

	<u>No Child Left Behind</u>		<u>IDEA - Part B, Basic Regular</u>
	<u>Title II</u>		
	<u>2015-16</u>	<u>Prior Years</u>	
REVENUE:			
State Sources			
Federal Sources	\$ 16,469	\$ 1,500	\$ 563,512
Local Sources			
Total Revenue	<u>16,469</u>	<u>1,500</u>	<u>563,512</u>
EXPENDITURES:			
Instruction:			
Personal Services - Salaries			30,789
Other Purchased Services			
Tuition			258,007
General Supplies	3,312	1,500	38,862
Textbooks			
Other Objects			6,716
Total Instruction	<u>3,312</u>	<u>1,500</u>	<u>334,374</u>
Support Services:			
Personal Services - Employee Benefits			7,679
Purchased Professional/Technical Services	10,357		211,664
Other Purchased Services	2,800		
Supplies and Materials			9,795
Total Support Services	<u>13,157</u>		<u>229,138</u>
Total Expenditures	<u>\$ 16,469</u>	<u>\$ 1,500</u>	<u>\$ 563,512</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, 2016

	NJ Nonpublic		
	Handicapped Services (Chapter 193)		
	Examination & Classification	Supplementary Instruction	Textbooks
REVENUE:			
State Sources	\$ 12,960	\$ 11,807	\$ 18,957
Federal Sources			
Local Sources			
Total Revenue	<u>12,960</u>	<u>11,807</u>	<u>18,957</u>
EXPENDITURES:			
Instruction:			
Personal Services - Salaries			
Other Purchased Services	12,960	11,807	
Tuition			
General Supplies			
Textbooks			18,957
Other Objects			
Total Instruction	<u>12,960</u>	<u>11,807</u>	<u>18,957</u>
Support Services:			
Personal Services - Employee Benefits			
Purchased Professional/Technical Services			
Other Purchased Services			
Supplies and Materials			
Total Support Services			
Total Expenditures	<u>\$ 12,960</u>	<u>\$ 11,807</u>	<u>\$ 18,957</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, 2016

	<u>NJ Nonpublic</u>		<u>Other Local Projects</u>	<u>Totals June 30, 2016</u>
	<u>Technology Initiative</u>	<u>Nursing Services</u>		
REVENUE:				
State Sources	\$ 8,632	\$ 29,880		\$ 82,236
Federal Sources				581,481
Local Sources			\$ 30,821	30,821
Total Revenue	<u>8,632</u>	<u>29,880</u>	<u>30,821</u>	<u>694,538</u>
EXPENDITURES:				
Instruction:				
Personal Services - Salaries				30,789
Other Purchased Services		29,880		54,647
Tuition				258,007
General Supplies	8,632			52,306
Textbooks				18,957
Other Objects				6,716
Total Instruction	<u>8,632</u>	<u>29,880</u>		<u>421,422</u>
Support Services:				
Personal Services - Employee Benefits				7,679
Purchased Professional/Technical Services				222,021
Other Purchased Services				2,800
Supplies and Materials			30,821	40,616
Total Support Services			<u>30,821</u>	<u>273,116</u>
Total Expenditures	<u>\$ 8,632</u>	<u>\$ 29,880</u>	<u>\$ 30,821</u>	<u>\$ 694,538</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, 2016

Revenue and Other Financing Sources:	
Transfer from Capital Reserve	\$ 96,938
Interest Revenue	6
	<hr/>
Total Revenue and Other Financing Sources	96,944
	<hr/>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	46,051
Construction Services	188,437
Equipment	187,182
Transfer to General Fund:	
Capital Reserve Unexpended Funds Returned	56,552
Interest Earned	6
	<hr/>
Total Expenditures and Other Financing Uses	478,228
	<hr/>
Deficit of Revenue & Other Financing Sources Under Expenditures & Other Financing Uses	(381,284)
	<hr/>
Fund Balance - Beginning	2,445,060
	<hr/>
Fund Balance - Ending	\$ 2,063,776
	<hr/> <hr/>
Recapitulation of Fund Balance:	
Committed - Year-End Encumbrances	\$ 1,883,002
Committed	180,774
	<hr/>
Fund Balance per Governmental Funds (Budgetary Basis)	2,063,776
Reconciliation to Governmental Funds Statement (GAAP):	
SDA Grants not Recognized on the GAAP Basis	(907,673)
	<hr/>
Fund Balance per Governmental Funds (GAAP)	\$ 1,156,103
	<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, 2016

	<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)	\$ - 0 -	\$ 20,000
Total Revenue and Other Financing Sources	<u>20,000</u>	<u>(20,000)</u>	<u>- 0 -</u>	<u>20,000</u>
Expenditures:				
Equipment				20,000
Total Expenditures	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>20,000</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 20,000</u>	<u>\$ (20,000)</u>	<u>\$ -0-</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

Exhibit F-1b

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 - IRRIGATION SYSTEM PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 24,000	\$ 24,000	\$ 24,000
Total Revenue and Other Financing Sources	\$ -0-	24,000	24,000	24,000
Expenditures:				
Construction Services				24,000
Total Expenditures	- 0 -	- 0 -	- 0 -	24,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ - 0 -	\$ 24,000	\$ 24,000	\$ - 0 -
Additional Project Information:				
Project Number		N/A		
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$	24,000		
Change Orders	\$	-0-		
Revised Authorized Cost	\$	24,000		
Change Order Percentage		0.00%		
Percentage Completion		0.00%		
Original Target Completion Date		08/15/16		
Revised Target Completion Date		08/15/17		

Exhibit F-1c

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 - SECURITY CAMERAS PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 44,622	\$ 44,622	\$ 44,622
Total Revenue and Other Financing Sources	\$ -0-	44,622	44,622	44,622
Expenditures:				
Equipment		40,295	40,295	44,622
Total Expenditures	- 0 -	40,295	40,295	44,622
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ - 0 -	\$ 4,327	\$ 4,327	\$ - 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	\$	32,000		
Change Orders	\$	-0-		
Additional Authorization	\$	12,622		
Revised Authorized Cost	\$	44,622		
Change Order Percentage		0.00%		
Percentage Completion		90.30%		
Original Target Completion Date		06/30/16		
Revised Target Completion Date		12/30/16		

Exhibit F-1d

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 FENCING PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 2,685	\$ 2,685	\$ 2,685
Total Revenue and Other Financing Sources	\$ -0-	2,685	2,685	2,685
Expenditures:				
Construction Services		2,685	2,685	2,685
Total Expenditures	- 0 -	2,685	2,685	2,685
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ - 0 -</u>	<u>\$ -0-</u>	<u>\$ -0-</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	\$	8,000		
Change Orders	\$	-0-		
Canceled Authorization	\$	(5,315)		
Revised Authorized Cost	\$	2,685		
Change Order Percentage	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	08/30/15			
Revised Target Completion Date	08/30/15			

Exhibit F-1e

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 - ASPHALT REPAIRS PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 15,480	\$ 15,480	\$ 15,480
Total Revenue and Other Financing Sources	\$ -0-	15,480	15,480	15,480
Expenditures:				
Construction Services		15,480	15,480	15,480
Total Expenditures	- 0 -	15,480	15,480	15,480
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ - 0 -</u>	<u>\$ -0-</u>	<u>\$ -0-</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	\$ 30,000
Change Orders	\$ -0-
Canceled Authorization	\$ (14,520)
Revised Authorized Cost	\$ 15,480
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	08/30/15
Revised Target Completion Date	07/30/15

Exhibit F-1f

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 - HVAC REPLACEMENT PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 10,151	\$ 10,151	\$ 10,151
Total Revenue and Other Financing Sources	\$ -0-	10,151	10,151	10,151
Expenditures:				
Construction Services		10,151	10,151	10,151
Total Expenditures	- 0 -	10,151	10,151	10,151
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ - 0 -</u>	<u>\$ -0-</u>	<u>\$ -0-</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	\$ 14,000
Change Orders	\$ -0-
Canceled Authorization	\$ (3,849)
Revised Authorized Cost	\$ 10,151
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	08/30/15
Revised Target Completion Date	08/15/15

Exhibit F-1g

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, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 414,450	\$ (36,552)	\$ 377,898	\$ 414,450
Total Revenue and Other Financing Sources	414,450	(36,552)	377,898	414,450
Expenditures:				
Equipment	217,711	146,887	364,598	414,450
Total Expenditures	217,711	146,887	364,598	414,450
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 196,739</u>	<u>\$ (183,439)</u>	<u>\$ 13,300</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	87.97%
Original Target Completion Date	08/15/14
Revised Target Completion Date	08/30/16



Exhibit F-1h

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, 2016

	<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>1,140,912</u>	<u>\$ - 0 -</u>	<u>1,140,912</u>	<u>1,140,912</u>
Expenditures:				
Purchased Professional and Technical Services	28,080	21,691	49,771	56,349
Construction Services		75,940	75,940	1,084,563
Total Expenditures	<u>28,080</u>	<u>97,631</u>	<u>125,711</u>	<u>1,140,912</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 1,112,832</u>	<u>\$ (97,631)</u>	<u>\$ 1,015,201</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	11.02%
Original Target Completion Date	06/15/15
Revised Target Completion Date	10/30/16

Exhibit F-1i

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, 2016

	<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>896,802</u>	<u>\$ - 0 -</u>	<u>896,802</u>	<u>896,802</u>
Expenditures:				
Purchased Professional and Technical Services	21,120	16,960	38,080	42,551
Construction Services		59,667	59,667	854,251
Total Expenditures	<u>21,120</u>	<u>76,627</u>	<u>97,747</u>	<u>896,802</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 875,682</u>	<u>\$ (76,627)</u>	<u>\$ 799,055</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	10.90%			
Original Target Completion Date	06/15/15			
Revised Target Completion Date	10/30/16			

Exhibit F-1j

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, 2016

	<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	372,581		372,581	372,581
Total Revenue and Other Financing Sources	<u>620,968</u>	<u>\$ - 0 -</u>	<u>620,968</u>	<u>620,968</u>
Expenditures:				
Purchased Professional and Technical Services	34,675	7,400	42,075	52,500
Construction Services	346,486	24,514	371,000	556,755
Miscellaneous Expenditures				11,713
Total Expenditures	<u>381,161</u>	<u>31,914</u>	<u>413,075</u>	<u>620,968</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 239,807</u>	<u>\$ (31,914)</u>	<u>\$ 207,893</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	66.52%
Original Target Completion Date	06/15/15
Revised Target Completion Date	12/30/16

PROPRIETARY FUNDS

Exhibit G-1

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2016

## ASSETS:

## Current Assets:

Cash and Cash Equivalents	\$	49,181
Inventories		7,667
Other Accounts Receivable		11,096
		11,096

Total Current Assets		67,944
----------------------	--	--------

## Non-Current Assets:

Capital Assets		147,693
Less: Accumulated Depreciation		(120,138)
		27,555

Total Non-Current Assets		27,555
--------------------------	--	--------

Total Assets		95,499
--------------	--	--------

## LIABILITIES:

## Current Liabilities:

Accounts Payable - Vendors		50
Interfund Payable - General Fund		26,935
Unearned Revenue		4,888
		31,873

Total Current Liabilities		31,873
---------------------------	--	--------

## Non-Current Liabilities:

Accrued Compensated Absences Payable		14,750
		14,750

Total Non-Current Liabilities		14,750
-------------------------------	--	--------

Total Liabilities		46,623
-------------------	--	--------

## NET POSITION:

Net Investment in Capital Assets		27,555
Unrestricted		21,321
		48,876

Total Net Position	\$	48,876
--------------------	----	--------

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, 2016

Operating Revenue:	
Local Sources:	
Daily Sales - Non-Reimbursable Programs	\$ 543,123
Special Events	3,079
	<hr/>
Total Operating Revenue	546,202
	<hr/>
Operating Expenses:	
Cost of Sales - Non-Reimbursable Programs	177,173
Salaries, Benefits & Payroll Taxes	298,984
Supplies, Insurance & Other Costs	98,531
Depreciation Expense	4,986
	<hr/>
Total Operating Expenses	579,674
	<hr/>
Operating Loss	(33,472)
	<hr/>
Non-Operating Revenue:	
Interest Income	180
	<hr/>
Total Non-Operating Revenue	180
	<hr/>
Change in Net Position Before Special Item	(33,292)
	<hr/>
Special Item - Food Service Management Contractor Contribution	33,517
	<hr/>
Change in Net Position	225
	<hr/>
Net Position - Beginning of Year	48,651
	<hr/>
Net Position - End of Year	\$ 48,876
	<hr/> <hr/>

Exhibit G-3

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 551,090
Payments to Employees	(304,341)
Payments to Suppliers	(282,825)
	<hr/>
Net Cash Used for Operating Activities	(36,076)
	<hr/>
Cash Flows from Non-Capital Financing Activities:	
Operating Transfer In - FSMC Contribution	33,517
	<hr/>
Net Cash Provided by Non-Capital Financing Activities	33,517
	<hr/>
Cash Flows from Investing Activities:	
Interest Income	180
	<hr/>
Net Cash Provided by Investing Activities	180
	<hr/>
Net Decrease in Cash and Cash Equivalents	(2,379)
	<hr/>
Cash and Cash Equivalents, July 1	51,560
	<hr/>
Cash and Cash Equivalents, June 30	\$ 49,181
	<hr/> <hr/>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (33,472)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	4,986
Changes in Assets and Liabilities:	
Decrease in Inventory	639
(Increase) in Accounts Receivable	(7,760)
(Decrease) in Interfund Payable	(982)
Increase in Unearned Revenue	4,888
(Decrease) in Accrued Compensated Absences Payable	(4,375)
	<hr/>
Net Cash Used for Operating Activities	\$ (36,076)
	<hr/> <hr/>

FIDUCIARY FUNDS



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2016

	Student Activities	Payroll Agency	Total Agency	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Flexible Benefits Trust	Totals
<b>ASSETS:</b>							
Cash and Cash Equivalents	\$ 322,717	\$ 426,382	\$ 749,099	\$ 13,954	\$ 72,693	\$ 25,127	\$ 860,873
Interfund Receivable:							
General Fund		1,094	1,094				1,094
Payroll Agency Fund				74,328			74,328
<b>Total Assets</b>	<u>322,717</u>	<u>427,476</u>	<u>750,193</u>	<u>88,282</u>	<u>72,693</u>	<u>25,127</u>	<u>936,295</u>
<b>LIABILITIES:</b>							
Interfund Payable:							
Unemployment Compensation Trust Fund		74,328	74,328				74,328
Payroll Deductions and Withholdings		353,148	353,148				353,148
Due to Student Groups	322,717		322,717				322,717
<b>Total Liabilities</b>	<u>322,717</u>	<u>427,476</u>	<u>750,193</u>				<u>750,193</u>
<b>NET POSITION:</b>							
Held in Trust for:							
Unemployment Claims				88,282			88,282
Scholarships					72,693		72,693
Flexible Benefits Claims						25,127	25,127
<b>Total Net Position</b>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 88,282</u>	<u>\$ 72,693</u>	<u>\$ 25,127</u>	<u>\$ 186,102</u>

Exhibit H-2

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Flexible Benefits Trust	Totals
ADDITIONS:				
Contributions:				
Employee	\$ 37,484		\$ 37,150	\$ 74,634
Donations		\$ 15,445		15,445
Total Contributions	37,484	15,445	37,150	90,079
Investment Earnings:				
Interest	56	765	25	846
Net Investment Earnings	56	765	25	846
Total Additions	37,540	16,210	37,175	90,925
DEDUCTIONS:				
Unemployment Compensation Claims	55,796			55,796
Scholarships Awarded		20,300		20,300
Flexible Benefits Claims			23,659	23,659
Total Deductions	55,796	20,300	23,659	99,755
Change in Net Position	(18,256)	(4,090)	13,516	(8,830)
Net Position - Beginning of the Year	106,538	76,783	11,611	194,932
Net Position - End of the Year	\$ 88,282	\$ 72,693	\$ 25,127	\$ 186,102

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, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
ASSETS:				
Cash and Cash Equivalents	\$ 307,359	\$ 649,828	\$ 634,470	\$ 322,717
Total Assets	<u>\$ 307,359</u>	<u>\$ 649,828</u>	<u>\$ 634,470</u>	<u>\$ 322,717</u>
LIABILITIES:				
Due to Student Groups	\$ 307,359	\$ 649,828	\$ 634,470	\$ 322,717
Total Liabilities	<u>\$ 307,359</u>	<u>\$ 649,828</u>	<u>\$ 634,470</u>	<u>\$ 322,717</u>

Exhibit H-4

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITIES AGENCY FUND  
STATEMENT OF ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
Senior High Schools:				
West Morris Central and Mendham	\$ 306,792	\$ 626,625	\$ 611,342	\$ 322,075
West Morris Central Ice Hockey	36	23,202	23,128	110
West Morris Central Fencing	531	1		532
	<hr/>	<hr/>	<hr/>	<hr/>
Total All Schools	<u>\$ 307,359</u>	<u>\$ 649,828</u>	<u>\$ 634,470</u>	<u>\$ 322,717</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, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 250,394	\$ 32,283,693	\$ 32,107,705	\$ 426,382
Interfund Receivable:				
General Fund	1,094			1,094
Total Assets	<u>\$ 251,488</u>	<u>\$ 32,283,693</u>	<u>\$ 32,107,705</u>	<u>\$ 427,476</u>
<b>LIABILITIES:</b>				
Interfund Payable:				
Unemployment Compensation				
Trust Fund	\$ 36,844	\$ 37,484		\$ 74,328
Payroll Deductions				
and Withholdings	214,644	32,246,209	\$ 32,107,705	353,148
Total Liabilities	<u>\$ 251,488</u>	<u>\$ 32,283,693</u>	<u>\$ 32,107,705</u>	<u>\$ 427,476</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		Interest Rate	Balance June 30, 2015	Matured	Balance June 30, 2016
			Date	Amount				
Refunding School Bonds	11/29/11	\$ 17,850,000	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%			
						\$ 16,375,000	\$ 1,525,000	\$ 14,850,000
						\$ 16,375,000	\$ 1,525,000	\$ 14,850,000

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, 2015</u>	<u>Retired/ Matured</u>	<u>Balance June 30, 2016</u>
Lawn Mowers and Snow Blowers	2.10%	\$ 216,401	<u>\$ 171,303</u>	<u>\$ 41,500</u>	<u>\$ 129,803</u>



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(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	\$ 2,271,050		\$ 2,271,050	\$ 2,271,050	
Total Revenue	<u>2,271,050</u>		<u>2,271,050</u>	<u>2,271,050</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	746,050		746,050	746,050	
Redemption of Principal	1,525,000		1,525,000	1,525,000	
Total Regular Debt Service	<u>2,271,050</u>		<u>2,271,050</u>	<u>2,271,050</u>	
Total Expenditures	<u>2,271,050</u>		<u>2,271,050</u>	<u>2,271,050</u>	
Excess of Revenue Over Expenditures	- 0 -		- 0 -	- 0 -	
Fund Balance, July 1	- 0 -		- 0 -	- 0 -	
Fund Balance, June 30	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</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,				
	2012	2013	2014	2015	2016
Governmental Activities:					
Net Investment in Capital Assets	\$ 35,216,299	\$ 34,748,348	\$ 34,368,305	\$ 34,396,725	\$ 34,483,367
Restricted	5,542,469	6,253,644	6,439,065	5,244,474	5,489,939
Unrestricted/(Deficit)	(1,020,465)	(1,263,420)	(10,448,680)	(8,660,307)	(9,021,877)
Total Governmental Activities Net Position	<u>\$ 39,738,303</u>	<u>\$ 39,738,572</u>	<u>\$ 30,358,690</u>	<u>\$ 30,980,892</u>	<u>\$ 30,951,429</u>
Business-Type Activities:					
Net Investment in Capital Assets	\$ 50,920	\$ 44,247	\$ 38,034	\$ 32,541	\$ 27,555
Unrestricted	5,564			16,110	21,321
Total Business-Type Activities Net Position	<u>\$ 56,484</u>	<u>\$ 44,247</u>	<u>\$ 38,034</u>	<u>\$ 48,651</u>	<u>\$ 48,876</u>
District-Wide:					
Net Investment in Capital Assets	\$ 35,267,219	\$ 34,792,595	\$ 34,406,339	\$ 34,429,266	\$ 34,510,922
Restricted	5,542,469	6,253,644	6,439,065	5,244,474	5,489,939
Unrestricted/(Deficit)	(1,014,901)	(1,263,420)	(10,448,680)	(8,644,197)	(9,000,556)
Total District-Wide Net Position	<u>\$ 39,794,787</u>	<u>\$ 39,782,819</u>	<u>\$ 30,396,724</u>	<u>\$ 31,029,543</u>	<u>\$ 31,000,305</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,				
	2007	2008	2009	2010	2011
Governmental Activities:					
Net Investment in Capital Assets	\$ 19,541,234	\$ 23,520,657	\$ 32,904,897	\$ 34,204,719	\$ 34,172,996
Restricted	13,036,673	14,958,627	8,568,738	6,188,213	6,155,345
Unrestricted/(Deficit)	417,953	(1,477,874)	(1,631,149)	(1,591,462)	(1,050,077)
Total Governmental Activities Net Position	<u>\$ 32,995,860</u>	<u>\$ 37,001,410</u>	<u>\$ 39,842,486</u>	<u>\$ 38,801,470</u>	<u>\$ 39,278,264</u>
Business-Type Activities:					
Net Investment in Capital Assets	\$ 27,386	\$ 34,335	\$ 53,260	\$ 64,266	\$ 57,593
Unrestricted	115,055	61,142	7,639		15,519
Total Business-Type Activities Net Position	<u>\$ 142,441</u>	<u>\$ 95,477</u>	<u>\$ 60,899</u>	<u>\$ 64,266</u>	<u>\$ 73,112</u>
District-Wide:					
Net Investment in Capital Assets	\$ 19,568,620	\$ 23,554,992	\$ 32,958,157	\$ 34,268,985	\$ 34,230,589
Restricted	13,036,673	14,958,627	8,568,738	6,188,213	6,155,345
Unrestricted/(Deficit)	533,008	(1,416,732)	(1,623,510)	(1,591,462)	(1,034,558)
Total District-Wide Net Position	<u>\$ 33,138,301</u>	<u>\$ 37,096,887</u>	<u>\$ 39,903,385</u>	<u>\$ 38,865,736</u>	<u>\$ 39,351,376</u>

Source: West Morris Regional High School District records.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICTCHANGES IN NET POSITIONLAST TEN FISCAL YEARSUNAUDITED*(Accrual Basis of Accounting)*

Expenses:	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Governmental Activities:					
Instruction:					
Regular	\$ 21,212,035	\$ 21,984,326	\$ 21,969,083	\$ 24,814,290	\$ 26,287,983
Special Education	3,539,992	3,781,193	3,809,040	4,306,828	5,086,659
Other Instruction	2,944,887	3,055,851	3,088,277	3,508,063	3,837,507
Support Services:					
Tuition	2,930,014	2,547,951	2,803,150	3,300,090	3,674,161
Student and Instruction Related Services	5,973,399	6,457,607	6,219,532	7,608,338	8,170,208
General Administration Services	970,327	977,377	1,112,496	991,618	1,007,236
School Administration Services	2,098,282	2,543,345	2,361,168	2,550,334	3,079,417
Central Services	527,544	548,817	562,932	566,463	569,971
Administrative Information Technology	638,576	729,339	865,858	835,980	858,061
Plant Operations and Maintenance	3,208,073	3,381,931	3,612,729	3,667,203	3,520,619
Pupil Transportation	2,858,984	2,770,169	3,153,997	3,299,484	3,313,190
Interest on Long-Term Debt	877,167	863,136	783,095	721,298	668,437
Unallocated Depreciation	1,901,655	1,929,377	1,932,450	1,946,031	1,960,634
Total Governmental Activities Expenses	49,680,935	51,570,419	52,273,807	58,116,020	62,034,083
Business-Type Activities:					
Enterprise Funds	754,356	780,390	707,857	640,492	579,674
Total Business-Type Activities Expense	754,356	780,390	707,857	640,492	579,674
Total District-Wide Expenses	\$ 50,435,291	\$ 52,350,809	\$ 52,981,664	\$ 58,756,512	\$ 62,613,757
Program Revenues:					
Governmental Activities:					
Charges for Services:					
Tuition	\$ 80,419	\$ 42,269	\$ 80,615	\$ 73,169	\$ 120,688
Operating Grants and Contributions	7,460,240	8,391,960	7,939,395	13,529,836	16,008,812
Capital Grants and Contributions	117,776	39,222	(795)	155,800	
Total Governmental Activities	7,658,435	8,473,451	8,019,215	13,758,805	16,129,500
Business-Type Activities:					
Charges for Services:					
Enterprise Funds	774,394	737,156	655,801	616,779	546,202
Total Business Type Activities	774,394	737,156	655,801	616,779	546,202
Total District-Wide Program Revenues	\$ 8,432,829	\$ 9,210,607	\$ 8,675,016	\$ 14,375,584	\$ 16,675,702

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

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Net (Expense)/Revenue:					
Governmental Activities	\$(42,022,500)	\$(43,096,968)	\$(44,254,592)	\$(44,357,215)	\$(45,904,583)
Business-Type Activities	20,038	(43,234)	(52,056)	(23,713)	(33,472)
Total District-Wide Net Expense/(Revenue)	<u>\$(42,002,462)</u>	<u>\$(43,140,202)</u>	<u>\$(44,306,648)</u>	<u>\$(44,380,928)</u>	<u>\$(45,938,055)</u>
General Revenues & Other Changes in Net Position:					
Governmental Activities:					
Property Taxes Levied for General Purposes, Net	\$ 38,638,243	\$ 39,285,434	\$ 40,071,143	\$ 40,804,192	\$ 41,620,275
Taxes Levied for Debt Service	2,373,181	2,318,238	2,229,437	2,273,550	2,271,050
Federal and State Aid Not Restricted	1,034,537	1,259,537	1,272,751	1,323,519	1,328,846
Investment Earnings	18,444	14,119	21,072	21,863	37,385
Miscellaneous Income	381,383	455,121	378,413	556,293	617,564
Transfers	36,751	(30,930)	(15,265)		
Total Governmental Activities	<u>42,482,539</u>	<u>43,301,519</u>	<u>43,957,551</u>	<u>44,979,417</u>	<u>45,875,120</u>
Business-Type Activities:					
Investment Earnings	85	67	87	91	180
Transfers	(36,751)	30,930	45,756		
Special Item - FSMC Contribution				34,239	33,517
Total Business-Type Activities	<u>(36,666)</u>	<u>30,997</u>	<u>45,843</u>	<u>34,330</u>	<u>33,697</u>
Total District-Wide Revenues & Other Changes in Net Position	<u>\$ 42,445,873</u>	<u>\$ 43,332,516</u>	<u>\$ 44,003,394</u>	<u>\$ 45,013,747</u>	<u>\$ 45,908,817</u>
Change in Net Position					
Governmental Activities	\$ 460,039	\$ 204,551	\$ (297,041)	\$ 622,202	\$ (29,463)
Business-Type Activities	(16,628)	(12,237)	(6,213)	10,617	225
Total District-Wide Change in Net Position	<u>\$ 443,411</u>	<u>\$ 192,314</u>	<u>\$ (303,254)</u>	<u>\$ 632,819</u>	<u>\$ (29,238)</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)*

Expenses:	Fiscal Year Ended June 30,				
	2007	2008	2009	2010	2011
Governmental Activities:					
Instruction:					
Regular	\$ 19,937,621	\$ 20,456,087	\$ 19,896,754	\$ 20,064,790	\$ 20,223,962
Special Education	3,296,213	3,419,386	3,366,034	3,462,401	3,418,895
Other Special Instruction	109,196	27,394	5,234		
Other Instruction	2,442,343	2,625,068	2,805,379	2,924,041	2,905,464
Support Services:					
Tuition	2,016,424	2,211,096	1,988,958	2,908,145	2,959,570
Student and Instruction Related Services	5,839,198	5,825,514	5,904,264	6,394,322	6,125,142
General Administration Services	1,026,098	1,050,802	1,129,984	1,113,489	942,224
School Administration Services	2,196,272	2,220,565	2,254,675	2,285,167	2,013,144
Central Services	569,969	649,039	585,959	583,789	532,619
Administrative Information Technology	327,365	442,914	475,998	605,742	618,921
Plant Operations and Maintenance	3,313,369	3,771,588	3,495,803	3,647,911	3,631,588
Pupil Transportation	2,428,992	2,768,514	2,827,033	2,939,987	2,680,860
Capital Outlay					
Interest on Long-Term Debt	1,295,231	1,233,128	1,188,620	1,137,903	1,084,793
Unallocated Depreciation	76,786	1,164,735	1,216,272	1,840,093	1,883,717
Total Governmental Activities Expenses	<u>44,875,077</u>	<u>47,865,830</u>	<u>47,140,967</u>	<u>49,907,780</u>	<u>49,020,899</u>
Business-Type Activities:					
Enterprise Funds	869,034	792,837	744,888	793,161	737,661
Total Business-Type Activities Expense	<u>869,034</u>	<u>792,837</u>	<u>744,888</u>	<u>793,161</u>	<u>737,661</u>
Total District-Wide Expenses	<u>\$ 45,744,111</u>	<u>\$ 48,658,667</u>	<u>\$ 47,885,855</u>	<u>\$ 50,700,941</u>	<u>\$ 49,758,560</u>
Program Revenues:					
Governmental Activities:					
Charges for Services:					
Tuition	\$ 4,062	\$ 16,500	\$ 8,214	\$ 14,477	\$ 65,086
Operating Grants and Contributions	6,938,133	6,879,855	5,886,685	6,581,091	6,726,130
Capital Grants and Contributions	2,216,480	4,990,809	1,928,440	322,262	276,036
Total Governmental Activities	<u>9,158,675</u>	<u>11,887,164</u>	<u>7,823,339</u>	<u>6,917,830</u>	<u>7,067,252</u>
Business-Type Activities:					
Charges for Services:					
Enterprise Funds	762,083	723,537	708,621	759,541	746,384
Total Business Type Activities	<u>762,083</u>	<u>723,537</u>	<u>708,621</u>	<u>759,541</u>	<u>746,384</u>
Total District-Wide Program Revenues	<u>\$ 9,920,758</u>	<u>\$ 12,610,701</u>	<u>\$ 8,531,960</u>	<u>\$ 7,677,371</u>	<u>\$ 7,813,636</u>



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICTCHANGES IN NET POSITIONLAST TEN FISCAL YEARSUNAUDITED*(Accrual Basis of Accounting)*

	Fiscal Year Ended June 30,				
	2007	2008	2009	2010	2011
Net (Expense)/Revenue:					
Governmental Activities	\$ (35,716,402)	\$ (35,978,666)	\$ (39,317,628)	\$ (42,989,950)	\$ (41,953,647)
Business-Type Activities	(106,951)	(69,300)	(36,267)	(33,620)	8,723
Total District-Wide Net Expense/(Revenue)	<u>\$ (35,823,353)</u>	<u>\$ (36,047,966)</u>	<u>\$ (39,353,895)</u>	<u>\$ (43,023,570)</u>	<u>\$ (41,944,924)</u>
General Revenues & Other Changes in Net Position:					
Governmental Activities:					
Property Taxes Levied for General Purposes, Net	\$ 33,202,895	\$ 34,821,294	\$ 36,686,159	\$ 37,672,234	\$ 38,638,243
Taxes Levied for Debt Service	1,748,062	2,272,613	2,227,853	2,376,888	2,374,400
Federal and State Aid Not Restricted	3,293,343	3,445,517	2,658,058	1,425,925	785,096
Investment Earnings	1,764,886	925,056	124,511	36,507	24,465
Miscellaneous Income	326,215	437,158	462,123	474,131	608,237
Total Governmental Activities	<u>40,335,401</u>	<u>41,901,638</u>	<u>42,158,704</u>	<u>41,948,934</u>	<u>42,393,690</u>
Business-Type Activities:					
Investment Earnings	14,514	7,851	1,689	236	123
Total Business-Type Activities	<u>14,514</u>	<u>7,851</u>	<u>1,689</u>	<u>36,987</u>	<u>36,874</u>
Total District-Wide Revenues & Other Changes in Net Position	<u>\$ 40,349,915</u>	<u>\$ 41,909,489</u>	<u>\$ 42,160,393</u>	<u>\$ 41,985,921</u>	<u>\$ 42,430,564</u>
Change in Net Position					
Governmental Activities	\$ 4,618,999	\$ 5,922,972	\$ 2,841,076	\$ (1,041,016)	\$ 440,043
Business-Type Activities	(92,437)	(61,449)	(34,578)	3,367	45,597
Total District-Wide Change in Net Position	<u>\$ 4,526,562</u>	<u>\$ 5,861,523</u>	<u>\$ 2,806,498</u>	<u>\$ (1,037,649)</u>	<u>\$ 485,640</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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Reserved	\$ 5,032,234	\$ 6,062,654	\$ 7,019,038	\$ 5,132,100						
Unreserved	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	\$5,489,939
Assigned					371,557	829,696	845,946	277,124	440,239	456,931
Unassigned					875,180	754,510	768,610	859,501	943,630	1,033,138
<b>Total General Fund</b>	<b>\$ 7,705,710</b>	<b>\$ 6,862,816</b>	<b>\$ 7,697,532</b>	<b>\$ 5,799,909</b>	<b>\$ 5,922,663</b>	<b>\$ 6,365,445</b>	<b>\$ 7,780,431</b>	<b>\$ 7,575,690</b>	<b>\$ 6,628,343</b>	<b>\$ 6,980,008</b>
Other Governmental Funds:										
Reserved	\$ 24,148,361	\$ 7,398,105	\$ 884,078	\$ 62,557						
Unreserved (Deficit):										
Capital Projects Fund	(1,891,799)	1,348,471	665,622	993,556						
Debt Service Fund	256,305	149,397								
Committed					\$ 824,753	\$ 292,280	\$ 182,598	\$ 425,955	\$1,537,387	\$1,156,103
Restricted					654,666	742,435	87,769			
<b>Total Other Governmental Funds</b>	<b>\$ 22,512,867</b>	<b>\$ 8,895,973</b>	<b>\$ 1,549,700</b>	<b>\$ 1,056,113</b>	<b>\$ 1,479,419</b>	<b>\$ 1,034,715</b>	<b>\$ 270,367</b>	<b>\$ 425,955</b>	<b>\$ 1,537,387</b>	<b>\$ 1,156,103</b>
<b>Total Governmental Funds</b>	<b>\$ 30,218,577</b>	<b>\$ 15,758,789</b>	<b>\$ 9,247,232</b>	<b>\$ 6,856,022</b>	<b>\$ 7,402,082</b>	<b>\$ 7,400,160</b>	<b>\$ 8,050,798</b>	<b>\$ 8,001,645</b>	<b>\$ 8,165,730</b>	<b>\$ 8,136,111</b>

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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues:</b>										
Tax Levy	\$ 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	\$ 43,891,325
Tuition Charges	4,062	16,500	8,214	14,477	65,086	80,419	42,269	80,615	73,169	120,688
Interest Earned on Investments	1,653,401	881,357	117,333	28,222	16,037	15,813	12,075	16,564	17,621	30,688
Interest Earned on Capital Reserve Funds	111,485	43,699	7,178	8,285	8,428	2,405	1,704	1,975	1,617	1,929
Interest Earned on Maintenance Reserve Funds						226	340	2,533	2,625	4,769
Miscellaneous	343,574	444,046	468,632	478,254	623,983	387,899	434,729	400,923	589,790	648,384
State Sources	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	10,175,935
Federal Sources	683,019	599,265	235,502	1,544,695	934,605	669,862	738,441	555,700	565,267	555,798
<b>Total Revenue</b>	<b>49,494,076</b>	<b>53,788,802</b>	<b>49,982,043</b>	<b>48,903,515</b>	<b>49,497,693</b>	<b>50,104,223</b>	<b>51,763,939</b>	<b>51,992,031</b>	<b>53,800,022</b>	<b>55,429,516</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	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	15,697,450
Special Education Instruction	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	3,016,121
Other Special Instruction	76,397	19,260	3,933							
Other Instruction	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	2,377,362
<b>Support Services:</b>										
Tuition	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	3,674,161
Student and Instruction Related Services	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	5,156,775
General Administration Services	934,946	957,026	984,509	1,003,182	846,592	871,751	873,782	1,002,854	889,528	894,256
School Administration Services	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	1,734,588
Central Services	492,265	506,852	503,860	491,391	444,115	441,597	461,963	453,434	454,065	459,489
Administrative Information Technology	264,511	303,777	328,383	437,967	443,472	443,606	520,056	679,835	664,752	672,822
Plant Operations and Maintenance	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	2,972,604
Pupil Transportation	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	3,220,094

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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenditures:										
Unallocated Benefits	\$ 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	\$ 12,476,212
Debt Service:										
Principal	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	1,525,000
Interest and Other Charges	1,317,820	1,256,521	1,192,250	1,141,888	1,089,400	945,412	923,238	862,206	798,550	746,050
Capital Outlay	7,686,775	20,791,765	9,608,519	2,219,932	964,158	1,153,848	410,249	435,598	1,101,533	836,151
Total Expenditures	52,270,033	68,248,590	56,493,600	51,257,974	48,951,633	50,142,896	51,124,332	52,025,919	53,852,338	55,459,135
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(2,775,957)	(14,459,788)	(6,511,557)	(2,354,459)	546,060	(38,673)	639,607	(33,888)	(52,316)	(29,619)
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)									216,401	
Superstorm Sandy Insurance Claims							41,961			
Transfers In						36,751	1,257,985	573,161	1,455,477	153,496
Transfers Out				(36,751)			(1,288,915)	(588,426)	(1,455,477)	(153,496)
Total Other Financing Sources (Uses)				(36,751)		36,751	11,031	(15,265)	216,401	
Net Change in Fund Balances	<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>	<u>\$ (29,619)</u>
Debt Service as a Percentage of										
Noncapital Expenditures	5.33%	5.01%	5.07%	4.85%	4.95%	4.67%	4.57%	4.49%	4.31%	4.16%

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
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
2016	120,688	37,380	105,777	511,786	775,631

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 <sup>a</sup>	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
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
2015	3,114,800	219,171,300	1,050,100	56,000	153,604,100	- 0 -	1,886,300	378,882,600	- 0 -	378,882,600	42,395,400	0.49	420,032,831

**Chester Township**

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
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
2015	13,628,900	1,664,376,400	87,702,100	1,241,000	47,568,100	2,543,100	835,200	1,817,894,800	373,557	1,818,268,357	235,597,400	0.55	1,873,066,565

**Mendham Borough**

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
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
2015	9,745,800	1,097,432,700	69,620,400	403,900	102,337,700	- 0 -	2,342,200	1,281,882,700	1,927,735	1,283,810,435	124,865,000	0.53	1,403,066,919

**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 <sup>a</sup>	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
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
2015	22,888,000	1,729,916,200	111,919,200	624,700	10,162,400	2,100	- 0 -	1,875,512,600	1,226,793	1,876,739,393	152,605,300	0.55	1,963,385,307

**Washington Township**

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
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
2015	29,652,600	2,472,018,300	114,769,000	4,412,000	115,548,400	32,800,100	35,358,200	2,804,558,600	935,217	2,805,493,817	254,218,200	0.51	2,793,349,767

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.

Exhibit J-7

1 of 3

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 <sup>a</sup>	General		Chester Borough	Chester		
		Obligation Debt <sup>b</sup>	Total Direct		Borough Schools	Morris County	
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
2015	0.47	0.02	0.49	0.92	0.98	0.27	2.66

**Chester Township**

Year Ended December 31,	West Morris Regional High School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General		Chester Township	Chester		
		Obligation Debt <sup>b</sup>	Total Direct		Township Schools	Morris County	
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
2015	0.52	0.03	0.55	0.52	0.96	0.26	2.29

Source: Municipal Tax Collectors and School Business Administrator.



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

LAST TEN YEARS

UNAUDITED

*(Rate per \$100 of Assessed Value)*

**Mendham Borough**

Year Ended December 31,	West Morris Regional High School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt <sup>b</sup>		Mendham			
		Total Direct	Mendham Borough	Borough Schools	Morris County		
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
2015	0.50	0.03	0.53	0.45	0.81	0.28	2.07

**Mendham Township**

Year Ended December 31,	West Morris Regional High School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt <sup>b</sup>		Mendham			
		Total Direct	Mendham Township	Township Schools	Morris County		
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
2015	0.52	0.03	0.55	0.39	0.83	0.26	2.03

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		Total Direct	Washington			
	Basic Rate <sup>a</sup>	Obligation Debt <sup>b</sup>		Washington Township	Washington Township Schools	Morris County	
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
2015	0.48	0.03	0.51	0.44	1.17	0.25	2.37

\* - 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.

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

<sup>b</sup> 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>2015</u>		<u>Taxpayer</u>	<u>2006</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	\$ 32,270,000	8.52%	Chester Springs LLC	\$ 25,824,400	6.13%
CPP Streets of Chester, LLC	18,000,000	4.75%	NS-MPG, Inc.	8,981,300	2.13%
Savro, LLC/Chester Shopping Mall	6,925,000	1.83%	Savro LLC/Chester Shopping Mall	6,161,500	1.46%
ARC RBCSR NJ Zero Zero One, LLC	5,920,000	1.56%	Williamson Associates	3,708,000	0.88%
Williamson Associates, LLC	3,900,000	1.03%	Sprint	2,143,491	0.51%
95 West Main Associates, LLC	3,070,000	0.81%	95 West Main Associates	2,011,400	0.48%
DeSapio Real Estate Development, LLC	2,525,000	0.67%	Chester Franklin Associates	1,920,100	0.46%
Chester Franklin Associates, LLC	2,240,000	0.59%	Turkey Farm Acquisition LLC	1,764,800	0.42%
MGHC Group, LLC	2,240,000	0.59%	Group 206 North Associates	1,653,800	0.39%
Publick House Holdings, LLC	2,225,000	0.59%	Peapack Gladstone Bank	1,583,000	0.38%
<b>Total</b>	<b>\$ 79,315,000</b>	<b>20.93%</b>	<b>Total</b>	<b>\$ 55,751,791</b>	<b>13.24%</b>

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	2015		Taxpayer	2006	
	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	0.27%
Individual Taxpayer #2	3,732,500	0.21%	Individual Taxpayer #1	5,040,000	0.22%
Individual Taxpayer #3	3,124,900	0.17%	Individual Taxpayer #2	4,324,000	0.19%
Individual Taxpayer #4	3,008,300	0.17%	Individual Taxpayer #3	4,000,600	0.18%
Individual Taxpayer #5	2,999,000	0.16%	Individual Taxpayer #4	3,383,800	0.15%
Individual Taxpayer #6	2,784,600	0.15%	Individual Taxpayer #5	3,300,000	0.14%
Individual Taxpayer #7	2,621,700	0.14%	Individual Taxpayer #6	3,125,000	0.14%
Individual Taxpayer #8	2,536,100	0.14%	Individual Taxpayer #7	3,124,400	0.14%
Individual Taxpayer #9	2,453,800	0.13%	Individual Taxpayer #8	3,111,300	0.14%
Individual Taxpayer #10	2,319,200	0.13%	Individual Taxpayer #9	2,793,000	0.12%
Total	<u>\$ 29,889,300</u>	<u>1.64%</u>	Total	<u>\$ 38,372,300</u>	<u>1.69%</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.

Source: Chester Township Tax Assessor.

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

Mendham Borough

Taxpayer	2015		Taxpayer	2006	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
V-Fee Realty	\$ 22,000,000	1.71%	V-Fee Realty	\$ 12,400,000	1.98%
Roxiticus Golf Club	9,955,300	0.78%	Roxiticus Golf Club, Inc.	5,510,200	0.88%
Holly Manor Assoc. of NJ	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	5,199,900	0.41%	Individual Taxpayer #4	3,406,755	0.54%
Individual Taxpayer #5	4,398,200	0.34%	Individual Taxpayer #5	3,035,100	0.48%
Goryeb, Joseph P Trust 7 Etals	4,046,100	0.32%	Individual Taxpayer #6	3,032,500	0.48%
MTWOL Associates LLC	4,000,000	0.31%	Individual Taxpayer #7	3,001,200	0.48%
<b>Total</b>	<b>\$ 75,620,600</b>	<b>5.88%</b>	<b>Total</b>	<b>\$ 45,847,635</b>	<b>7.31%</b>

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	2015		Taxpayer	2006	
	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.	\$ 8,135,000	0.38%
Woodland Lakes, Inc.	7,795,500	0.42%	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%	Sisters of St. John the Baptist	5,134,000	0.24%
Individual Taxpayer #2	3,985,600	0.21%	Individual Taxpayer #3	5,083,400	0.24%
Desiree Farm, LLC	3,850,000	0.21%	Individual Taxpayer #4	4,985,600	0.23%
Individual Taxpayer #3	3,800,000	0.20%	Individual Taxpayer #5	4,859,700	0.23%
Individual Taxpayer #4	3,603,300	0.19%	SMCMUA	4,640,300	0.22%
Individual Taxpayer #5	3,560,600	0.19%	Individual Taxpayer #6	4,459,700	0.21%
<b>Total</b>	<b>\$ 50,216,000</b>	<b>2.67%</b>	<b>Total</b>	<b>\$ 54,651,600</b>	<b>2.57%</b>

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: Mendham Township Tax Assessor.

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

**Washington Township**

Taxpayer	2015		Taxpayer	2006	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Heath Village	\$ 21,761,200	0.78%	Heath Village	\$ 12,787,200	0.76%
Target Corporation	15,900,000	0.57%	Kings Highway Investment Co., LLC	6,849,400	0.41%
2085 Realty Partners, LLC	12,519,100	0.45%	Peachtree Village, LP	5,800,000	0.34%
Peachtree Village, LP	10,250,000	0.37%	The Great Atlantic & Pacific Tea Co.	4,350,000	0.26%
Bay Ridge Motor Sales	7,940,000	0.28%	Transistor Devices, Inc.	4,302,200	0.25%
Transistor Devices, Inc.	7,605,500	0.27%	Toll NJ IV, LP	3,737,200	0.22%
Amerace ESNA Corporation	6,178,400	0.22%	Amerace ESNA Corporation	3,600,000	0.21%
Black Oak Golf Club	6,036,500	0.22%	Columbia Gas Transmission Corporation	3,481,000	0.21%
Columbia Gas Transmission Corporation	5,872,300	0.21%	Individual Taxpayer #1	3,279,200	0.19%
Long Valley Shopping Center	5,500,000	0.20%	Individual Taxpayer #2	2,379,400	0.14%
<b>Total</b>	<b>\$ 99,563,000</b>	<b>3.55%</b>	<b>Total</b>	<b>\$ 50,565,600</b>	<b>2.99%</b>

Source: Washington Township Tax Assessor.

Exhibit J-9

1 of 3

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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
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 -
2016	2,132,052	2,132,052	100.00%	- 0 -

**Chester Township**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
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 -
2016	10,079,678	10,079,678	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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
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 -
2016	6,864,576	6,864,576	100.00%	- 0 -

**Mendham Township**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
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 -
2016	10,414,087	10,414,087	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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
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 -
2016	14,400,932	14,400,932	100.00%	- 0 -

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

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

**Chester Borough**

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Loans Payable	Capital Leases			
2007	\$ 1,037,141	\$ - 0 -	\$ - 0 -	\$ 1,037,141	0.89%	\$ 642.19
2008	825,058	- 0 -	- 0 -	825,058	0.67%	500.04
2009	870,328	- 0 -	- 0 -	870,328	0.74%	525.24
2010	868,648	- 0 -	- 0 -	868,648	0.72%	526.45
2011	761,866	- 0 -	- 0 -	761,866	0.60%	458.13
2012	641,104	- 0 -	- 0 -	641,104	0.49%	384.82
2013	729,103	- 0 -	- 0 -	729,103	0.55%	436.07
2014	583,105	- 0 -	- 0 -	583,105	0.42%	348.12
2015	608,995	- 0 -	6,371	615,366	0.44%	367.38
2016	721,349	- 0 -	6,305	727,654	0.52%	434.42

**Chester Township**

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases			
2007	\$ 6,288,178	\$ - 0 -	\$ - 0 -	\$ 6,288,178	1.14%	\$ 821.23
2008	6,253,249	- 0 -	- 0 -	6,253,249	1.09%	814.76
2009	5,730,159	- 0 -	- 0 -	5,730,159	1.06%	745.53
2010	5,396,025	- 0 -	- 0 -	5,396,025	0.94%	685.21
2011	5,184,349	- 0 -	- 0 -	5,184,349	0.86%	654.26
2012	4,821,804	- 0 -	- 0 -	4,821,804	0.77%	607.20
2013	4,430,418	- 0 -	- 0 -	4,430,418	0.70%	556.45
2014	4,350,530	- 0 -	- 0 -	4,350,530	0.66%	546.62
2015	3,819,449	- 0 -	39,956	3,859,405	0.59%	484.67
2016	3,410,315	- 0 -	29,809	3,440,124	0.52%	432.01

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 <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases			
2007	\$ 4,133,100	\$ - 0 -	\$ - 0 -	\$ 4,133,100	1.14%	\$ 821.53
2008	4,006,451	- 0 -	- 0 -	4,006,451	1.06%	792.73
2009	3,802,229	- 0 -	- 0 -	3,802,229	1.07%	751.73
2010	3,826,612	- 0 -	- 0 -	3,826,612	1.05%	767.32
2011	3,437,841	- 0 -	- 0 -	3,437,841	0.90%	686.06
2012	3,034,292	- 0 -	- 0 -	3,034,292	0.77%	604.20
2013	2,793,752	- 0 -	- 0 -	2,793,752	0.70%	556.52
2014	2,710,787	- 0 -	- 0 -	2,710,787	0.65%	540.97
2015	2,612,202	- 0 -	27,327	2,639,529	0.64%	527.80
2016	2,322,531	- 0 -	20,301	2,342,832	0.57%	468.47

**Mendham Township**

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases			
2007	\$ 6,343,139	\$ - 0 -	\$ - 0 -	\$ 6,343,139	1.61%	\$ 1,158.99
2008	5,918,398	- 0 -	- 0 -	5,918,398	1.45%	1,081.58
2009	5,744,815	- 0 -	- 0 -	5,744,815	1.49%	1,047.18
2010	5,297,321	- 0 -	- 0 -	5,297,321	1.24%	904.44
2011	5,063,160	- 0 -	- 0 -	5,063,160	1.13%	861.37
2012	4,669,073	- 0 -	- 0 -	4,669,073	1.01%	792.85
2013	4,519,192	- 0 -	- 0 -	4,519,192	0.97%	768.05
2014	4,085,325	- 0 -	- 0 -	4,085,325	0.84%	695.26
2015	3,812,526	- 0 -	39,884	3,852,410	0.79%	655.95
2016	3,523,457	- 0 -	30,798	3,554,255	0.73%	605.19

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 <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases			
2007	\$ 9,777,442	\$ - 0 -	\$ - 0 -	\$ 9,777,442	0.74%	\$ 534.90
2008	9,452,844	- 0 -	- 0 -	9,452,844	0.69%	516.46
2009	9,123,469	- 0 -	- 0 -	9,123,469	0.71%	497.57
2010	8,647,394	- 0 -	- 0 -	8,647,394	0.64%	465.94
2011	8,303,784	- 0 -	- 0 -	8,303,784	0.58%	445.08
2012	7,533,727	- 0 -	- 0 -	7,533,727	0.51%	402.12
2013	6,832,535	- 0 -	- 0 -	6,832,535	0.46%	364.54
2014	6,120,253	- 0 -	- 0 -	6,120,253	0.39%	326.69
2015	5,521,828	- 0 -	57,765	5,579,593	0.36%	297.55
2016	4,872,348	- 0 -	42,589	4,914,937	0.32%	262.10

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

<sup>a</sup> 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				
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Net Valuation Taxable <sup>a</sup>	Per Capita <sup>b</sup>
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%	458.13
2012	641,104	- 0 -	641,104	0.170%	384.82
2013	729,103	- 0 -	729,103	0.198%	436.07
2014	583,105	- 0 -	583,105	0.154%	348.12
2015	608,995	- 0 -	608,995	0.161%	363.58
2016	721,349	- 0 -	721,349	0.190%	430.66

**Chester Township**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding				
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Net Valuation Taxable <sup>a</sup>	Per Capita <sup>b</sup>
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%	685.21
2011	5,184,349	- 0 -	5,184,349	0.282%	654.26
2012	4,821,804	- 0 -	4,821,804	0.263%	607.20
2013	4,430,418	- 0 -	4,430,418	0.243%	556.45
2014	4,350,530	- 0 -	4,350,530	0.239%	546.62
2015	3,819,449	- 0 -	3,819,449	0.210%	479.65
2016	3,410,315	- 0 -	3,410,315	0.188%	428.27

Source: West Morris Regional High School District records.

Exhibit J-11

2 of 3

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		Net General Bonded Debt Outstanding	Percentage of Net Valuation Taxable <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
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%	767.32
2011	3,437,841	- 0 -	3,437,841	0.266%	686.06
2012	3,034,292	- 0 -	3,034,292	0.235%	604.20
2013	2,793,752	- 0 -	2,793,752	0.218%	556.52
2014	2,710,787	- 0 -	2,710,787	0.211%	540.97
2015	2,612,202	- 0 -	2,612,202	0.203%	522.34
2016	2,322,531	- 0 -	2,322,531	0.181%	464.41

**Mendham Township**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Net Valuation Taxable <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
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%	904.44
2011	5,063,160	- 0 -	5,063,160	0.268%	861.37
2012	4,669,073	- 0 -	4,669,073	0.247%	792.85
2013	4,519,192	- 0 -	4,519,192	0.240%	768.05
2014	4,085,325	- 0 -	4,085,325	0.217%	695.26
2015	3,812,526	- 0 -	3,812,526	0.203%	649.16
2016	3,523,457	- 0 -	3,523,457	0.188%	599.94

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 <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
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%	465.94
2011	8,303,784	- 0 -	8,303,784	0.294%	445.08
2012	7,533,727	- 0 -	7,533,727	0.267%	402.12
2013	6,832,535	- 0 -	6,832,535	0.242%	364.54
2014	6,120,253	- 0 -	6,120,253	0.218%	326.69
2015	5,521,828	- 0 -	5,521,828	0.197%	294.47
2016	4,872,348	- 0 -	4,872,348	0.174%	259.83

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

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

<sup>b</sup> 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, 2015  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Borough of Chester	\$ 4,035,000	100.00%	\$ 4,035,000
Township of Chester	8,284,460	100.00%	8,284,460
Borough of Mendham	3,997,398	100.00%	3,997,398
Township of Mendham	14,566,981	100.00%	14,566,981
Township of Washington	10,740,000	100.00%	10,740,000
County of Morris General Obligation Debt	226,745,317	9.32%	<u>21,129,217</u>
Subtotal, Overlapping Debt			62,753,056
West Morris Regional School District Direct Debt			<u>16,375,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 79,128,056</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.

<sup>a</sup> 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.

Exhibit J-13

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

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

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt Limit	\$ 275,929,859	\$ 265,007,516	\$ 257,201,826	\$ 253,650,778	\$ 253,032,514
Total Net Debt Applicable to Limit	20,700,000	19,305,000	17,850,000	16,375,000	14,850,000
Legal Debt Margin	<u>\$ 255,229,859</u>	<u>\$ 245,702,516</u>	<u>\$ 239,351,826</u>	<u>\$ 237,275,778</u>	<u>\$ 238,182,514</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	7.50%	7.28%	6.94%	6.46%	5.87%

Legal Debt Margin Calculation for Fiscal Year 2016

Year Ended December 31,	Chester Borough	Chester Township	Mendham Borough	Mendham Township	Washington Township	Equalized Valuation Basis
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
2015	416,491,810	1,893,837,691	1,367,341,547	1,942,328,708	2,842,650,111	8,462,649,867
	<u>\$ 1,263,727,458</u>	<u>\$ 5,658,747,819</u>	<u>\$ 4,121,303,322</u>	<u>\$ 5,806,746,191</u>	<u>\$ 8,452,726,560</u>	<u>\$ 25,303,251,350</u>
						<u>\$ 8,434,417,117</u>
						Debt Limit <sup>a</sup> (3% of Average Equalization Value) \$ 253,032,514
						Net Bonded School Debt <u>14,850,000</u>
						Legal Debt Margin <u>\$ 238,182,514</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 <sup>a</sup>	Morris County Per Capita Personal Income <sup>b</sup>	Borough Personal Income <sup>c</sup>	Borough Unemployment Rate <sup>d</sup>
2006	1,625	\$ 68,495	\$ 111,304,375	4.20%
2007	1,615	72,211	116,620,765	3.80%
2008	1,650	74,636	123,149,400	5.10%
2009	1,657	70,516	116,845,012	8.60%
2010	1,650	72,780	120,087,000	8.70%
2011	1,663	76,194	126,710,622	8.40%
2012	1,666	78,693	131,102,538	8.80%
2013	1,672	79,094	132,245,168	6.50%
2014	1,675	82,810	138,706,750	3.80%
2015	1,675	82,810 *	138,706,750	3.70%

**Chester Township**

Year	Township Population <sup>a</sup>	Morris County Per Capita Personal Income <sup>b</sup>	Township Personal Income <sup>c</sup>	Township Unemployment Rate <sup>d</sup>
2006	7,680	\$ 68,495	\$ 526,041,600	2.30%
2007	7,657	72,211	552,919,627	2.10%
2008	7,675	74,636	572,831,300	2.80%
2009	7,686	70,516	541,985,976	4.90%
2010	7,875	72,780	573,142,500	4.90%
2011	7,924	76,194	603,761,256	4.80%
2012	7,941	78,693	624,901,113	5.00%
2013	7,962	79,094	629,746,428	5.80%
2014	7,959	82,810	659,084,790	4.40%
2015	7,963	82,810 *	659,416,030	3.70%

Exhibit J-14

2 of 3

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

**Mendham Borough**

Year	Borough Population <sup>a</sup>	Morris County Per Capita Personal Income <sup>b</sup>	Borough Personal Income <sup>c</sup>	Borough Unemployment Rate <sup>d</sup>
2006	5,079	\$ 68,495	\$ 347,886,105	1.50%
2007	5,031	72,211	363,293,541	1.40%
2008	5,054	74,636	377,210,344	1.80%
2009	5,058	70,516	356,669,928	3.20%
2010	4,987	72,780	362,953,860	3.30%
2011	5,011	76,194	381,808,134	3.10%
2012	5,022	78,693	395,196,246	3.30%
2013	5,020	79,094	397,051,880	6.70%
2014	5,011	82,810	414,960,910	4.70%
2015	5,001	82,810 *	414,132,810	3.70%

**Mendham Township**

Year	Township Population <sup>a</sup>	Morris County Per Capita Personal Income <sup>b</sup>	Township Personal Income <sup>c</sup>	Township Unemployment Rate <sup>d</sup>
2006	5,471	\$ 68,495	\$ 374,736,145	1.00%
2007	5,473	72,211	395,210,803	0.90%
2008	5,472	74,636	408,408,192	1.20%
2009	5,486	70,516	386,850,776	2.10%
2010	5,857	72,780	426,272,460	2.10%
2011	5,878	76,194	447,868,332	2.00%
2012	5,889	78,693	463,423,077	2.10%
2013	5,884	79,094	465,389,096	2.00%
2014	5,876	82,810	486,591,560	4.00%
2015	5,873	82,810 *	486,343,130	3.30%

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

Washington Township

Year	Township Population <sup>a</sup>	Morris County Per Capita Personal Income <sup>b</sup>	Township Personal Income <sup>c</sup>	Township Unemployment Rate <sup>d</sup>
2006	18,296	\$ 68,495	\$ 1,253,184,520	3.20%
2007	18,279	72,211	1,319,944,869	2.90%
2008	18,303	74,636	1,366,062,708	3.90%
2009	18,336	70,516	1,292,981,376	6.60%
2010	18,559	72,780	1,350,724,020	6.70%
2011	18,657	76,194	1,421,551,458	6.50%
2012	18,735	78,693	1,474,313,355	6.70%
2013	18,743	79,094	1,482,458,842	5.00%
2014	18,734	82,810	1,551,362,540	4.60%
2015	18,752	82,810 *	1,552,853,120	4.30%

\* - Latest Morris County per capita personal income available (2014) 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	2015		Employer	2006	
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment
U.S. Army Armament Research and Development	6,000	2.38%	Atlantic Health Systems	5,900	2.24%
Atlantic Health Systems	5,171	2.05%	Novartis Corporation	5,000	1.90%
Novartis Pharmaceuticals Corporation	4,622	1.83%	U.S. Army Armament Research and Development	3,412	1.30%
Bayer Healthcare, LLC	2,800	1.11%	Lucent Technologies	2,300	0.87%
County of Morris	1,757	0.70%	St. Clare's Health Services	2,250	0.85%
Wyndham Worldwide Corporation	1,626	0.64%	County of Morris	2,228	0.85%
Accenture	1,561	0.62%	United Parcel Service	2,131	0.81%
Saint Clare's Health System	1,504	0.60%	Automated Data Processing	1,986	0.75%
BASF Corporation	1,500	0.59%	AT&T	1,500	0.57%
PriceWaterhouse Coopers	1,360	0.54%	Greystone Psychiatric Center	1,300	0.49%
	<u>27,901</u>	<u>11.07%</u>		<u>28,007</u>	<u>10.64%</u>
Total Employment *	<u>252,145</u>			<u>263,196</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>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>	<u>2016</u>
Instruction:										
Regular	185.00	187.00	186.00	180.00	179.60	181.00	176.80	177.20	179.60	174.40
Special Education	55.60	58.60	40.80	37.40	40.00	40.00	43.00	40.40	39.40	41.20
Support Services:										
Student & Instruction-Related Services	40.80	41.20	58.00	57.00	56.90	55.50	53.00	49.00	48.00	46.00
General Administration	3.00	3.00	3.00	3.00	3.00	3.00	5.00	8.00	8.00	8.00
School Administration	16.60	16.60	16.60	15.60	14.60	14.60	16.50	20.50	20.50	21.30
Central Services	5.00	5.50	5.50	5.60	4.10	4.00	4.00	4.00	5.80	5.60
Administrative Information										
Technology	3.80	3.80	3.80	3.50	4.00	4.00	4.00	5.60	5.00	5.00
Plant Operations/Maintenance	30.00	31.00	34.00	31.00	31.00	31.00	31.00	30.00	30.00	30.10
Student Transportation	4.00	4.00	4.00	4.00	4.00	4.00	4.00	2.80	2.80	2.80
Total	<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>	<u>334.40</u>

Source: West Morris Regional High School District records.

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

Year	Enrollment	Operating Expenditures <sup>a</sup>	Costs per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio Senior High School	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
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%
2016	2,663	52,351,934	19,659	6.01%	236	11.3:1	2,598	2,477	-2.29%	95.34%

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

<sup>a</sup> Operating expenditures equal total expenditures less debt service and capital outlay.

<sup>b</sup> Teaching staff includes only full-time equivalents of certificated staff.

<sup>c</sup> Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

<sup>d</sup> 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>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>	<u>2016</u>
West Morris Central High School (1958, 2008)										
Square Feet	147,994	212,605	212,605	212,605	212,605	212,605	212,605	212,605	212,605	212,605
Capacity (Students)	1,079	1,079	1,455	1,455	1,455	1,455	1,455	1,455	1,455	1,455
Enrollment	1,300	1,364	1,380	1,389	1,412	1,370	1,340	1,318	1,315	1,304
West Morris Mendham High School (1970, 2008)										
Square Feet	153,215	198,553	198,553	198,553	198,553	198,553	198,553	198,553	198,553	198,553
Capacity (Students)	1,073	1,073	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308
Enrollment	1,208	1,253	1,274	1,297	1,324	1,366	1,426	1,417	1,407	1,359
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, 2016:

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

Fiscal Year Ended June 30	Central High School	Mendham High School	Total School Facilities*
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
2016	104,388	115,870	220,258

\* - 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 DISTRICTINSURANCE SCHEDULEJUNE 30, 2016UNAUDITED

<u>Type of Policy</u>	<u>Insurance Company</u>	<u>Policy Limits</u>	<u>Deductible</u>
<b>PROPERTY:</b>	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
<b>BOILER &amp; MACHINERY:</b>	Zurich Insurance Company		
Property Damage (Blanket)		50,000,000	5,000
<b>GENERAL LIABILITY:</b>	Zurich Insurance Company		
General Aggregate		2,000,000	
Each Occurrence		1,000,000	
<b>COMMERCIAL AUTOMOBILE LIABILITY:</b>	Zurich Insurance Company		
20 Vehicles Combined Single Limit		1,000,000	
Comprehensive			1,000
Collision			1,000
<b>COMMERCIAL UMBRELLA</b>	Zurich Insurance Company	10,000,000	10,000
<b>EXCESS COMMERCIAL UMBRELLA</b>	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, 2016  
UNAUDITED

Type of Policy	Insurance Company	Policy Limits	Deductible
CYBER & TECHNOLOGY LIABILITY	XL Group Insurance		
1st Party Coverage		\$ 1,000,000	\$ 15,000
3rd Party Coverage		2,000,000	
Group Aggregate		4,000,000	
WORKERS' COMPENSATION:	Morris Essex Insurance Group		
Limit of Indemnity Per Occurrence:			
(1) Part-One Workers' Compensation		Statutory	
(2) Part-Two - Employer's Liability		5,000,000	
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	15,000
INDIVIDUAL SURETY BONDS:			
Business Administrator/Board Secretary	Selective Insurance Company	500,000	
Treasurer	Selective Insurance Company	300,000	
ATHLETIC ACCIDENT:			
Student Accident Athletics	Arch/US Fire Insurance Company	5,000,000	
Disability Plan - All Athletes	Arch/US Fire Insurance Company	1,000,000	

SINGLE AUDIT SECTION



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

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

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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 30, 2016.

**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.

September 30, 2016  
Mount Arlington, New Jersey

*Nisivoccia, LLP*

NISIVOCCIA, LLP

*Kathryn L. Mantell*

---

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



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

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

Report on Compliance For Each Major State Program;  
Report on Internal Control Over Compliance

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 State Program**

We have audited the Board of Education of the West Morris Regional High School District's (the "District's") compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2016. The District's major 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 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 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 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 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 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 state programs for the fiscal year ended June 30, 2016.

**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 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 state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB 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 the Uniform Guidance or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

*Nisivoccia, LLP*

September 30, 2016  
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, 2016

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, 2015	Cash Received	Budgetary Expenditures	Prior Year Encum- brances Canceled	June 30, 2016
			From	To		Unearned Revenue/ (Accounts Receivable)				Unearned Revenue/ (Accounts Receivable)
US Department of Education:										
Passed-through State Department of Education:										
Special Revenue Fund:										
No Child Left Behind Consolidated										
Formula Subgrant:										
Title II - Parts A and D	84.367	NCLB-5660-16	7/1/15	6/30/16	\$ 27,605		\$ 16,563	\$ (16,469)		\$ 94
Title II - Parts A and D	84.367	NCLB-5660-15	7/1/14	6/30/15	27,359	\$ (873)	873			
Title II - Parts A and D	84.367	NCLB-5660-14	7/1/13	6/30/14	31,981	1,106		(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)		
Special Education Cluster:										
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5660-16	7/1/15	6/30/16	578,267		443,408	(563,512)		(120,104)
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5660-15	7/1/14	6/30/15	528,903	(120,537)	119,265		\$ 1,272	
Total Special Education Cluster						(120,537)	562,673	(563,512)	1,272	(120,104)
Total U.S. Department of Education						(119,910)	580,109	(581,481)	1,272	(120,010)
Total Special Revenue Fund						(119,910)	580,109	(581,481)		(120,010)
TOTAL FEDERAL AWARDS						\$ (119,910)	\$ 580,109	\$ (581,481)	\$ 1,272	\$ (120,010)

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 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
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)	6,197,784	(6,250,067)	(494,120)	(920,837)	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, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program/ Award Amount	June 30, 2015		Cash Received	Budgetary Expenditures	Repayment of Balances	June 30, 2016			MEMO		
		From	To		Budgetary Unearned Revenue/ (Accounts Receivable)	Due to Grantor				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	6/30/17	\$ 456,365	\$ (456,365)									\$ (456,365)	
WM Mendham - HVAC	5660-030-14-1003	3/31/14	6/30/17	358,721	(358,721)									(358,721)	
WM Central - Potable Water	5660-030-14-1001	3/31/14	6/30/17	248,387	(248,387)						\$ (155,800)			(248,387)	\$ 155,800
Total Capital Projects Fund					(1,063,473)						(155,800)			(1,063,473)	155,800
<b>TOTAL STATE AWARDS</b>					<u>\$ (1,983,392)</u>	<u>\$ 784</u>	<u>\$ 6,451,005</u>	<u>\$ (6,544,759)</u>	<u>\$ (784)</u>	<u>\$ (744,842)</u>	<u>\$ 918</u>	<u>\$ 345</u>	<u>\$ (2,078,409)</u>	<u>\$ 6,700,559</u>	

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, 2016

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, 2016. The information in these schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. INDIRECT COST RATE

The District has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. 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, 2016  
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

The net adjustment to reconcile revenue from the budgetary basis to the GAAP basis is \$823 for the General Fund and \$(25,683) for the Special Revenue Fund. 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 \$1,973,205 and \$1,657,148, respectively. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 10,093,699	\$10,093,699
Special Revenue Fund	\$ 555,798	82,236	638,034
Total Financial Awards	<u>\$ 555,798</u>	<u>\$10,175,935</u>	<u>\$10,731,733</u>

NOTE 5. 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 6. 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, 2016.

NOTE 7. 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, 2016, \$155,800 has been expended and submitted for reimbursement and \$-0- has been 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, 2016

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 state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District was not subject to the single audit provisions of the Uniform Guidance for fiscal year end June 30, 2016 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Circular.
- The District's state programs tested as major programs for the current fiscal year were the following:

	<u>State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Special Education				
Categorical Aid	16-495-034-5120-089	7/1/15-6/30/16	\$ 1,742,285	\$ 1,742,285
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	214,099	214,099
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	324,799	324,799
Adjustment Aid	16-495-034-5120-085	7/1/15-6/30/16	733,641	733,641
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	28,030	28,030
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	28,030	28,030

- The threshold used for distinguishing between Type A and Type B state programs was \$750,000.
- The single audit threshold identified in the Uniform Guidance and New Jersey's OMB Circular 15-08 was \$750,000.
- The District was determined to be a "low-risk" auditee for state programs.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(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:

- Not Applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in the Uniform Guidance and New Jersey's OMB Circular 15-08.



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Status of Prior Fiscal Year Findings:

There were no findings or questioned costs for the prior fiscal year ended June 30, 2015.